



HOLMEN

WE MAKE  
RENEWABLES  
WORK

Annual Report 2025

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## 100% Holmen-produced

This entire annual report is made using Holmen's own products. The cover is printed on **Invercote G**, manufactured at Iggesund Mill. This is a paperboard with high, stable whiteness that delivers excellent colour reproduction properties in print. The insert is printed on **Holmen TRND**, which is manufactured at Hallsta Paper Mill. This is an uncoated, matt magazine paper that offers a wide range of options in terms of bulk, grammage and shade. Holmen TRND and Invercote G are made using fresh fibre from sustainably managed forests.

Holmen Aktiebolag (publ), corporate identity number 556001-3301, hereby submits the annual report for the parent company and the Group for the financial year 2025-01-01–2025-12-31. The annual report comprises the

administration report (pages 2, 6–9, 14–15, 42, 44–59, 93–94, 98–132 and 135) and the financial statements, together with the notes and supplementary information (pages 60–92). The Group's consolidated income statement and balance sheet and the parent company's income statement and balance sheet will be adopted at the Annual General Meeting.

*This is a translation of the Swedish annual report of Holmen Aktiebolag (publ). In the event of inconsistency between the English and the Swedish versions, the Swedish version shall prevail.*

**The cover** is printed on Invercote G 280 gsm. **The insert** is printed on Holmen TRND, 2.0 – 80 gsm. **Layout:** IW Agency. **Production:** Gylling Produktion AB. **Photos:** Christian Ekstrand, Ulla-Carin Ekblom, Tom Kay, Nils Bjuggstam, Kollberg & Karlsson, Jonas Westling, Måns Berg and others. **Print:** Larsson Offsettryck AB.

# HOLMEN GROWS HOUSES

Our efficient forestry, focusing on high growth and biodiversity conservation, creates value for everyone from customers and shareholders to local communities. Based on our large forest holdings, we use forest raw materials in a way that helps phase out the need for fossil-based raw materials. The wood is processed into wood products for sustainable building. We then turn whatever is left over into paperboard of world-leading quality and innovative paper products. In addition, we use the water rushing down the rivers and the wind blowing over the trees to produce renewable energy.

## 2025 IN FIGURES

Net sales

**22 056** SEKm

Cash flow\*

**3 901** SEKm

Operating profit

**3 270** SEKm

No. of employees

**3 435**

*\*Before investments and changes in working capital*

### Total shareholder return Holmen B and OMX Stockholm



# DEAR SHAREHOLDERS

**2025 was a challenging year for the forest industry. Consumers were cautious and construction activity was weak, while competition for forest raw material was high. Thanks to Holmen's integrated business model rooted in the forest, we were still able to deliver good profit as a company, totalling SEK 2 879 million after tax, equivalent to SEK 18.5 per share.**

To give some perspective, our success is based on the fact that almost 100 years ago Sweden switched to rotation forestry, also known as even-aged management or clearcutting, which greatly increased forest growth. At that time, forests were sparse and of poor quality after centuries of selective cutting, where large trees were harvested and less vigorous trees were left behind. The shift to rotation forestry – where the forest goes through cycles of 60–100 years with phases of planting, cleaning, thinning and finally harvesting – led to much better utilisation of the land's productive capabilities. With higher growth, both the economic return and the forest's ability to sequester carbon dioxide increased.

For Holmen and other landowners striving to create long-term value based on the growth capacity of the forest, healthy ecosystems are a must. In Sweden, forestry takes great care of the environment, as evidenced by statistics from independent inventories of key indicators for vital habitats over the last 30 years. International studies show that the conditions for biodiversity have fared well in Sweden, developing much better than in the rest of Europe.

## From the Swedish forest to a whole world

The restructuring of forestry practices has enabled Sweden to build a world-leading forest industry, with Holmen as a key player. Today, the forest industry accounts for almost half of primary industry exports, contributes almost SEK 200 billion to Sweden's trade balance and is an important employer, particularly in more rural areas. But the high growth in the forest has not just benefitted the Swedish economy. Since 1990, more than two billion tonnes of carbon dioxide have been sequestered in forests and wood products, which is almost as much as has been emitted within Sweden's borders over this period. At the same time, raw material totalling almost three billion cubic metres growing stock, solid over bark, has been harvested to make houses, packaging, books and hygiene products, while the residual products have been used for heating, electricity and fuel. Renewable products from the Swedish forest have thus helped companies and consumers around the world to reduce their carbon footprint.

## Focus on competitiveness and self-sufficiency

Worrying developments in the world, from geopolitical tensions to rising protectionism, have put security, self-sufficiency and competitiveness high on the EU's agenda. One of Europe's major challenges is its high dependence on imported energy, which undermines the competitiveness of its industry while hampering

its ability to service the emerging AI industry and realise the climate transition. The bioeconomy is a sector in which Europe holds a strong position globally and it is positive to see the European Commission's new Bioeconomy Strategy emphasising the vital role of forests for Europe. The forest industry in the Nordic region is virtually self-sufficient in energy and there is plenty of potential to develop wind power to support the necessary electrification of Europe.

In troubled times, it is important to be courageous about thinking along new lines. Holmen stands firm even in these times – now the focus is very much on cost control and finding new ways to improve efficiency in anticipation of better times. But standing firm does not mean standing still. In 2025, we launched an all-new paper product for packaging which offers outstandingly low weight and gives customers more packaging for their money without compromising on quality.

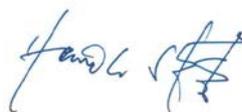
## Holmen is a reliable engine

Holmen's forest and process industry businesses delivered strong results in 2025, while the wood products business was hit by the continued weakness in the construction sector and our electricity production came under price pressure. Our focus on niches in paperboard and paper where fresh fibre comes into its own has worked well, as illustrated by the fact that in 2025 we delivered a return on capital employed of 22 per cent. Looking ahead, we expect the lower prices for fossil-free electricity in northern Sweden to attract electricity-intensive industry to the region. Our wood products business is also well positioned for the eventual upturn in construction, thanks to efficiency improvements and investments in processing capacity.

Over the past three years, we have bought back 5 per cent of our own shares in order to increase forest ownership per share in a cost-effective way, while still providing a good dividend. Our financial position remains strong, with debt at just under 10 per cent of equity, and asset quality is high. For 2025, the Board of Directors proposes that the ordinary dividend be increased from SEK 9 to SEK 9.5 per share, but that no extra dividend be paid.

With our large forest holdings, renewable electricity generation and well-invested production facilities, we are ready to continue developing our business. By making renewables work, we help customers to reduce their carbon footprint, while contributing to increased self-sufficiency and competitiveness in Europe.

Stockholm, 23 February 2026



Henrik Sjölund, President and CEO

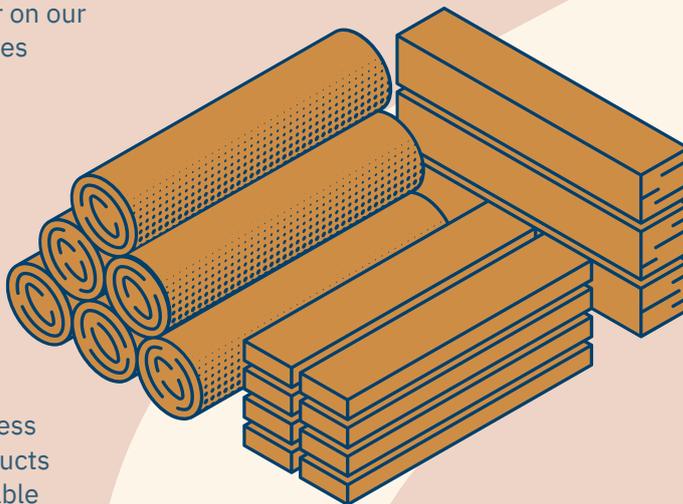


*»The restructuring of forestry practices has enabled Sweden to build a world-leading forest industry, with Holmen as a key player.«*

# GROWING A SUSTAINABLE FUTURE

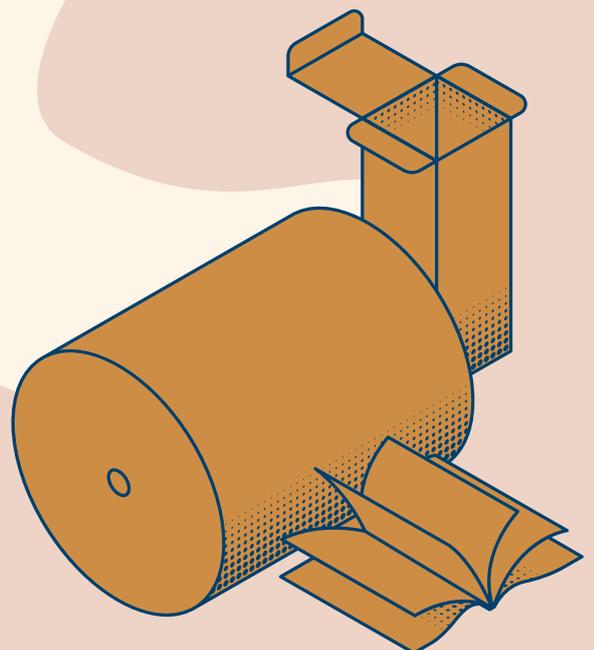
## Our business concept is to own and add value to the forest

Holmen's extensive forest holdings are the foundation of our business. Using our own production facilities, the growing trees are refined into everything from wood for climate-smart building to renewable packaging, magazines and books, while at the same time we generate hydro and wind power on our own land. A business that not only creates value for customers and shareholders, but also contributes to a better climate and thriving rural communities.



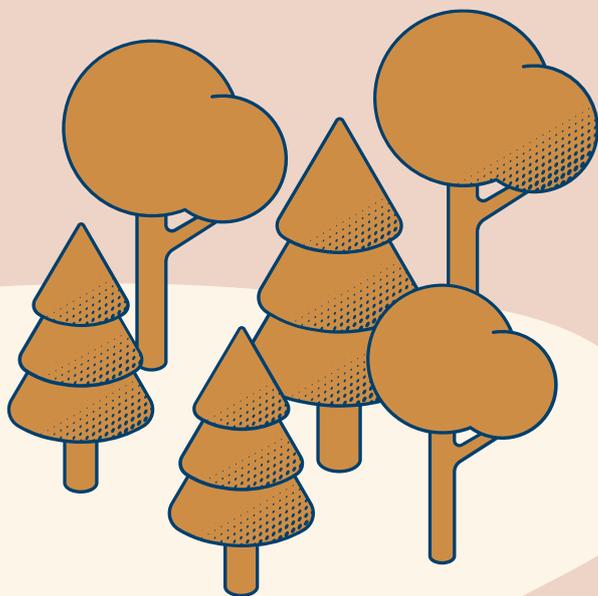
### Wood Products

The wood products business will develop through products and solutions for sustainable building.



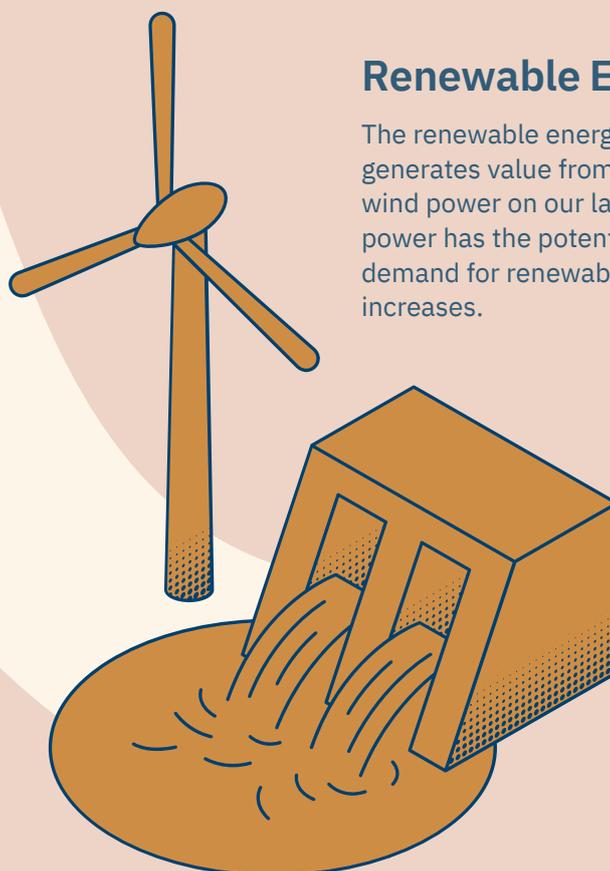
### Board and Paper

The consumer packaging and paper products business will build on its position as market leader and also develop by offering resource-efficient alternatives to traditional products.



## Forest

Forest growth and future harvests will increase through active and sustainable forestry. A strong position in the wood market will enable the development of Holmen's industries.

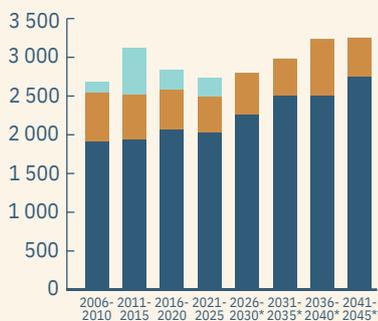


## Renewable Energy

The renewable energy business generates value from hydro and wind power on our land. Wind power has the potential to grow as demand for renewable electricity increases.

# WE CREATE VALUE THAT STANDS THE TEST OF TIME AND CONTRIBUTES TO A BETTER CLIMATE

Annual harvest, '000 m<sup>3</sup>sub/year

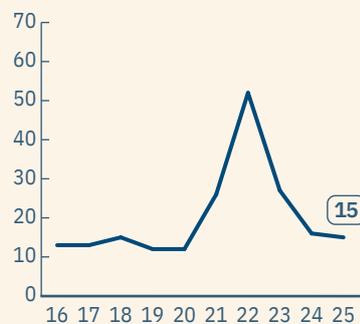


■ Harvesting ■ Thinning  
■ Storms & other events  
*\*Forecast*

## Forest

The forest is sustainably managed to provide a good annual return and stable value growth. Growth and harvests will increase over time. In 2025, volumes amounted to 2.7 million m<sup>3</sup>sub, which is slightly lower than the current harvesting plan. The value of the Group's forest assets has increased by almost 40 per cent since 2019 to SEK 57 billion.

Industry's return on capital employed, %\*

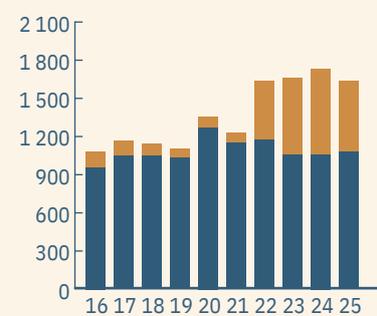


*\*Excl. items affecting comparability*

## Industry

The industrial operations are run with a focus on long-term profitability. The target is for a sustained return of over 10 per cent on capital employed. Over the past decade, the return for the industrial side of the business has averaged out at 20 per cent, and in 2025 the figure was 15 per cent, driven by good profitability in the paperboard and paper business.

Deliveries of hydro and wind power, GWh



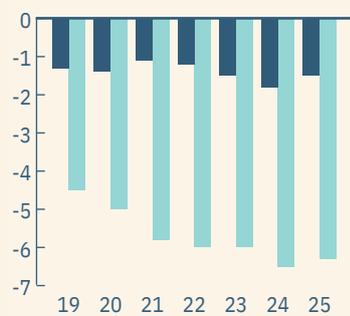
■ Hydro power ■ Wind power

## Renewable energy

Deliveries of renewable energy will increase by complementing our existing hydro power with wind power on our own land. After the completion of Blisterliden Wind Farm, Holmen delivers 2.2 TWh of renewable hydro and wind power in a normal year.



**Climate benefit, million tonnes CO<sub>2</sub>e**

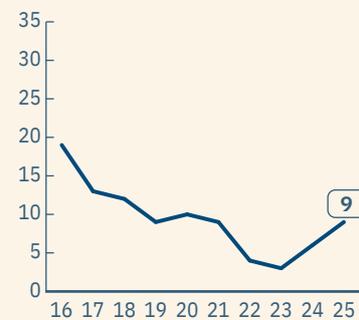


■ Net uptake (own emissions and storage)  
■ Potential avoided emissions

## Climate benefit

The climate benefit increases when we contribute to negative emissions by capturing CO<sub>2</sub> in our forests and storing it in products, while reducing our fossil fuel emissions in the value chain. The products sold can help to reduce the use of fossil raw materials, which adds further to the climate benefit. In 2025, we contributed to the net uptake of 1.5 million tonnes of CO<sub>2</sub>. The potential avoided emissions amounted to 6.3 million tonnes of CO<sub>2</sub>e.

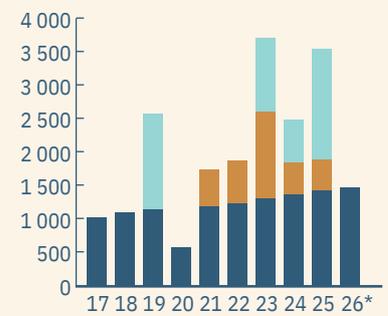
**Net debt as % of equity**



## Capital structure

Our financial position must be strong and ensure room for manoeuvre when making long-term commercial decisions. Net financial debt will not exceed 25 per cent of equity. Net financial debt in relation to equity has consistently been below 10 per cent since 2019, and amounted to 9 per cent in 2025. Good cash flow has allowed for a higher dividend and share buy-backs, while retaining a strong financial position.

**Dividend and share buy-back, SEKm**



■ Ordinary dividend paid ■ Share buy-backs  
■ Extra dividend paid

\*Board proposal

## Dividend

Holmen will generate a good annual dividend for shareholders. The level is determined by the Group's profitability, investment plans and financial situation. The dividend is supplemented with share buy-backs where this is judged to create long-term value for shareholders. Alongside the gradual increase in the ordinary dividend, extra dividends and share buy-backs have also been carried out. The Board proposes that the 2026 AGM approve a dividend of SEK 9.5 per share.

# WE LET THE FOREST GROW AND GIVE

**Forest land is a fantastic asset. It provides a renewable raw material that can be processed into the products needed for a fossil-free future. And at the same time, hydro and wind power can be produced without any long-term disruption to our forestry.**

Holmen owns just over 3 per cent of Sweden's total land area, split across 4 300 forest properties spread over much of the country. Holding 1.3 million hectares of land makes Holmen well placed to create value over time. More than a million hectares of that land is productive forest land, providing opportunities to grow and harvest forest raw material that fulfils an important resource need, as the world reduces its reliance on fossil raw materials.

## 1 We create value from forest, water and wind on our land

The forest has a key role to play in the climate transition, and demand for both logs and pulpwood is expected to increase. At the same time, global wood supplies are increasingly strained. As one of Sweden's biggest forest owners, we are to a large degree able to supply our Swedish production units with renewable raw material from our own sources, which ensures stability for our industrial operations.

The amount of wood in our forests in 2025 was 128 million cubic metres growing stock, solid over bark, which is 16 per cent higher than 25 years ago. This growth is the result of active, sustainable forestry management. We breed and raise our own seedlings to reforest all the harvested areas, and because the annual growth has long outpaced harvests, we have built up a large volume of standing timber. There is thus potential to increase the harvest in the future. In addition to harvesting the forest on our own land, we also purchase wood from private forest owners and other Swedish forest companies. The amount of wood we process at our facilities is thus around twice the amount harvested from our forests.

Owning forest land also gives us the opportunity to develop wind power. As a major landowner, we are in a position to identify and develop areas with good wind conditions. With Blisterliden Wind Farm in full operation since the turn of 2025/2026, our total deliveries of hydro and wind power amount to 2.2 TWh in a normal year. Our 21 wholly or partially owned hydropower plants also contribute to a stable electricity supply in Sweden.

The availability of cheap fossil-free electricity makes northern Sweden attractive for the establishment of data centres and electricity-intensive industries. Parts

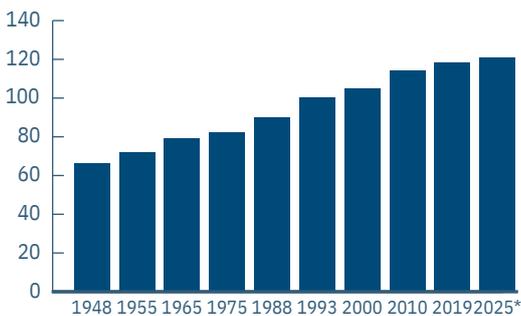
of our land holdings that are close to urban areas also offer potential for industrial and residential development. Quarrying rock and gravel, for purposes such as road construction, is another opportunity from our land.

## 2 Resource efficiency steers our value creation from seed to building

Processing the forest raw material creates multiple revenue streams for us. Greatest value added is the key criterion when deciding what to make out of the different parts of the tree, including the residual products, which are used in other processes. The thicker logs from which we produce wood products pay best. Holmen uses the narrower part of the tree and wood from thinning, along with residual wood chips from the sawmills, to manufacture paperboard and paper. Residual products such as wood shavings, bark, tops and branches are turned into bioenergy in our mills – and what we don't use ourselves is sold for the production of heat and electricity. Nothing goes to waste.

Two of our sawmills, Braviken and Iggesund, form resource-efficient units with their neighbouring paper and paperboard mills. The whole tree is utilised on site in a cycle: chips from the sawmills become raw material for pulp production while residual products are used as biofuel.

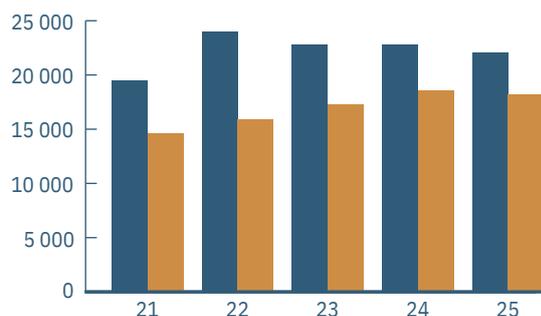
Volume of standing timber per hectare of productive forest land, m<sup>3</sup> growing stock, solid over bark



■ Inventoried volume

\*Estimate

Net sales and operating costs, SEKm



■ Net sales ■ Operating costs

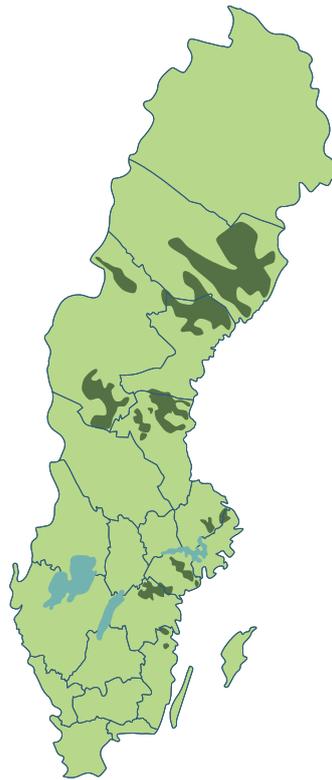
When steam from the mills is then used to dry the wood products in the sawmills, the circle is closed.

Resource efficiency is at the heart of our production planning. Over the years, we have effectively reduced the use of chemicals and other inputs by reusing them in our processes. At our paper mills, electricity consumption is optimised by steering production towards times when electricity is in good supply, so reducing our costs and balancing the electricity system.

### 3 High return on capital employed through tactical decisions

Holmen has a strong balance sheet with low debt. The Group has a history of disciplined use of capital and targeted investments that develop the business, while keeping our assets in good condition. Some in the forest industry have reacted to new trends with major industrial investments, but Holmen has chosen to go against the flow and instead focus on refining processes in the areas we are best at.

Over the past ten years, the average return on capital employed in Holmen's industrial operations has been 20 per cent. With a stable cash flow, Holmen has been able to maintain a high annual dividend level while buying back shares to create shareholder value and optimise the Group's capital structure.



Holmen owns 1.3 million hectares of forest and land in Sweden, equivalent to almost two million football pitches.

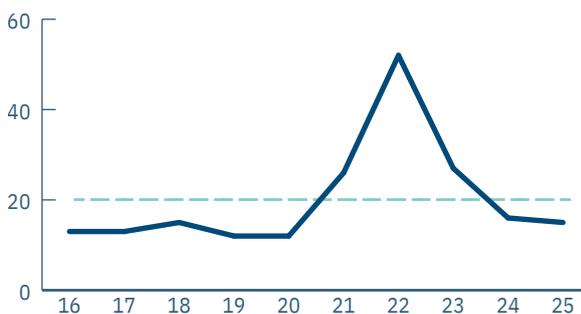
### 4 Our strategy supports the global goal to reduce fossil fuel emissions

The transition to a fossil-free society demands more renewable material, which means that the earth's surface needs to be managed more efficiently and to a greater extent. To make the transition, more carbon atoms need to stay in the ground. Forest-based products have a clear role to play in reducing dependence on fossil raw materials, as the European Commission has clearly emphasised in its new Bioeconomy Strategy.

Our world is largely driven by the EU's goal to reduce fossil fuel emissions, but also by the need to protect biodiversity. The Swedish National Forest Inventory's audits of Holmen's land show that habitats crucial to forest-dwelling species are increasing and have been on a positive trajectory for the past 30 years. International studies also indicate favourable conditions for biodiversity in Sweden.

With good access to water, clean air, a largely fossil-free electricity mix and thriving forests, Sweden has good conditions for industrial production of renewable products. Direct fossil emissions from Holmen's industries have also fallen by almost 90 per cent since 2005. By combining forestry with electricity production on our lands, we help make renewables work.

#### Industry's return on capital employed, %



■ Industry's return on capital employed\* ■ Average

\*Excl. items affecting comparability

#### Total shareholder return Holmen B and OMX Stockholm



■ Holmen B ■ Stockholm Stock Exchange (OMXSGI)

# WE MAKE RENEWABLES WORK

## Competition for different forest values leads to stable value growth

The many values of the forest, from raw material production to carbon storage and ecosystem conservation, make it a sought-after resource. Swedish forest land has long been recognised as a valuable resource and forest property prices have been rising since the early 2000s. A global timber shortage and Russia's invasion of Ukraine have led to increased competition for wood in Europe, which has pushed up the price of wood raw material in recent years. However, this increase in wood prices has not been reflected in forest property prices.

The debate on the role of forests in the climate transition has intensified recently, with a vocal environmental movement calling for more forest to be left untouched. Nevertheless, the EU's Bioeconomy Strategy confirms that forest raw material has a key role to play in meeting its climate goals. The European Commission is also working on developing a market for carbon credits that could incentivise forest growth and put an economic value on long-term carbon storage in buildings.

Price of forest properties and wood

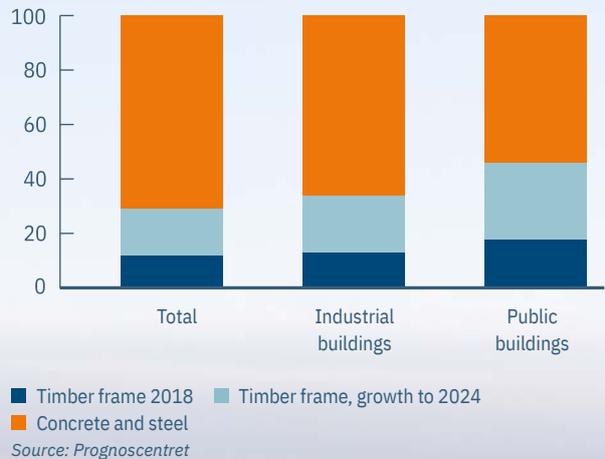


## Wood more attractive as climate focus in construction increases

Building with wood has several advantages for the construction industry, as it increasingly focuses on climate considerations. The manufacture of wood products is energy-efficient and the carbon dioxide absorbed by the growing trees continues to be stored in the buildings for a long time. Despite the downturn in the construction industry in recent years, the future for wood construction looks bright in Sweden as interest steadily grows. According to a study by Prognoscentret, the share of timber frames in new-builds grew from 12 per cent to 29 per cent in Sweden over the period 2018–2024, measured in square metres. Growth is even higher in industrial buildings, with 34 per cent featuring timber frames, and in public buildings, such as schools and healthcare facilities, where timber frames have a 46 per cent market share.

The property sector's environmental focus is expected to continue to increase, driving up demand for wood construction. There is a broad political consensus that wood construction is good for the climate. The EU has unveiled several initiatives aimed at promoting the use of wood and other renewable building materials.

Use of timber frames is increasing in Sweden, %



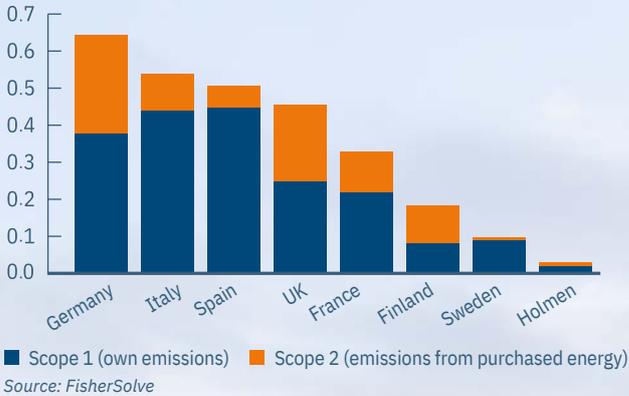
The best thing we can do for the climate is to help more customers to replace fossil sources with renewables. It is here too that Holmen’s contribution to the green transition becomes most tangible – when our products reduce the need for fossil products and raw materials. In this way, coal, oil, and gas can remain in the ground.

## Lightweight fibre-based packaging more cost-effective

Packaging is fundamental to the distribution of goods and food in modern society, and the amount of packaging circulating in society has long been on the rise. Global growth is being fuelled by an expanding middle class and higher consumption through online shopping and home delivery. Packaging based on paper-board and paper is made from renewable raw material and can be recycled several times to replace more resource-intensive packaging materials. Fibre-based packaging is more environmentally friendly than, for example, plastic and glass, but within the segment there is a wide variation in quality, cost and environmental impact. Customers tend to prioritise the option that most cost-effectively meets the quality requirements.

In 2025, Holmen launched an all-new paper product for packaging which offers outstandingly low weight, giving customers more packaging for their money without compromising on quality. The product has the lowest carbon footprint in the market and is approved for direct contact with food.

CO<sub>2</sub> footprint of producers, tonnes CO<sub>2</sub>e/tonne product

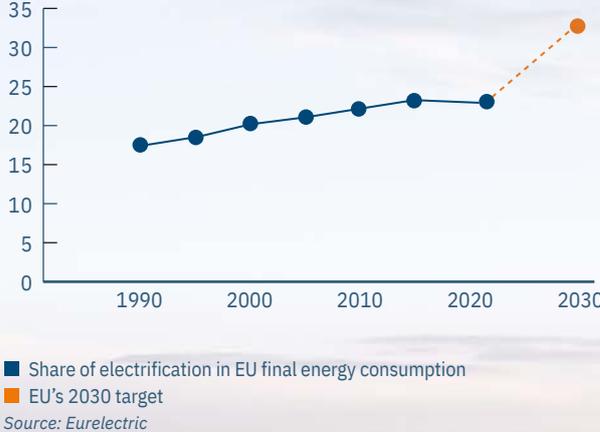


## Potential for more renewables as the EU steps up electrification

Increasing electrification is essential for reducing fossil fuel emissions. Greater electrification also reduces the need to spend money on fossil fuel imports, which improves energy security. In the EU, electrification has stagnated at around 22–23 per cent of final energy consumption over the last decade. This is way off the EU’s target for electricity to account for 32 per cent of final energy consumption by 2030, a target set out in the Clean Industrial Deal. The European Commission is working to turn the tide by removing barriers and supporting the expansion of energy infrastructure.

With good access to cheap renewable electricity, northern Sweden is a potential location for the establishment of electricity-intensive industries. As electrification gains momentum, Holmen has good opportunities to increase renewable electricity production by scaling up our wind power capacity. On our land holdings, 160 areas have been assessed as suitable for the establishment of wind power and we have around 20 projects in various phases of development, from in-depth analysis to licence application. At the same time, controllable hydro power acts as a battery to ensure a stable electricity supply.

The EU needs to step up the pace of electrification, %



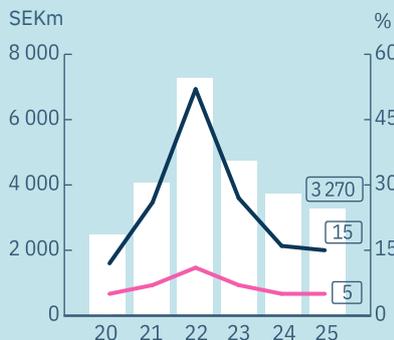
# PROFITS HOLD UP IN 2025

## Net sales and operating margin



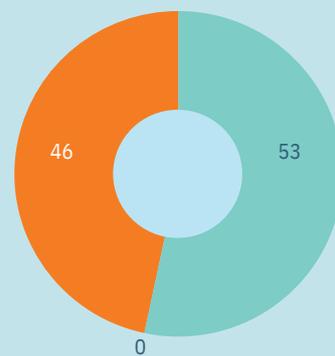
■ Net sales  
 ■ Operating margin\*  
 \*Excl. items affecting comparability

## Operating profit/loss and return



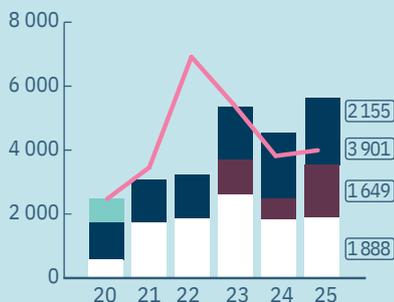
■ Operating profit\*  
 ■ Industry's return on capital employed\*  
 ■ Return on equity  
 \*Excl. items affecting comparability

## Operating profit/loss\* Business area, %



Total: 3 270 SEKm  
 Forest 1 948 SEKm  
 Renewable Energy 18 SEKm  
 Wood Products -182 SEKm  
 Board and Paper 1 697 SEKm  
 \*Excl. Group-wide and Wood Products

## Cash flow, SEKm

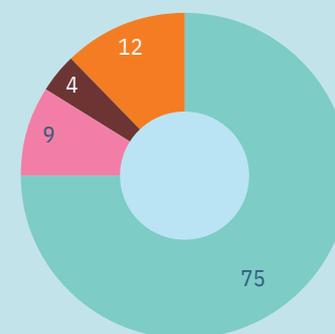


■ Dividend ■ Share buy-back  
 ■ Investments ■ Acquisitions  
 ■ Cash flow before investments and changes in working capital

## Net debt as % of equity



## Operating capital\* Business area, %



Forest  
 Renewable Energy  
 Wood Products  
 Board and Paper  
 \*Excl. Group-wide

The year began with optimism about economic growth, which turned into uncertainty due to the introduction of tariffs and geopolitical unrest slowing down consumption and construction. The operating profit for the year, of SEK 3 270 million, is relatively good given market conditions.

Business area	Comments	Outlook
<b>Forest</b>	Competition in the wood market was strong and prices increased further in 2025. Earnings were positively affected by the higher selling prices, but negatively affected by a SEK 160 million impairment loss on felling rights inventory linked to purchases for the sawmill business. Operating profit was broadly unchanged at SEK 1 948 million. The value of Holmen's forest properties is recognised based on transaction prices and amounted to SEK 57 billion at year end.	Demand for logs remains high even with a weak construction sector. Competition for pulpwood has softened due to low activity in the industry and pulpwood prices have started to fall from their high levels. Our position in the wood market, with good control over raw materials and the entire value chain, ensures the long-term security of our raw material supplies and gives us good opportunities to continue developing our industries.
<b>Renewable Energy</b>	Electricity remains expensive in Europe due to high fossil fuel prices. Nevertheless, the electricity price in northern Sweden was very low in 2025 due to high water flows and limited transmission capacity. The low electricity prices caused a decrease in operating profit to SEK 18 million. In 2025, Renewable Energy's average sales price was 40 per cent higher than the market price in northern Sweden, as it was possible to steer production towards times when the energy was most needed.	With renewable electricity in high demand, we continue to direct hydro power generation towards times of peak usage and offer services to stabilise the electricity grid. The low electricity prices in northern Sweden mean building new wind power capacity is not viable at present. We have several wind power projects in various phases of development that we will be able to take further when market conditions become more favourable.
<b>Wood Products</b>	The wood products market in 2025 was defined by the weakness of the construction sector. Selling prices nevertheless rose, fuelled by significant price rises for logs. The higher selling prices were only partly able to offset rising log costs, and Wood Products suffered an operating loss of SEK -182 million.	There is great interest in building with wood because of its positive carbon footprint, but the construction market is weak. Efficient sawmills and good processing capacity mean that we are well placed for an eventual upturn in construction activity.
<b>Board and Paper</b>	European demand for consumer paperboard in 2025 was in line with the previous year but lower than normal. Demand for paper decreased. Selling prices were largely stable. Despite rising wood costs and two major maintenance shutdowns, Board and Paper delivered an operating profit of SEK 1 697 million thanks to low energy costs.	Consumption of consumer paperboard in Europe remains lower than it has been historically. Demand for paper is structurally declining. The price curve is largely driven by the cost of production for continental producers dependent on recycled fibre and fossil energy. Despite overcapacity in the market, we have an opportunity to develop the business through strong market positions and well-invested production facilities.

Key figures	2025	2024
Net sales, SEKm	<b>22 056</b>	22 759
Operating profit/loss, SEKm	<b>3 270</b>	3 721
Profit for the year, SEKm	<b>2 879</b>	2 861
Diluted earnings per share, SEK	<b>18.5</b>	18.0
Ordinary dividend per share, SEK	<b>9.5*</b>	9.0
Extra dividend per share, SEK	<b>-.*</b>	3.0
Industry's return on capital employed, %	<b>15</b>	16
Cash flow before investments and changes in working capital, SEKm	<b>3 901</b>	3 728
Cash flow from investments, SEKm**	<b>2 115</b>	2 066
Equity, SEKm	<b>55 405</b>	57 370
Net financial debt, SEKm	<b>4 979</b>	3 397
Net debt as % of equity	<b>9</b>	6
Average no. of employees (FTE)	<b>3 435</b>	3 498

Holmen's financial position remains strong, even after dividends, share buy-backs and investments. The Group's net financial debt at year end amounted to SEK 4 979 million, corresponding to 9 per cent of equity. With our strong financial position, we are well equipped for the future.

\*Board proposal.

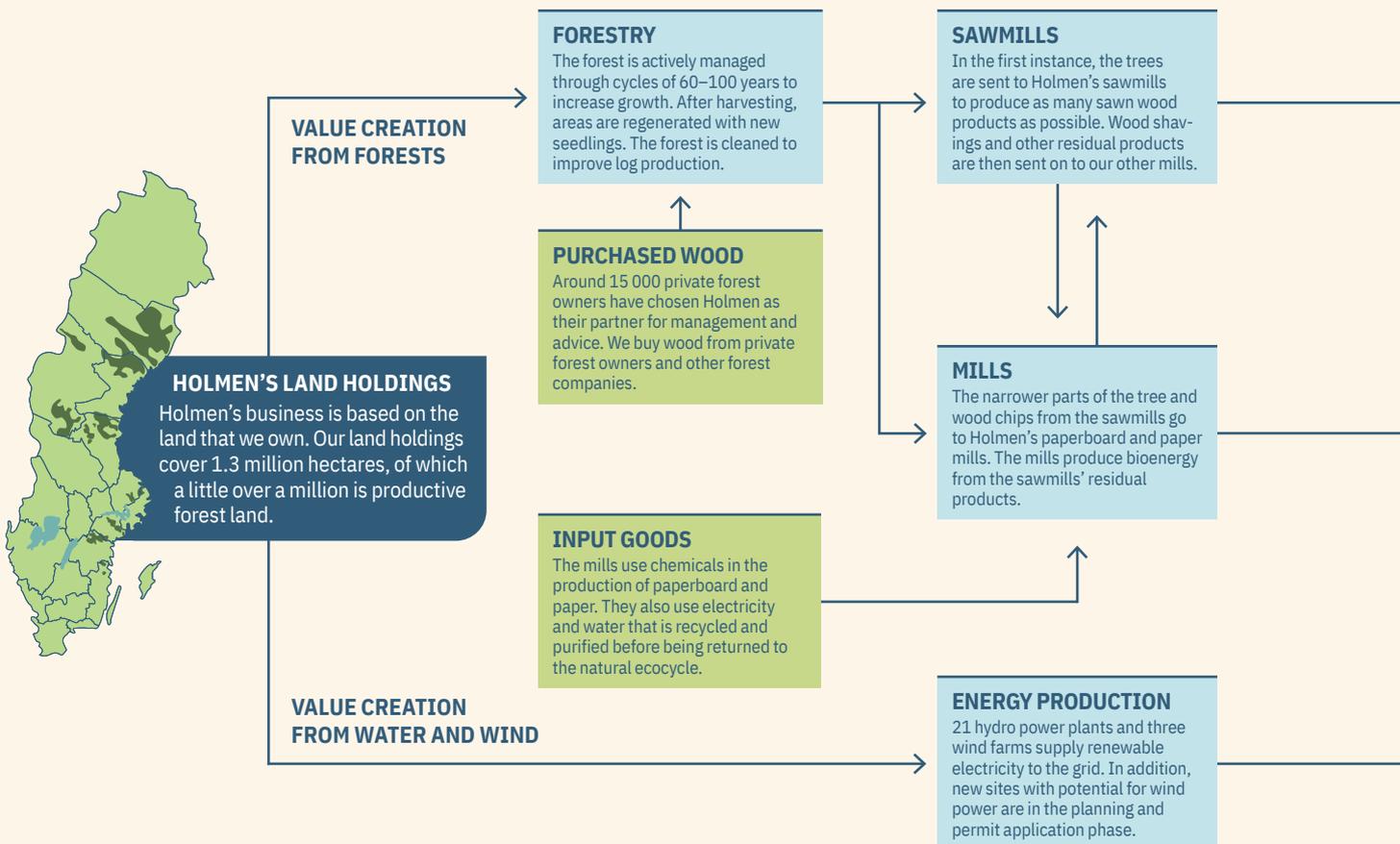
\*\*Net including company acquisitions but excluding changes in non-current financial receivables.

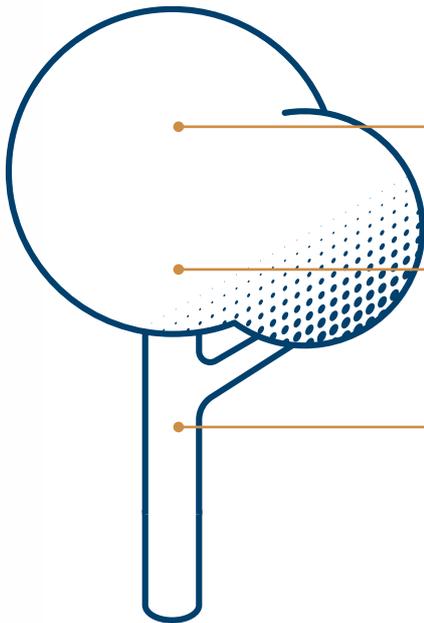
# WE CREATE VALUE FROM OUR LAND THROUGH FOREST AND ENERGY

Forests are managed to maximise wood production while conserving biodiversity. The wood is refined at Holmen’s own industrial facilities and made into products which customers can then refine further and sell on to the end customer. As the lifecycle draws to a close, the products can be recovered and come back to life in a new form, or be put to use as bioenergy. When deciding what to make out of the different parts of the tree, greatest value added is the key criterion, with residual products utilised in other processes. We also use our large land holdings to produce renewable energy from water and wind.

**Place in the value chain:**

Upstream Own operations Downstream





### The harvest

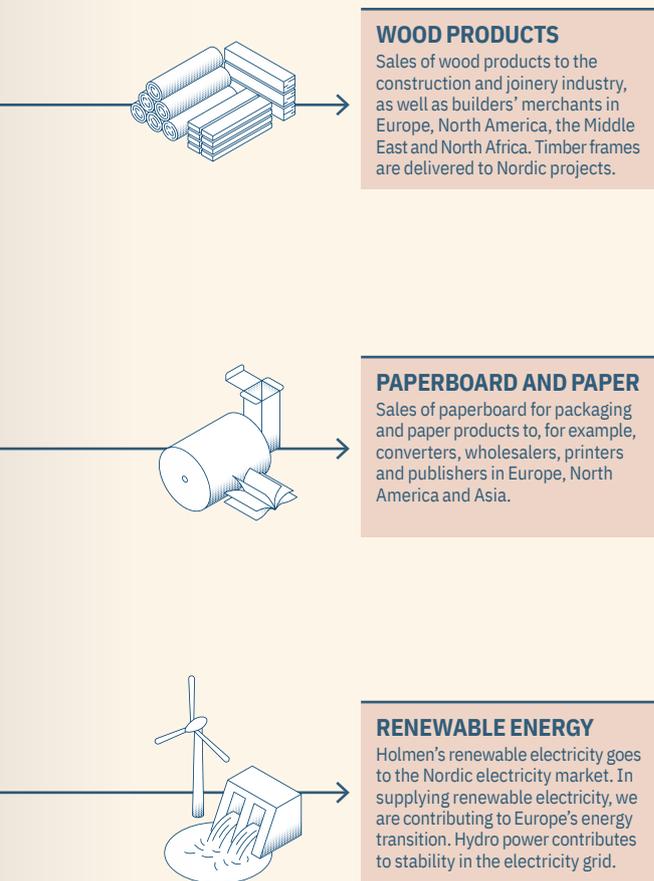
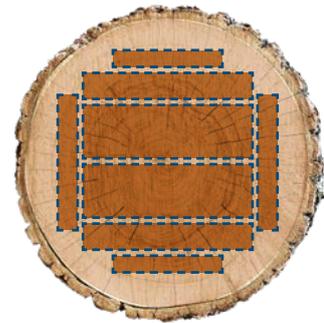
**5%**  
Branches, tops and bark become renewable bioenergy which can be used to produce electricity, heating and biofuels.

**45%**  
The narrower parts of the tree and wood from thinning are ground or digested down into pulp for the production of paper and paperboard.

**50%**  
The large logs, which make up half of the harvest, go to sawmills for the production of construction timber and joinery products. Around half of the logs become wood products. Residual products such as wood chips and shavings are used for the production of pulp and bioenergy.

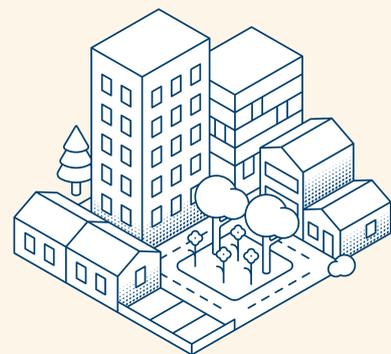
### The tree trunk

- Wood – Planks and boards
- Wood chips – Pulp for paper
- Wood shavings and bark – Bioenergy



### FROM SEED TO FURNISHED AND HEATED HOUSES

Holmen's wood products help to build houses and fit them out with furniture. In many cases, the books on the bookshelf, the magazine in the letterbox and the children's school books can be traced back to Holmen's forestry. The same is true of the packaging for medicines, food and the new electrical gadgets in the home. Alongside this, our renewable energy helps to keep the lights on, while some of the bioenergy produced from the sawmills' residual products goes to keep the house warm.



### RECYCLED PAPER GROWS IN THE FOREST

Forest raw material is both renewable and circular. Paperboard and paper can be recycled several times, but fresh fibre is essential to top up the recycled paper system. Each time paperboard and paper are recycled, the fibre gets a little shorter and weaker, and eventually it becomes exhausted. The recycled paper system therefore needs a constant supply of fresh fibre in order to continue functioning.

## FUTURE-SMART FORESTRY



Holmen's nurseries produced 42 million seedlings in 2025

The forest is a stable source of revenue for Holmen and the strategy is to increase the revenue from and future value of the forest holdings through active and sustainable forestry with high growth. The forest provide the mills with renewable raw material and bind carbon dioxide that can be stored in products.

Holmen's forest strategy seeks to achieve high and profitable growth, while also recognising that conserving biodiversity is fundamental for thriving forests. Holmen's land holdings cover 1.3 million hectares, of which a little over a million is productive forest land. As one of Sweden's largest forest owners, Holmen has a strong position in the wood market. We are to a large degree able to supply our Swedish production units with raw material from our own sources, which enhances our competitiveness and the development of our industries.

### We grow houses

In our forests, we grow houses. By this, we mean that the forest is managed in a way that generates as many logs as possible. As the trees grow, they absorb carbon dioxide, which remains stored in the wood products that are used to build houses and homes. The climate benefit increases even further when renewable forest raw materials replace their fossil-based alternatives. Forests that are not actively managed do not provide the same long-term climate gains. Young trees have the greatest capacity to absorb carbon dioxide, and as trees age, their growth slows. When a tree finally dies and decays, the carbon dioxide returns to the atmosphere. It also removes the option for wood raw material to replace fossil-based products.

When we harvest trees, nothing goes to waste. The logs are used to manufacture wood products. The narrower parts of the tree and wood from thinning, along with residual products from the sawmills in the form of wood chips, are used to manufacture paperboard and paper. The remainder comprises branches, tops, bark and wood shavings, which are used to produce bioenergy.

### From seed to harvest

Holmen takes responsibility for the entire forest ecocycle, from seed to harvest. The forest is ready for harvesting when growth tails off, along with the tree's capacity to absorb and store carbon dioxide. Regeneration takes place after harvesting; for each tree harvested, we plant new seedlings or sow seeds specially adapted to their environment, after the site has been prepared. Clearing and thinning are done to promote growth of the trees that are most likely to develop well. 10–30 years before harvest, the forest can be fertilised to boost growth.

Holmen's two nurseries – one in Gideå and one in Friggessund – produce over 40 million spruce and pine seedlings each year, the majority of which are planted on our own land. Selected seeds and organic fertiliser produce healthy and vigorous seedlings that are given a special coating of wax or sand to protect against insect attack. Holmen is also involved in the development of improved seedlings that will grow better, produce higher quality timber and be more disease resistant.

### Always with the future in mind

With a production cycle of almost a century in the forest, long-termism is more than a buzzword for us. Active forestry depends on forest planning and we regularly inventory all our forest holdings to ensure sustainable harvest levels. The values of our forests are also detailed in local ecological landscape plans, which describe how the forests are to be managed over the long term in order to preserve existing natural values and to create new ones. Holmen invests a little over SEK 200 million a year in future growth through silviculture, nature conservation and applying fertiliser.

Given the major contribution that the forest makes to both the climate and the

Swedish economy, management of the forest is of great national, regional and local significance. It is in our interest and equally in the interest of society for the forest to be managed actively and sustainably, and to make wise use of the forest raw material. Although we have already amassed a great deal of expertise on how to manage forests sustainably, we are convinced that research is necessary to continue developing and refining methods. There are therefore a hundred or so research projects being conducted on Holmen's land, both independently and in partnership with research organisations, universities and other stakeholders.

### Traceable forest raw material

Holmen's forestry operations are certified in accordance with ISO 14001 and our forestry has chain-of-custody certification, which means that all timber can be traced back to its origin. Holmen's production facilities at which wood raw material is used also have chain-of-custody certification. This assures customers that all our products are fully traceable to sustainably managed forests. Our processes and traceability systems are well equipped to meet the upcoming requirements of the EU Deforestation Regulation (EUDR).

Much of the forest raw material that Holmen processes comes from our own forest holdings, but we also buy raw material from private forest owners and other forest companies. In fact, the amount of wood we process at our own mills is about twice as large as the harvest from our forest. Holmen has long had procedures in place for tracking all the wood it buys. Holmen does not buy wood from forests that have high conservation value, are primary forests, have been harvested illegally or originate from genetically modified trees.



## Key figures

	2025	2024
Net sales, SEKm	9 777	9 318
Of which from own forest, SEKm	2 282	1 990
Operating profit/loss, SEKm	1 948	1 947
Investments, SEKm	259	229
Book value, forest assets, SEKm	56 711	57 843
Average no. of employees (FTE)	491	477
Deliveries, own forest, '000 m <sup>3</sup> sub	2 694	2 643

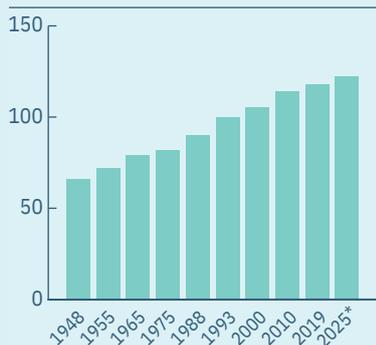
## Operating profit/loss



## Comment on results

Competition in the wood market was strong and prices increased further in 2025. Earnings were positively affected by the higher selling prices, but negatively affected by a SEK 160 million impairment loss on felling rights inventory linked to purchases for the sawmill business. Operating profit was broadly unchanged at SEK 1 948 million. The value of Holmen's forest properties is recognised based on transaction prices and amounted to SEK 57 billion at year end.

## Volume of standing timber, m<sup>3</sup> growing stock, solid over bark per hectare of productive forest land



■ Inventory

\*Estimate

## Holmen's forests 2025

Total land acreage	1 303 000 ha
Total forest land acreage*	1 161 000 ha
– of which nature conservation areas	212 000 ha
Productive forest land**	1 047 000 ha

## Total volume of standing timber on productive forest land

128 million m<sup>3</sup> growing stock, solid over bark

\*Calculated based on Holmen's stand catalogue and data from the National Forest Inventory in line with the international definition of forest land: Land area > 0.5 hectares with a tree canopy cover of more than 10 per cent for trees capable of reaching a height of at least 5 metres at maturity.

\*\*Forest land that can produce 1 m<sup>3</sup> growing stock, solid over bark per hectare and year (on average during the growth period of the forest stand) according to Holmen's stand catalogue.



# EFFICIENT FORESTRY TAILORED TO THE NORDIC FOREST ECOSYSTEM

**Swedish forests have been managed for centuries. Rotation forestry was widely introduced in Sweden in the 1950s, with investments in post-harvest replanting and the development of silviculture practices over time. This has led to higher growth and rising harvests, while allowing us to build up a large volume of standing timber.**

Rotation forestry, also known as even-aged management or clearcutting, is the dominant forestry method in Sweden. This means that forest management goes through cycles of 60–100 years with phases of planting, cleaning, thinning and finally harvesting – followed by planting a new stand.

Under rotation forestry, the oldest age class is harvested and replaced by new forest. Each year, all the remaining age classes move one year closer to harvestable forest. This cyclical structure creates a predictable and continuous supply of wood, with an equal proportion of the forest reaching harvesting age year after year. This makes it possible to maintain stable harvest levels.

The harvest volume has been increasing for a long time, for both Holmen and Sweden as a whole. However, the proportion of forest harvested has remained stable at around one per cent of productive

forest land. This is because forests have become denser and supply more wood per hectare.

### Higher growth, more climate benefit

Both scientific research and practical experience show that rotation forestry can deliver high growth and harvest levels over time. Systematic regeneration makes it possible to maintain a productive forest landscape while preserving ecological values through nature conservation actions. Compared with other forestry practices, rotation forestry generally results in higher growth and thus increased carbon dioxide sequestration and better financial returns. This high growth also creates opportunities for an emerging bioeconomy in which the raw material is used to produce goods.

Since 1990, almost three billion cubic metres growing stock, solid over bark, have been harvested in Sweden, while the volume of standing timber has grown by more than 25 per cent thanks to annual growth outstripping the amount harvested. The harvested trees have created value by being processed into wood products for buildings, paperboard for packaging, paper for books, and so on, while residual products have been used to produce bioenergy.

Renewable forest products are able to reduce reliance on fossil-based raw materials. High growth in the forest also helps

to increase carbon sequestration. Nearly two billion tonnes of carbon dioxide have been stored in growing trees and forest land since 1990. At the same time, storage in wood products has increased by 250 million tonnes of carbon dioxide. This means that since 1990, forests have absorbed roughly as much carbon dioxide as Sweden’s total territorial emissions over the same period.

### The forest used to burn, now it is harvested

Swedish forests are part of the European taiga, a vast forest ecosystem that stretches from the Ural Mountains deep in Russia to the Atlantic coast of Norway. Despite considerable variations in climate, soil conditions and topography, the whole area has more or less the same kind of ecology. In taiga forest, the majority of nutrients are stored in the mineral-rich soil rather than in the living biomass, creating the conditions for repeated forest growth.

Taiga forests are naturally adapted to recurrent disturbances such as storms, fires and insect attacks. These forms of natural disturbance have shaped Nordic forests for thousands of years, and almost all Swedish forests have been affected by fires. Until the end of the 19th century, an estimated 1–2 per cent of Sweden’s forest area burned each year. Modernised forestry and effective firefighting methods have

brought down the proportion of forest that burns each year to less than 0.01 per cent.

Modern rotation forestry mimics many aspects of the natural disturbances that have been an integral feature of our ecosystems. Harvesting followed by site preparation and replanting simulates the transformative effect of fire to which Swedish tree species are adapted.

### Smaller clearcut areas, more nature conservation

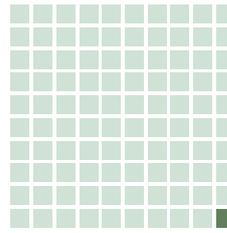
Rotation forestry was widely introduced in Sweden in the 1950s, with the aim of securing a long-term timber supply. At the time, the forests were sparse and poor quality after centuries of selective cutting, with bigger trees removed and smaller trees left behind. Regenerating large areas, as sparse forests were replaced by new seedlings, made better use of the soil's productive capacity, paving the way for a long period of high forest growth.

Biodiversity has received increasing attention since the 1980s. Today's active forestry is therefore a far cry from the clearcutting of the 1950s, when large swathes of forest were regenerated. Now, forests are mapped throughout the rotation period, with plans established to exclude valuable natural habitats from any intervention. Protection areas, buffer zones, seed trees and protection-worthy biotopes are left to preserve habitats, protect watercourses and ensure regeneration. Compared with the 1950s, modern clearcut areas are much smaller and environmental considerations balance production with biodiversity conservation.

### Sweden's forestry leads the way

Sweden is an outlier in Europe since almost 70 per cent of Sweden's surface area is forest, giving us substantial forest holdings. Despite our relatively small size, Sweden is one of the world's largest producers of wood products and fibre products, much of which are exported, and the forest industry employs around 140 000 people nationwide, directly or indirectly. In 2024, the export value of the forest industry totalled SEK 185 billion. The forest industry accounts for 9–12 per cent of Swedish industry's employment, exports, turnover and value added. Well-developed forestry also creates the economic conditions for active environmental management.

As large parts of Europe have been deforested, Sweden's extensive forest landscape has provided space for the conservation of species and their habitats. The Natural History Museum in the UK has a Biodiversity Index based on the world's largest database of human impacts on biodiversity. The index is used to monitor biodiversity trends in different regions. Sweden stands at 95 per cent, which is well above the 90 per cent threshold below which biodiversity in an area should not fall. It is also well above the global average of 77 per cent. The index also shows that conditions for biodiversity have improved in Sweden over the past 50 years.



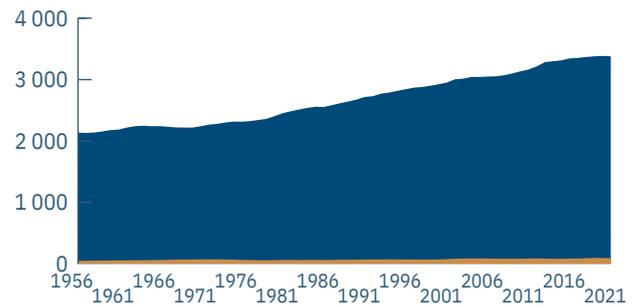
### One per cent of the forest is harvested

In Sweden, an average of 231 000 hectares per year were harvested in the period 2019–2023. This corresponds to just under one per cent of Sweden's total productive forest land. Harvesting is followed by the planting of new forest, which will then be ready for harvest in 60–100 years.

Source: Swedish Forest Agency

### Stable harvests and greater volume of standing timber, million m<sup>3</sup> growing stock, solid over bark

Since 1956, a total of around five billion cubic metres growing stock, solid over bark, has been harvested in Sweden. During that same period, the volume of standing timber has grown by over 57 per cent.



■ Annual harvest  
■ Volume of standing timber, excluding formally protected areas

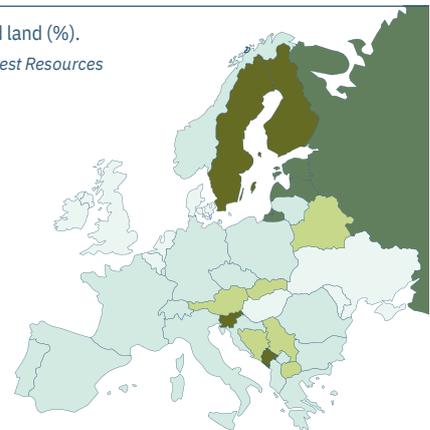
Source: National Forest Inventory, five-year average

### One of Europe's most forested countries

Proportion of forested land (%).

Source: FAO Global Forest Resources Assessment 2025

- >60
- 50–59
- 40–49
- 30–39
- <30

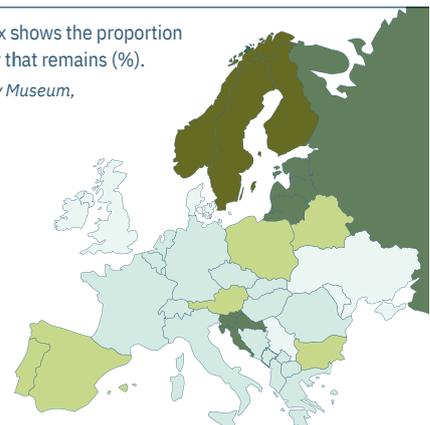


### Good conditions for biodiversity

The Biodiversity Index shows the proportion of natural biodiversity that remains (%).

Source: Natural History Museum, Global Forest Watch

- 90–100
- 80–89
- 70–79
- 60–69
- <60



# BUILDING THE FUTURE IN WOOD



Holmen offers a wide range of wood products for construction and joinery. Developing the wood products business is a natural extension of our forestry and a key dimension of our strategy of owning and adding value to the forest.

Wood is the only renewable building material for load-bearing structures

The value chain for Holmen's wood products runs all the way from seed to wooden house. At the centre of our circular business stand Holmen's own sawmills, where the processing of the renewable raw material from the forest begins. The raw material comes from responsibly managed forests, and the business is being developed by increasing the value added and making better use of the wood raw material in combination with large-scale production.

Holmen supplies high-quality wood products to the joinery and construction industries, as well as directly to builders' merchants and wood product importers. Through Martinsons, which is part of Holmen, we also offer the planning and construction of complete timber frames for everything from sports halls and schools to apartment buildings, warehouses and offices. As demand has increased, the role of residual products from the sawmills has become more significant, and they are now sold for further processing into biofuels.

### Versatile and energy-efficient

Wood is a fantastic material. It is strong, versatile, lightweight and the only renewable building material that can be used in load-bearing structures. As a natural part of the ecocycle, wood products store carbon dioxide throughout their entire lifetime. When a wooden house is demolished, the material can be reused, recycled or used for energy production that supplies heat to other homes.

Building in wood is significantly better for the climate than building in concrete and steel, since the manufacture of these materials requires large amounts of energy and generates considerable emissions of fossil carbon dioxide. Unlike steel

and concrete, the manufacture of wood products is highly energy-efficient, while the low weight of wood makes the entire chain from production to transport more cost-effective and energy-efficient. Wood products thus create benefit for the climate on multiple fronts.

### Resource-efficient production

Holmen's five sawmills are strategically located close to our forest holdings, ensuring an efficient logistics chain from forest to sawmill. Proximity to the raw material, combined with efficient wood sourcing, is a key factor for profitability. With access to a logistics system via rail, road and, not least, sea, we supply customers all over the world with wood products from the Swedish forest.

Two of the Group's sawmills, Braviken and Iggesund, form energy- and resource-efficient units with their neighbouring paper and paperboard mills. This means that every aspect of the wood raw material is put to use in a cycle in which chips from the sawmills act as raw material in pulp production and the final residual products are used as biofuel to produce energy and heat. Steam from the mills is also used in the drying processes at the sawmills.

### Sawmills with technical excellence

Holmen's high-tech sawmills enable us to offer a wide range of dimensions and grades. The sawmills make use of the entire log, with the value extracted according to the unique properties of each log. We optimise the sawing and drying in cooperation with our customers to minimise wastage and maximise customer benefit.

Igesund Sawmill has carried out an extensive development project in recent

years, with investments in a new drying plant and timber sorting, a new planing mill and a new resaw increasing the sawmill's capacity and processing capability. This modernisation also means that lower grade pine for joinery can be replaced by construction timber in spruce, Scots pine and lodgepole pine. The new resaw provides greater flexibility on the saw line, increasing the ability to adapt supply to market demand.

### More large-scale wood construction

The property sector accounts for a third of carbon emissions in Europe. Property developers, architects and construction companies have high ambitions to reduce the carbon footprint of buildings, and wood as a building material is benefitting from the ongoing transition. The trend is expected to boost demand for wood products, particularly when concrete and steel start carrying their true cost to the climate.

There is considerable potential, particularly for medium-sized buildings such as schools, warehouses and apartment blocks. While building in wood is nothing new, there has been a surge of interest in large-scale wood construction in recent years. Demand for engineered wood products, not least CLT and glulam beams, is increasing. This growing interest in wood construction offers us opportunities to develop the business further.

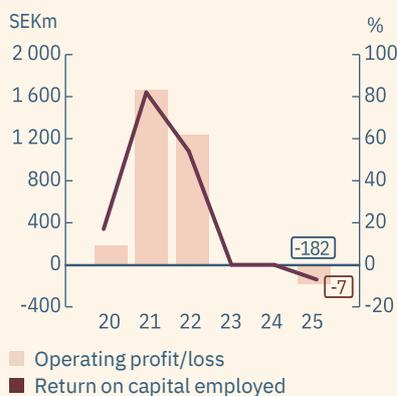
The last few years have been difficult for the wood products industry due to a weak construction sector and high log prices. Holmen has adapted production to market conditions but is ready to quickly gear up as soon as the market turns.



### Key figures

	2025	2024
Net sales, SEKm	4 010	3 896
Operating profit/loss, SEKm	-182	2
Investments, SEKm	196	364
Capital employed, SEKm	2 453	2 375
Average no. of employees (FTE)	715	770
Deliveries, '000 m <sup>3</sup>	1 294	1 348

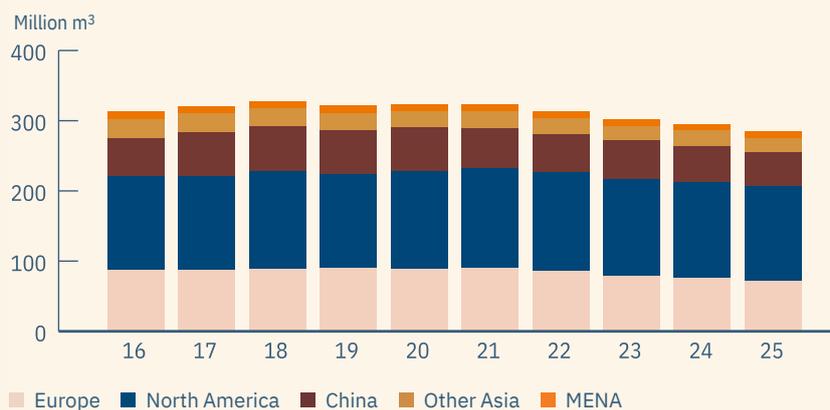
### Operating profit/loss and return



### Comment on results

The wood products market in 2025 was defined by the weakness of the construction sector. Selling prices nevertheless rose, fuelled by significant price rises for logs. The higher selling prices were only partly able to offset rising log costs, and Wood Products suffered an operating loss of SEK -182 million.

### Consumption of wood products



### Price development



### Reuse increases carbon storage even further

**Wood can be used over and over again, both as whole components and as a material. This is how it was done in the past and today it can help to increase carbon sequestration.**

The most common tree species in Sweden, pine and spruce, bind the most carbon dioxide when they are between 40 and 80 years old. After that, growth slows down and when the tree dies and decays, the stored carbon dioxide is released again. Through active forest management focusing on high growth and harvesting, the carbon dioxide held in growing forests can be moved to long-term storage in buildings and other wood products. After harvesting, new forest is planted to absorb more carbon dioxide.

Reuse extends the storage of carbon dioxide and thus increases the carbon stock – all the carbon dioxide stored in forests, soils and wood products. Wooden structures can be reused in their original state or with minor repairs.

Standards focused on sorting and quality to increase the reuse of wood products are in the pipeline, both in Sweden and internationally. Recent years have seen a growing interest in reuse among both building maintenance contractors and construction companies. For example, after five years in Stockholm, the temporary food hall Östermalmshallen was dismantled to be converted into a padel tennis hall.

Extending the lifetime of wood products increases the carbon stock, not only in forests but also in our modern communities.

# 2.8

tonnes of carbon dioxide per European citizen are stored in buildings, furniture and other wood products. Over the period 1990–2015, the amount of CO<sub>2</sub> per capita stored in wood products increased from 2.5 tonnes to 2.8 tonnes.

*Source: Forest Europe*

### Environmental Building of the Year demonstrates how Holmen works from seed to wooden building

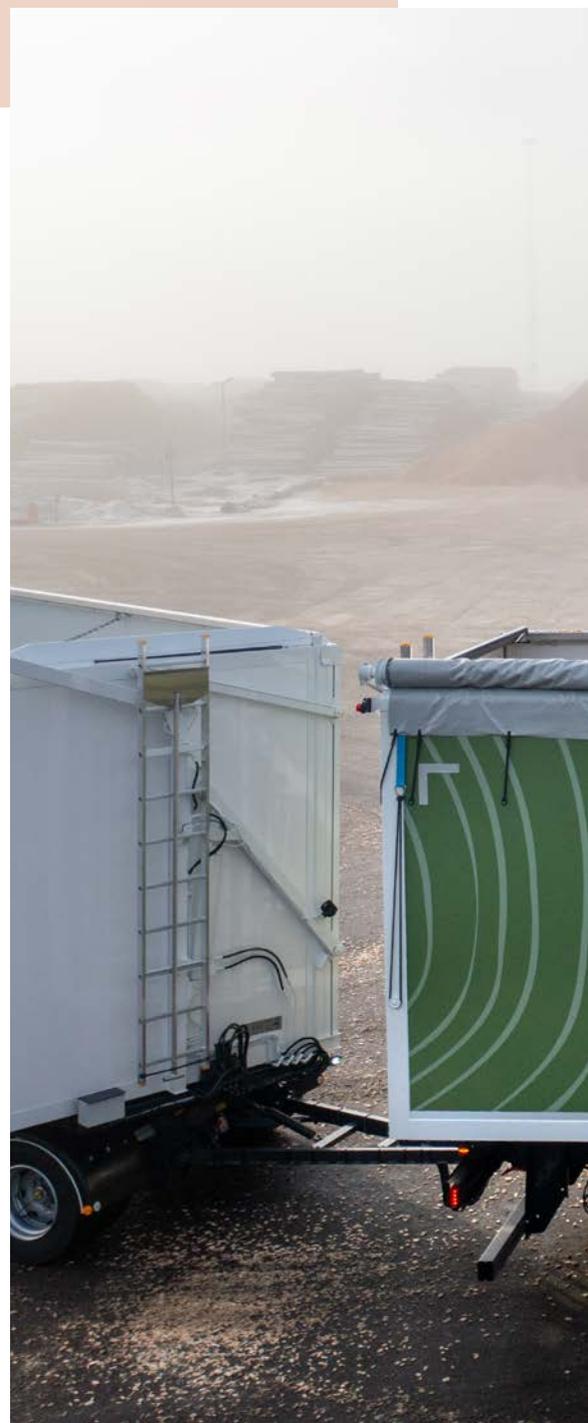
**2021 saw the opening of Sara Kulturhus in Skellefteå, one of the world’s tallest wooden buildings. Now Holmen is contributing to another spectacular wooden building in the city. ACE Powerhouse is expected to be completed in 2027, but has already attracted considerable interest.**

Construction work on ACE Powerhouse in Skellefteå is in full swing, with an impressive glulam and CLT frame marking the next stage in the development of what will be one of northern Sweden’s most innovative and sustainable buildings. The 8 000 square metre block will serve as a hub for energy and climate research, education and development.

The building demonstrates how Holmen works from seed to finished building. Martinsons is supplying, project managing and directing the assembly of the glulam and CLT components, which are being manufactured at Holmen’s sawmill in Bygdsiljum from logs that can be traced back to Holmen’s sustainable forestry. Peab is the turnkey contractor for the project.

The building will be certified according to NollCO<sub>2</sub> and Miljöbyggnad Gold and has a strong focus on reuse. But even before the building is completed, it has attracted a lot of interest and has been named Environmental Building of the Year by the Sweden Green Business Council. The award recognises outstanding achievements in sustainable architecture and building technology.

According to a survey by Prognoscentret, the share of timber frames in newbuilds is growing in Sweden. When it comes to public buildings, timber frames have a 46 per cent market share, while the figure for all new construction climbed from 12 per cent to 29 per cent over the period 2018–2024. This year, Martinsons was also commissioned to construct, deliver and install a total of 3 800 cubic metres of CLT and 1 650 cubic metres of glulam in Hitachi Energy’s new office in Västerås – one of Martinsons’ biggest projects ever.



# LAUNCH OF HOLMEN'S FIRST ELECTRIC WOOD CHIP TRUCK

2025 saw the arrival of Holmen's first electric truck for transporting wood chips. The vehicle is part of a national project to promote electrification of the forest industry's transport.

The forest industry is Sweden's largest transport buyer. The TREE research and innovation project, which brings together some 20 partners and is coordinated by the Forestry Research Institute of Sweden (Skogforsk), has a target for half of the forestry industry's new trucks to be electrified by 2030.

As part of the project, Holmen and Alltransport have jointly put an electric truck into operation for transporting wood chips in Östergötland. The vehicle has a range of approximately 250–300 kilometres and will operate on several different routes between Holmen's production facilities and external customers.

Holmen has reduced its direct fossil emissions by almost 90 per cent since 2005. Transport is one of the main remaining sources of emissions and we are constantly weighing up options to reduce them. Electrifying the industry's transport raises several challenges that

need to be addressed, including long transport distances, heavy loads, varying road quality and sparse charging infrastructure.

The TREE project is a nationwide proof of concept to show that a large-scale shift to electricity is possible. Seven locations around Sweden have been selected as demo sites to test electric timber and wood chip trucks, mobile energy hubs, electric timber trailers and advanced route planning in real-world operations. A broad coalition of stakeholders is essential in driving forward the development of electrified transport in the forest industry.



# PAPERBOARD AND PAPER PRODUCTS FROM FRESH FIBRE



Holmen develops innovative paperboard and paper products for everything from cosmetics, electronics, pharmaceuticals and food to books, magazines, advertising and transport packaging. The business will build on our market-leading position and by offering resource-efficient alternatives to traditional products.

Holmen's book paper is the leading product for paperback books in Europe

Holmen has made a conscious choice to only work with fresh fibre from sustainably managed forests. This allows us to create paperboard and paper products with superior strength, flexibility and visual qualities – properties that are essential for high-end products in cosmetics, electronics, food and printed publications. Holmen's paperboard and paper products can be divided into two main segments: packaging and graphical applications.

Our customers include market-leading brands from around the world. A common denominator for our products is their excellent properties, which are much appreciated by customers who demand high levels of quality and durability. Listening, understanding and learning together with our customers allows us to build long-term relationships and create product solutions that meet the customer's need for flexible, cost-effective and climate-smart products.

### Flexible premium packaging

The packaging segment includes both consumer packaging and transport packaging. Customers include wholesalers, brand owners and converters who further process our paperboard and paper products.

The multi-layered structure, with different fibre types in different layers, dictates the high performance of our paperboard, while the fresh fibre offers several advantages. Higher strength and a neutral effect on smell and taste in contact with food are just a few examples of the added value provided by our paperboard. Our paperboard products for consumer packaging are marketed under three brands: Invercote, Incada and Inverform. The quality, strength and design properties of the paperboard mean that we can create world-leading products for brand owners with high ambitions.

With a renewable raw material,

practically fossil-free electricity and resource-efficient production, we are also able to offer resource-efficient packaging paper for corrugated board solutions that allow customers to reduce their carbon footprint. In 2025, we launched a brand new paper product for packaging, Elevate, which is designed to help our customers reduce weight and material consumption. With the lowest carbon footprint on the market and approval for direct food contact, Elevate is the perfect way for customers to get more packaging for their money without compromising on quality.

### Light and bright graphical products

The graphical segment includes everything from books and magazines to advertising and notebooks, with publishers and printers as the primary customers. The paperboard is used in areas such as book covers and gift cards, while Holmen's book paper is the leading product for paperback books in Europe. Publishers appreciate our papers because they offer bright and even properties that enhance the reading experience, while also helping customers to improve the efficiency of production and logistics.

In contrast to recycled fibre-based alternatives, fresh fibre produces a naturally high brightness that elevates the way text and images are experienced. The fresh fibre also allows us to produce high bulk paper products that are thick but light, which means the customer gets more paper with the same feel at no extra cost, and distribution costs are reduced.

### Sustainability work at the forefront

We have two paperboard mills, in Sweden and the UK, and two paper mills in Sweden. All our production facilities hold chain-of-custody certification and all the wood raw material comes from sustainably managed forests. The strategic logistical locations of our three Swedish mills also ensure short

transport distances for the wood, as well as proximity to ports with good capacity.

Two of our production facilities, the paperboard mill in Iggesund and the paper mill in Braviken, are integrated with neighbouring sawmills, which means that the whole of the tree is processed directly on site in a resource-efficient production process. Wood chips from the sawmills are used as a raw material in pulp production, while bark and wood shavings are used for biofuel. The circle is closed when surplus heat from the mills is utilised in the sawmills' drying processes.

All our paperboard and paper mills have been awarded EcoVadis Platinum for their successful sustainability work. This accolade puts the mills in the top one per cent of more than 150 000 companies worldwide that are assessed on environmental, ethical and social responsibility criteria.

### Promoting a circular economy

Reducing the climate and environmental impact and working to avoid plastic are strong motivating factors for the increased use of paperboard and paper. Demand is largely driven by economic and demographic growth, but also by changing consumer behaviour and rising digitalisation. The packaging market is growing, but competition is fierce. The graphical paper market has been experiencing an underlying structural decline over the course of several years. Demand for paper varies across the segments, with the book market remaining stable, while magazine paper has weakened.

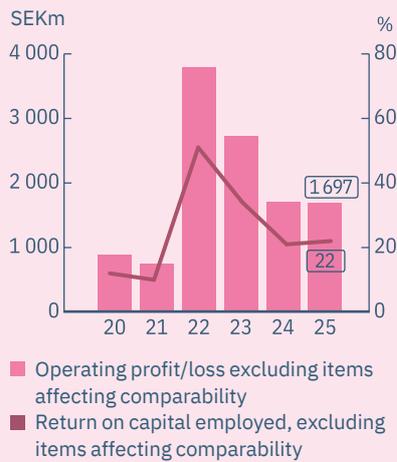
With local wood raw material from our own forests, a favourable energy situation and low fossil emissions, Holmen is in a competitive position. As Holmen's fibre products are made from a renewable, recyclable and biodegradable material, they promote a circular economy.



### Key figures

	2025	2024
Net sales, SEKm	14 428	15 238
Operating profit/loss, SEKm	1 697	1 702
Investments, SEKm	691	949
Capital employed, SEKm	7 234	8 019
Average no. of employees (FTE)	2 071	2 083
Deliveries, '000 tonnes	1 391	1 424

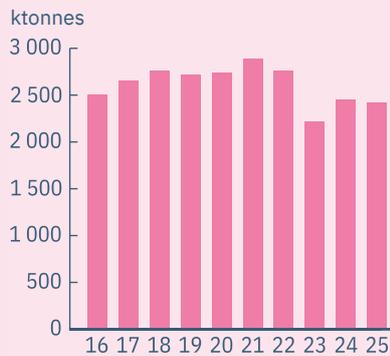
### Operating profit/loss and return



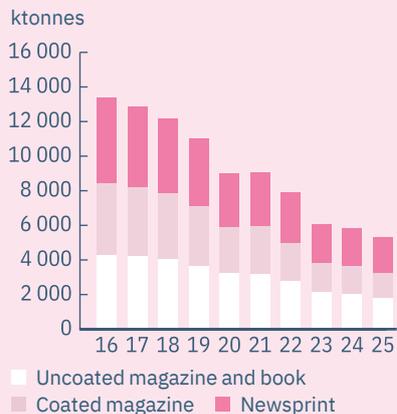
### Comment on results

European demand for consumer paper-board in 2025 was in line with the previous year but lower than normal. Demand for paper decreased. Selling prices were largely stable. Despite rising wood costs and two major maintenance shutdowns, Board and Paper delivered an operating profit of SEK 1 697 million thanks to low energy costs.

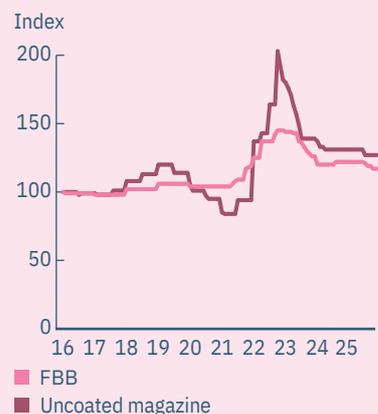
### European demand for SBB and FBB



### European demand for mechanical printing paper



### Price development





## HOLMEN ELEVATE – THE NEXT GENERATION OF ULTRALIGHT KRAFTLINER

**Holmen has a long history of delivering innovative packaging products that prove popular with market-leading brands. 2025 saw the launch of Holmen Elevate – the next generation of ultralight kraftliner.**

Invercote is a paperboard product for packaging that has grown into a well-known brand since its launch in 1963. Since then, we have continuously refined our processes and developed new products such as Incada and Inverform. All our paperboard products share a level of durability and flexibility that makes it possible to create packaging solutions that meet customer needs while still offering a low carbon footprint.

In 2025, Holmen took another step in developing the next generation of packag-

ing materials with completion of the PM52 rebuild at Braviken Paper Mill. The reason for the rebuild was to broaden our range of book paper and introduce the packaging product Holmen Elevate.

Unlike Invercote, Incada and Inverform, which are all paperboard products, Elevate is a paper product. The paperboard products comprise several layers of different fibre grades, making them robust and well suited to premium packaging for products such as perfume, technology and pharmaceuticals. Holmen Elevate stands out as an ultralight kraftliner designed to be used as the surface layer of corrugated packaging.

### **Market-leading carbon footprint**

For converters, wholesalers and brand owners who buy many tonnes of paper to make packaging, the light weight makes

a big difference in terms of both cost savings and material usage. In addition, Elevate has the lowest carbon footprint on the market due to its light weight and the fact that it is produced on PM52, the paper machine with one of the lowest carbon footprints in the world.

Despite its low weight, Elevate is strong, which means that the customer can choose a lower grammage without compromising on performance and print quality. Elevate is also approved for direct contact with food. The new EU Packaging and Packaging Waste Regulation is steering the market in the direction of recyclable packaging, reduced plastic use and less packaging waste.

Elevate is a great example of how Holmen continues to develop processes and products to meet future demands for sustainable packaging.



## Fresh fibre is a conscious choice

**Holmen grows houses, but not all parts of the tree can become wood products for sustainable building. Planks and boards have corners, while trees are round. We turn whatever is left over from the harvest into paperboard and paper.**

Holmen has made a conscious choice to only work with fresh fibre from sustainably managed forests. This allows us to create paperboard and paper products with superior strength, flexibility and visual qualities – properties that are essential for high-end products in cosmetics, electronics, food and printed publications, but also to be able to create lightweight paper for books and packaging. Working with fresh fibre allows us to exploit the full potential of the material and create products with clear advantages in terms of both function and experience.

All the forest raw material we use can be traced back to sustainably managed forests. For every tree harvested, we plant new seedlings or sow seeds that are specifically adapted to their surroundings. The wood fibre we use is left over from the production of construction materials and other wood products, or from residual products in forestry.

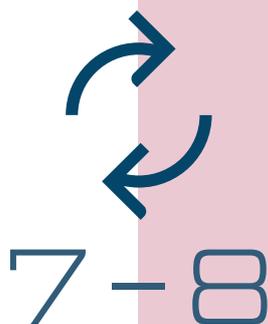
### Efficient production

Producing paper and paperboard requires more than just the fresh fibre. We also use a lot of energy and water in our mills. Paper production is electricity-intensive and most of the fossil-free electricity used is purchased externally. We schedule our production to consume electricity when general supply is high, which helps to stabilise Sweden's electricity grid and reduce our costs. Our paperboard mills are largely self-sufficient in renewable heat and electricity.

The water used to transport and wash fibres in the mills, and also for cooling and steam production, is surface water drawn from lakes and watercourses. The availability of water at our industrial sites is good.

The same water is reused several times over, and before being pumped onwards to the sea, it goes through a multi-stage purification process.

Holmen's efficient use of resources and access to practically fossil-free electricity also ensures low carbon emissions from our production. Using paper and paperboard from Holmen enables our customers to reduce the carbon footprint of their purchased material. As Holmen's fibre products are made from a recyclable material, they also promote a circular economy.



7 is the accepted number of times a wood fibre can be recycled before it fully breaks down.

## Recycled paper grows in the forest

Many people who draw a distinction between paper and recycled paper forget that both actually come from the forest. When wood fibre is used for the first time, it is called fresh fibre, but when the paper or board is recycled, it is called recycled fibre. Holmen contributes to circular flows by working to ensure that our products can be reused and recycled as much as possible.

In the EU, around 80 per cent of all paper packaging is recycled. The fresh fibre can

circulate and create value several times over. Instead of talking about short-lived products, they can therefore be seen as products with multiple lives. However, a fibre can only be recycled so many times. Each time the fibre is recycled, it gets shorter and weaker, and eventually it becomes exhausted. The system for recycled paper thus needs a constant supply of fresh fibre in order to continue functioning. This is what we mean when we say that recycled paper grows in the forest.

# RENEWABLE ENERGY FROM OUR LAND



**Holmen's production of renewable hydro and wind power contributes towards a sustainable electricity supply in Sweden, paving the way for broader electrification of industry and transport. The business can grow by establishing wind power on our own land.**

Holmen accounts for just over one per cent of Sweden's total electricity production

Holmen produces renewable energy from water and wind. Hydro power is a vital energy source for society, not least as it can be regulated to meet variations in the market balance. As a complement to the existing controllable hydro power, our strategy is to increase energy production by building wind farms on our land. Wind power is a natural complement to our hydro power, while creating added value from our land ownership.

Holmen supplied 1.6 TWh renewable electricity from hydro and wind power in 2025. Combined with the renewable electricity produced from residual products at the Group's mills, our production correspond to around 60 per cent of Holmen's overall electricity use.

### Energy market in a state of flux

The electricity market in the Nordic region has historically worked well, with harmonised pricing that usually tracks the marginal cost of fossil energy. The expansion of renewable energy has reduced our dependence on fossil power, but it has also made electricity prices more volatile. At the same time, the price differences within Sweden have increased due to nuclear shutdowns and restrictions on transmission capacity between northern and southern Sweden. Because the electricity market is interconnected with the rest of Europe, and the price is set according to the most expensive type of production at any given time, southern Sweden is also increasingly affected by electricity prices on the continent.

The energy market in Europe is undergoing a major restructuring, and electrification needs to accelerate in order to meet the climate goals. Greater electrification of industry and transport will increase electricity consumption, driving up demand for renewable electricity. However, the speed of the green transition and electrification in Europe has slowed and so

demand for renewable electricity has not grown at the pace previously expected. At the same time, demand for electricity from new electricity-intensive operations such as data centres is rising.

### Hydro power provides stability

The majority of Holmen's electricity production is controllable hydro power from our 21 wholly or partly owned power stations. Transitioning to more weather-dependent energy sources in the energy system brings challenges, since the power supply has to be maintained every minute of every day, all year round. As more of the weather-dependent production is added to the electricity mix, more regulating capacity is needed to keep the system in balance. Hydro power stations generate both baseload power and regulating power, which is the electricity needed to meet fluctuations in demand. Production is tailored to demand or changes in other electricity production by reducing or increasing the flow of water through the turbines. As the share of weather-dependent energy sources increases, the value of this stabilising capacity has grown in recent years, and with it the market for different forms of ancillary services that contribute to a stable electricity system.

Another advantage of hydro power is its longevity, as a power plant can supply electricity for a very long time. The investment required is relatively small, while the operating and maintenance costs are low since the plants are almost entirely automated. Overall, hydro power delivers great societal benefit in the move towards a fossil-free electricity system, and currently accounts for the largest share of Sweden's electricity production.

### Wind power creates opportunities

The construction of onshore wind farms is an effective way to rapidly increase the production of cheap renewable electricity,

with major technological advances also being made in recent years. Higher towers with longer rotor blades and larger generators have resulted in significantly lower costs per kilowatt hour produced. Wind power also works well with forestry, as it takes up negligible space. What is more, the roads built for wind power improve accessibility for both forestry workers and the public.

Blåbergsliden Wind Farm outside Skellefteå came on line in 2022, and in that same year Holmen acquired the remaining shares in Varsvik Wind Farm in Norrtälje – with these investments marking a significant step in the development of Holmen's renewable energy business. Blisterliden Wind Farm outside Skellefteå became operational at the end of 2025, increasing Holmen's annual delivery of renewable energy from water and wind by around 20 per cent to 2.2 TWh.

As a major landowner, Holmen has excellent opportunities to build wind power at a competitive cost, and we have several projects in different phases of development. With low electricity prices in northern Sweden, building new wind power capacity is not viable at present, but Holmen is ready to grow the renewable energy business as soon as market conditions become more favourable.

### Property development

Alongside our energy production, we are also developing other opportunities on our land. The availability of large amounts of cheap fossil-free electricity makes Sweden attractive for the establishment of electricity-intensive industries and the expansion of data centres, which are expected to grow strongly due to the increasing use of artificial intelligence. There is also the possibility of planning housing on some of our land holdings located near urban areas in southern and central Sweden.



### Key figures

	2025	2024
Net sales, SEKm	437	642
Operating profit/loss, SEKm	18	265
Investments, SEKm	997	559
Capital employed, SEKm	5 295	4 588
Average no. of employees (FTE)	36	34
Deliveries of hydro and wind power, GWh	1 634	1 728

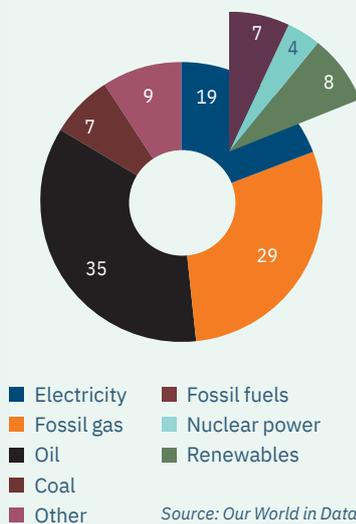
### Operating profit/loss and return



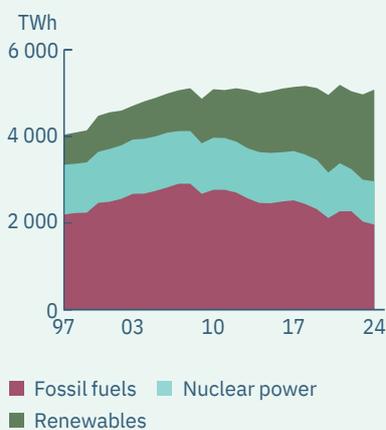
### Comment on results

Electricity remains expensive in Europe due to high fossil fuel prices. Nevertheless, the electricity price in northern Sweden was very low in 2025 due to high water flows and limited transmission capacity. The low electricity prices caused a decrease in operating profit to SEK 18 million. In 2025, Renewable Energy's average sales price was 40 per cent higher than the market price in northern Sweden, as it was possible to steer production towards times when the energy was most needed.

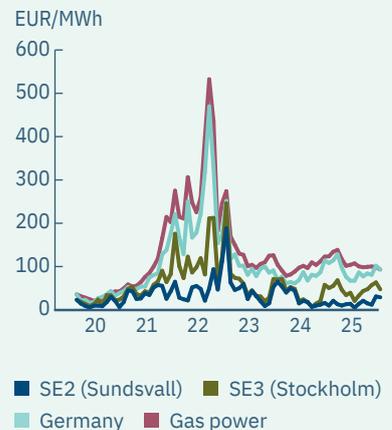
### European energy consumption, %

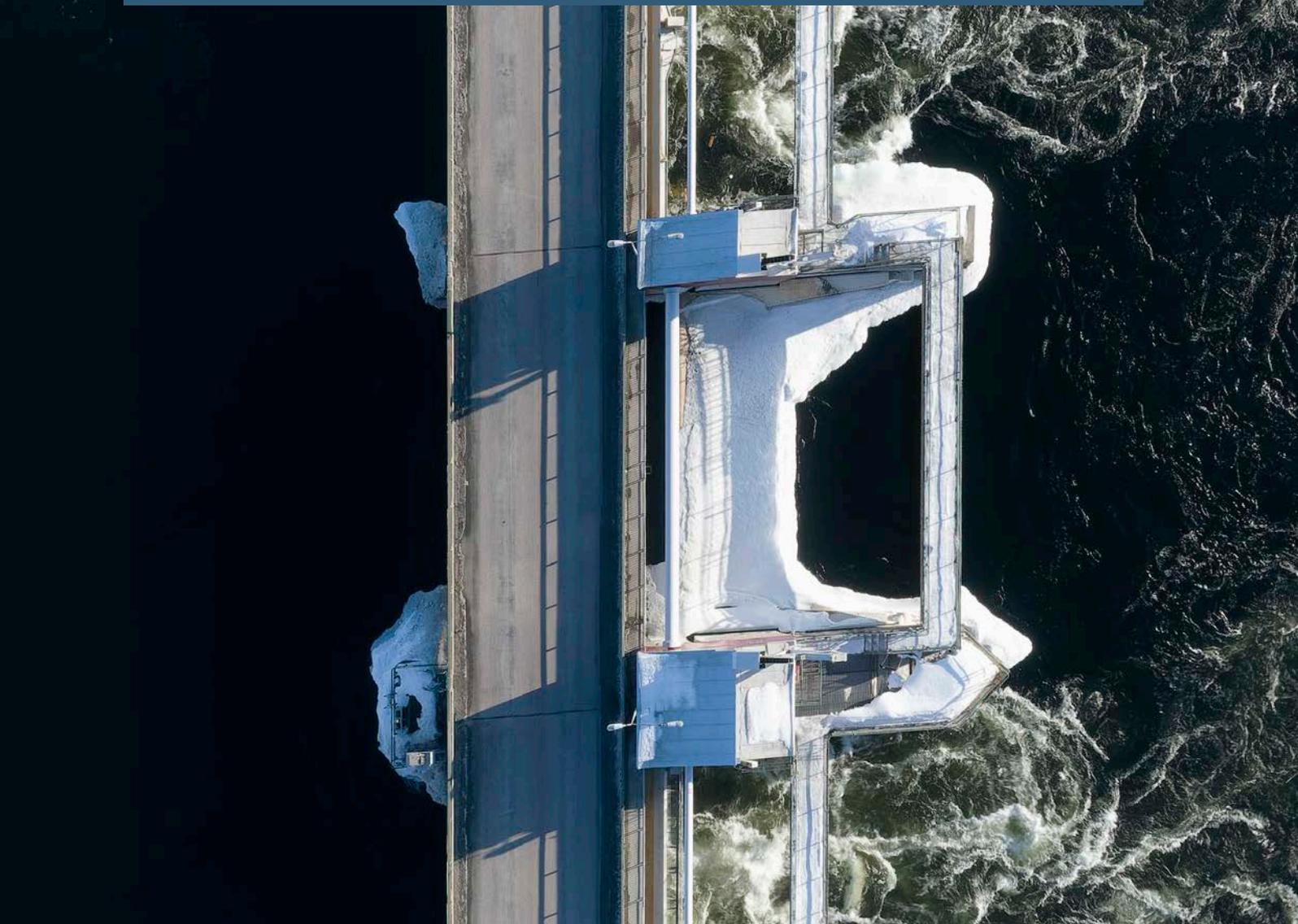


### European electricity consumption



### Price development





# HYDRO POWER IS THE BATTERY THAT ENABLES MORE RENEWABLE ELECTRICITY

**Holmen's 21 wholly or partly owned hydro power plants generate low-cost renewable electricity when it is needed most. Renovation of our largest wholly-owned hydro power plant, Junsterforsen, was completed in 2025.**

For our electricity system to function and remain stable, there needs to be a balance between electricity production and consumption at all times. Large-scale hydro power acts as an ancillary service by stabilising the frequency in the grid. Unlike sunshine and wind, water can be stored. When there is demand in the system, water can be released through the turbines, creating motion and thus energy that is converted into electricity by a generator. Similarly,

water can be stored in reservoirs when other power sources are generating electricity.

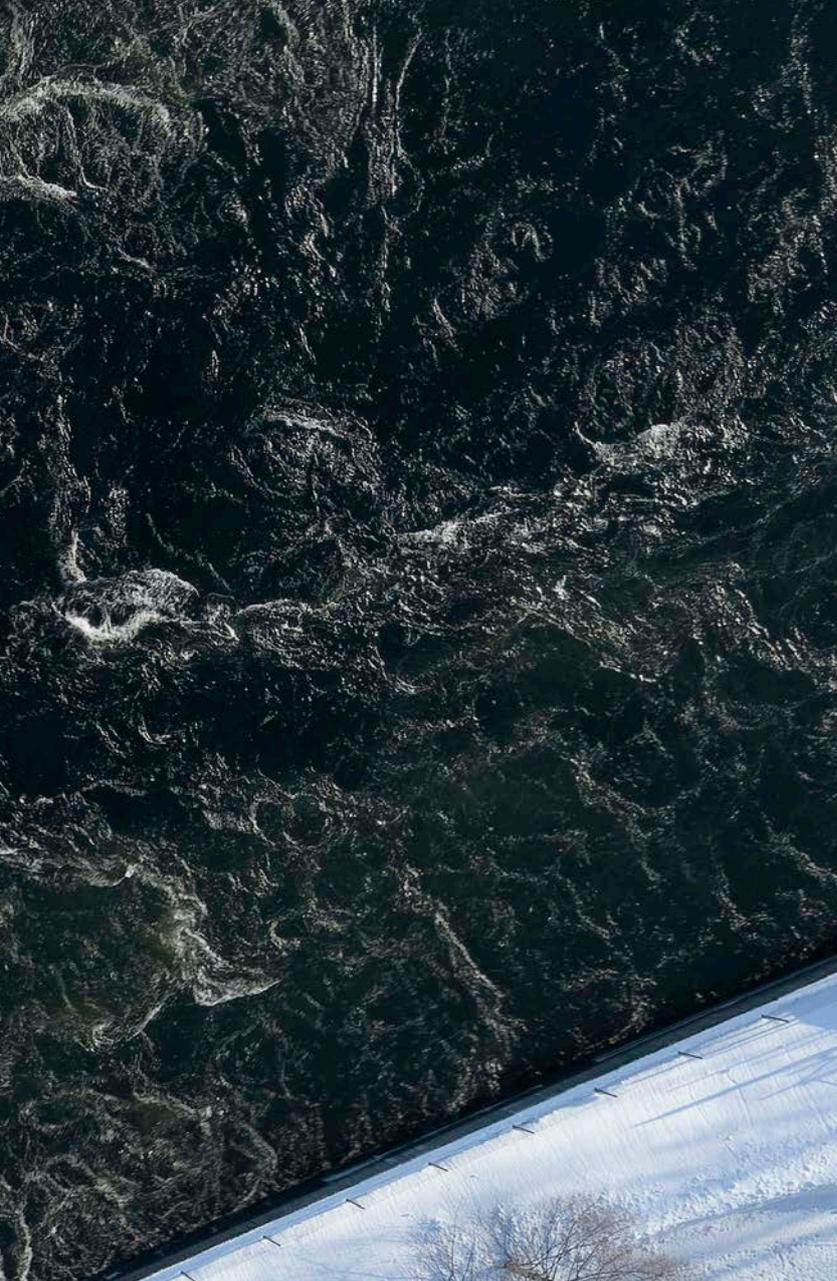
There has always been a need for a stable electricity grid, but stabilising ancillary services have become more critical as the proportion of weather-dependent energy sources has increased. Hydro power produces electricity when it is most needed, and also provides for the safe expansion of other renewable energy sources. Hydro power is Sweden's largest source of electricity, and currently accounts for around 40 per cent of the country's total electricity production.

### **At least 40 years of extra life**

Renovation of Junsterforsen hydro power station was completed in 2025. The power plant is located in the Faxälven river in

Jämtland and has been in operation since 1961. The renovation had been planned for a long time, as parts of the power plant had reached the end of their service life. The work involved dismantling parts of the power plant with a combined weight of 300 tonnes. A new generator and turbine were then installed, having been procured and manufactured specifically for Junsterforsen power plant.

Junsterforsen delivers 130 GWh in a normal year, which is a significant proportion of Holmen's total deliveries of renewable electricity. The renovation has increased the power station's maximum output, improved efficiency and extended its service life by at least 40 years, making it an important investment for both Holmen and Sweden's fossil-free energy production.



## Europe needs more renewable electricity

**There is a major shortage of renewable electricity in Europe. By producing renewable electricity on our land, we are contributing to the energy transition.**

To move away from our reliance on fossil energy, much of the current fossil-based energy production will need to undergo a green transition, while at the same time securing a stable and cost-effective energy supply. On top of this, transport, industrial processes and the property sector will need to be made more energy-efficient and electrified. Achieving this shift will require significant investment.

Roughly half of electricity production in Europe is fossil-free, but electricity only accounts for a fifth of total energy consumption. Virtually all other energy use is fossil-based. Europe has high ambitions for the climate transition and is paving the way for new green industries, but there is a significant shortage of renewable electricity. Although the pace of progress has slowed due to geopolitical uncertainties and a weaker economy, electricity consumption is expected to grow significantly as a result of increased electrification.

### Sweden at the forefront but more is needed

Sweden is leading the way with virtually fossil-free electricity generation and the lowest carbon intensity in Europe. With access to cheap fossil-free electricity and opportunities to step up renewable electricity production, Sweden is well placed to lead the development of a new generation of fossil-free industrial processes. At the same time, Sweden will need to ramp up the supply of fossil-free electricity as Sweden's industry and vehicle fleet become electrified. Large-scale investment in different power sources and expanded capacity in the electricity grid are needed to meet the growing demand.

Holmen is a major player in the development of the Swedish energy system. Our hydro power is becoming increasingly important in a more weather-dependent electricity system that needs to be supplemented with controllable sources and flexible electricity consumption. At the same time, we have the opportunity to increase energy production by establishing wind power on our own land, where we have several projects in various phases of development. At present, wind power development is not an option due to transmission capacity constraints and the hesitant progress of the green industry. However, there is great potential once the bottlenecks are removed.

### Selling price\*, SEK/MWh

Hydro power's ability to provide regulating power means that we can steer our deliveries of electricity towards times when it is most needed.



■ Holmen Renewable Energy ■ Northern Sweden (SE2)

\*Excluding hedging.

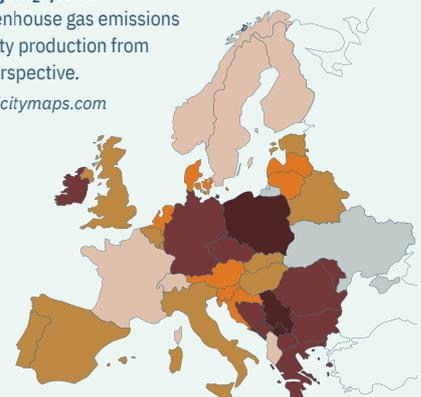
### Sweden has the lowest carbon intensity in Europe

#### Carbon intensity from electricity production, g CO<sub>2</sub>e/kWh

Includes greenhouse gas emissions from electricity production from a life cycle perspective.

Source: [electricitymaps.com](http://electricitymaps.com)

- <100
- 101–200
- 201–300
- 301–500
- >500
- No data



# WHEN YOU REACH NET ZERO, SHOULD YOU JUST STOP THERE?

For us at Holmen, the answer is simple: We'll keep moving forward. The uptake of carbon dioxide by our growing forests and the storage of carbon dioxide in their products is already three times greater than our total fossil emissions. And while actively managing the forest in a responsible way and constantly replanting new trees improves the sequestering of carbon dioxide, the renewable raw material we process also helps others to reduce their carbon footprint.

Being climate positive is quite simply inherent to our core business. That said, it is also not in our nature to sit back and take credit for the power of the forest. On the contrary, it spurs us to work harder, which is how we have reduced our own fossil emissions by almost 90 per cent over the past 20 years. At the same time, we take responsibility for ensuring that our forestry is carried out with consideration for biodiversity. We are pleased to see that our efforts are resulting in a steady stream of positive developments for our forests and our industries.

Not just looking at our own impact but also contributing positively to the rest of the world – this is the foundation of our business, and something that we will continue to refine and invest in, for our own benefit and for future generations.



## Sustainability areas where Holmen makes the biggest difference

Sustainability is an integral part of Holmen's business, with our strategy contributing to a more sustainable and circular society. For the best impact, our work focuses on the areas where we have the greatest opportunity to make a difference.

Holmen has been working since 2024 to identify these areas more clearly, in accordance with the EU's sustainability reporting requirements. In analysing our own operations and mapping the impact of the value chain, we have identified five areas where our impact is deemed to be of material significance.

In the following sections, we explain how we are working to reduce our footprint and increase our positive contribution to the transition to a sustainable future. For more information, see our Sustainability Report on pages 98–132.

1

### Our climate benefit increases as the business grows

Under our active forestry, the growing forests sequester carbon dioxide, which is then stored in products. Forest products and renewable energy can also replace fossil-based alternatives.

2

### Our forestry fosters biodiversity

Holmen's nature conservation strategy combines growth-promoting forestry with active measures to protect the diversity of habitats and species.

3

### We develop the business within the framework of environmental permits and certifications

Holmen's environmental work is about managing any impacts on air and water, based on Sweden's strict environmental legislation.

4

### Our employees develop and thrive

We work actively on safety, competence development, leadership and diversity to create safe and rewarding workplaces.

5

### We build long-term relationships based on responsible business conduct

Holmen embraces close collaboration and long-term commitment to promote thriving local communities and good relationships with the people we partner with.

# OUR MAIN CLIMATE BENEFIT IS REDUCING RELIANCE ON FOSSIL RAW MATERIALS

**The forest delivers the most benefit when it is put to use. With this at the heart of Holmen’s business, our goal is to increase our contribution to the climate transition throughout the value chain. Maintaining high forest growth and high harvest levels increases the climate benefit.**

As our business grows, so does its climate benefit. Our growing forests absorb carbon dioxide, which is then stored in products. At the same time, our wood-based products and renewable energy are able to reduce reliance on fossil raw materials. We are also constantly working to reduce our own emissions, which are included in the calculation of the overall climate benefit.

The methodology for calculating the climate benefit has been honed over several years in partnership with researchers and industry stakeholders. 2025 saw the launch of ISO 13391, an international standard for calculating the climate benefit of the forest industry. The ISO standard provides a science-based, international framework developed in collaboration with experts from 15 countries. This is the method that Holmen uses to calculate our climate benefit.

### Carbon dioxide stored in products

Young trees have the greatest capacity to absorb carbon dioxide, and as trees age, their growth slows. When a tree finally dies and decays, the stored carbon dioxide returns to the atmosphere. If the trees are harvested instead and processed into long-lived products, the carbon dioxide can be stored for a longer period of time.

By means of active rotation forestry

– where trees are harvested when growth slows, followed by regeneration with new seedlings – we have managed to increase forest growth and thus built up our large volume of standing timber. A positive side-effect of the high growth rate resulting from rotation forestry is that the forest binds more carbon dioxide than it would have done under other management methods.

After harvesting, the carbon dioxide is stored in our processed products throughout their lifetime, while new forest grows on the harvested land. Wood products store carbon dioxide for a long time when they are made into houses and furniture, while paperboard and paper products store carbon dioxide for as long as they circulate in the recycled paper system, until they are incinerated.

### Alternative to fossil raw materials

With renewable forest raw material, fossil-free electricity and resource-efficient production, we offer products with a low carbon footprint that can reduce reliance on fossil raw materials.

The property sector is responsible for more than a third of Europe’s carbon emissions. Making cement and steel production sustainable is expensive and difficult. Wood is a renewable alternative that, in contrast to cement and steel, is energy-efficient to produce, while also leading to carbon storage in buildings.

Paperboard and paper can also help to avoid emissions, by replacing fossil-based materials such as plastics and carbon-intensive materials such as glass. Recycling packaging allows the fibre to replace fossil raw materials several times over – but fresh fibre is needed for the recycled paper system to work.

The greatest climate benefit from forests lies in their ability to reduce society’s reliance on fossil fuels, especially when the carbon storage in wood-based products is taken into account. Since Holmen has built up a large volume of standing timber over a long period of time, there is potential to increase the climate benefit by harvesting more forest.

### Sharp reduction in fossil emissions

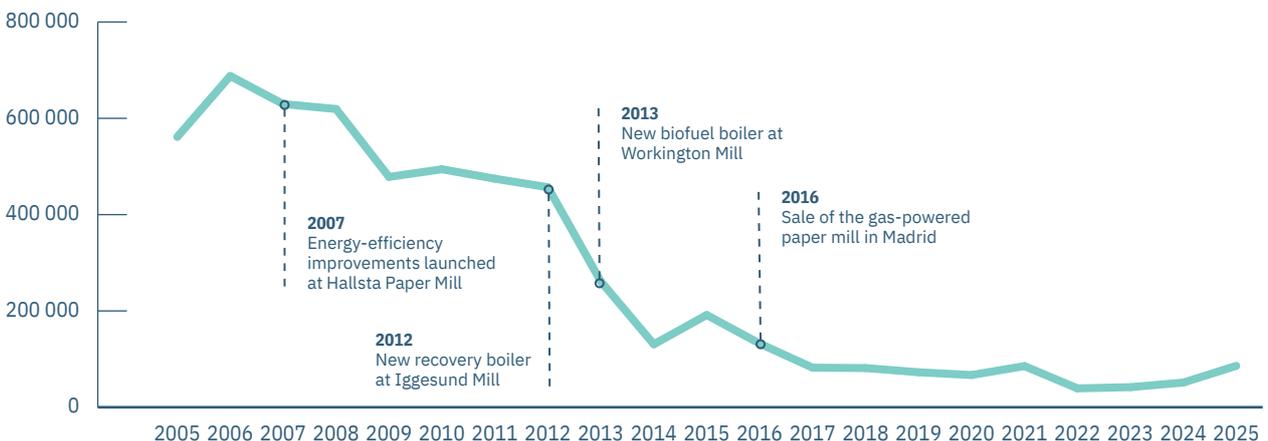
The energy market in Europe is undergoing a major restructuring, with huge demand for more fossil-free electricity as industries transition and vehicle fleets are electrified. With our own production of renewable energy via hydro power, wind power and biomass, Holmen is helping to cut Europe’s dependence on fossil fuels.

Holmen realised early on that low greenhouse gas emissions are a competitive advantage and has therefore long worked to reduce the negative climate impact of its operations. In 2005, a target was set to reduce the use of fossil fuels at the Group’s material sites by 90 per cent by 2020. Energy efficiency actions and investments in fossil-free technology have seen Holmen’s direct fossil emissions reduced by almost 90 per cent since 2005.

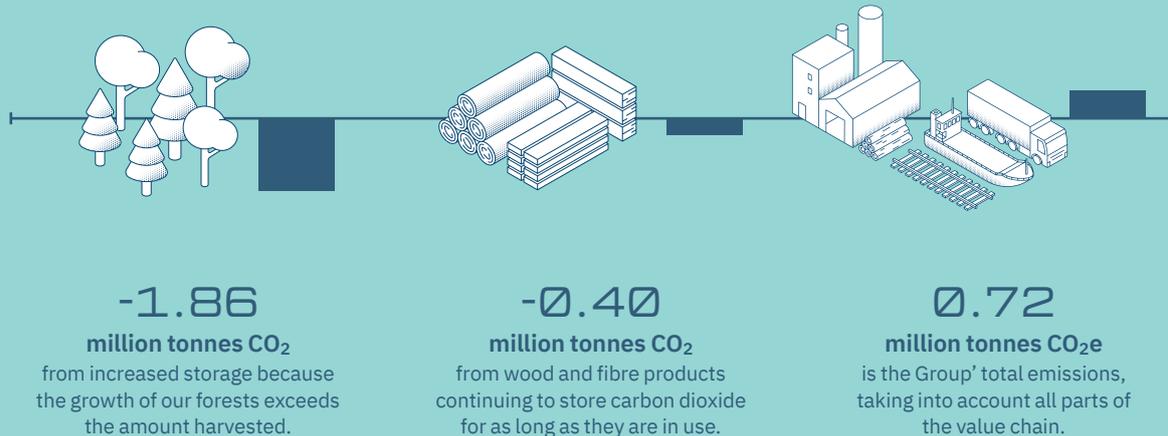
The majority of our remaining emissions are generated from purchases of input products plus upstream and downstream transport. We are therefore now focusing on cutting emissions in these areas. Holmen’s emissions target has been approved by the Science Based Targets initiative (SBTi).

For more information on Holmen’s work for a better climate, [see page 110](#).

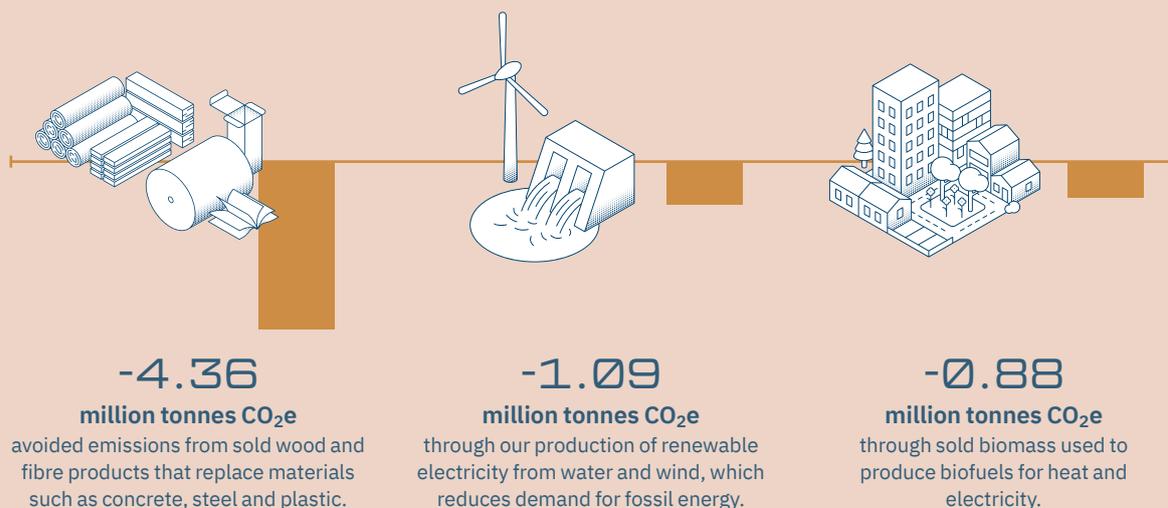
**Greenhouse gas emissions from our production 2005–2025, tonnes CO<sub>2</sub>e**



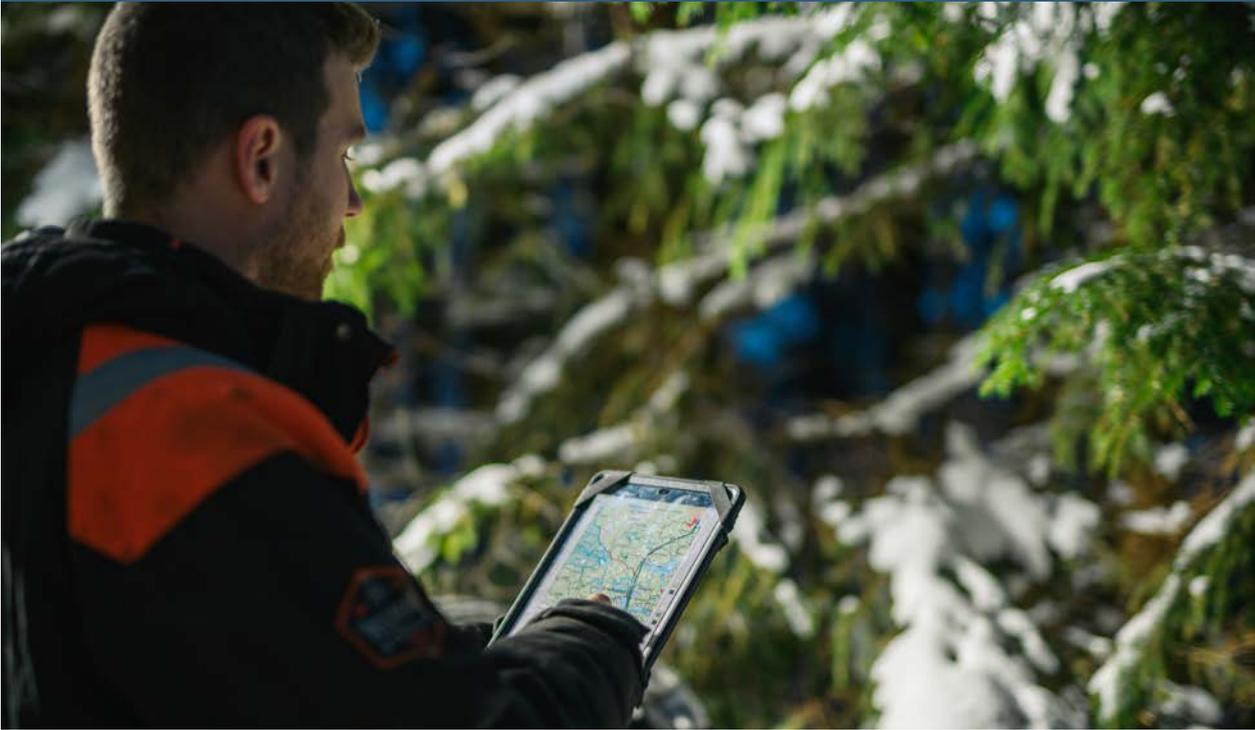
## 1.54 million tonnes of CO<sub>2</sub>e is the net uptake when sequestration in forests and products is weighed against our own emissions



## 6.33 million tonnes CO<sub>2</sub>e potentially avoided emissions from products that replace fossil-based alternatives



Calculations of climate benefit follow the global standard ISO 13391, which is a framework for value chain calculations for wood and wood-based products. Prevented/avoided emissions from renewable electricity generation via wind and hydro power are not included in ISO 13391, so they require a separate calculation. For information on calculations and assumptions, see page 116.



# PLANS AND ACTIONS DELIVER HEALTHY ECOSYSTEMS AND HIGH GROWTH

**Holmen's nature conservation work combines active forestry with protecting the diversity of habitats and species. The aim is for the Group's forestry to foster biodiversity.**

The trees we plant today will grow for almost a century before they can be harvested, during which time the forest could be hit by drought, fires, storms and pests. Forestry can affect ecosystems and forest-dwelling species that are dependent on different habitats for their survival. Forest planning therefore lies at the heart of active forestry that combines high growth with safeguarding diverse habitats.

We continuously inventory our entire forest holdings to produce data that is used, among other things, to plan silviculture work and harvesting. We also produce annual climate adaptation plans that analyse the impacts on our forests and include concrete actions. The impact of forestry on biodiversity is assessed through ecological landscape planning, which is a strategic planning tool for conducting active forestry while preserving biodiversity. The planning is based on a holistic approach in which nature conservation value, sensitive habitats, pathways for species and the impact of forestry are analysed at landscape level.

Each year, we invest around SEK 200 million in caring for our forests and we

constantly work to improve everything from seedlings to nature conservation through research, development and education. Holmen's nature conservation work is based on a holistic approach, which takes into account both the need to preserve and enhance biodiversity and the need to produce renewable products. In order to balance these needs, it is important that the nature conservation measures are effective and targeted where they will do the most benefit.

### **Environmental considerations in managed forests**

Holmen actively manages its forest holdings to increase forest growth and climate benefit. Although wood production is the focus, natural and cultural values are taken into account for every action, based on the needs and circumstances of the site in question. A nature conservation assessment is carried out for each forest stand where thinning or harvesting is planned, in order to ascertain which values should be taken into account. Attention is also paid to protected and particularly high-value species. This is balanced with the conservation priorities from a landscape perspective, so as to achieve the greatest and most effective nature conservation benefits. An action plan can then be drawn up, based on these assessments.

Conservation actions in active forestry form the majority of Holmen's work on

biodiversity. Such actions include saving high stumps and dead wood to provide habitats for wood-living insects and fungi. Buffer zones along watercourses are preserved to protect aquatic species and improve water quality. During harvesting, buffer strips are also left with trees and bushes intact. Large trees, both living and dead, are kept as nesting sites for birds and insects.

### **Actions to enhance nature conservation value**

As a natural part of forestry, we also carry out actions to strengthen nature conservation, including removing invasive spruce trees to encourage broadleaves. Conservation burning is carried out under controlled conditions to create fire-damaged timber, an important habitat for many threatened species. Holmen also works to restore wetlands and create richly varied forest landscapes. Holmen carries out this type of management conservation on around 400 hectares every year.

Holmen's land holdings include both formally protected forests and voluntary set-asides. Some of these areas are left completely untouched to allow natural processes to develop freely, while other areas require regular management to maintain or enhance nature conservation values.

—  
For more information on Holmen's work to promote biodiversity, [see page 121](#).

### Forests for collecting and sharing knowledge

Holmen's Knowledge Forests are four large, connected areas that we have specifically designated to collect and share knowledge about the forest. These are areas where Holmen works on nature conservation and environmental considerations on a larger scale. Each Knowledge Forest adopts actions and measures on a specific theme: fire, wilderness, broadleaves and water.

Collaboration with universities and research institutes is increasing our understanding of how active forestry can be combined with biodiversity conservation. The latest scientific findings are applied in the Knowledge Forests in order to develop management methods that best meet future challenges and opportunities.



The longhorn beetle is a rare beetle found in Berga Knowledge Forest. Conservation burning has given it the conditions to thrive in the forest.



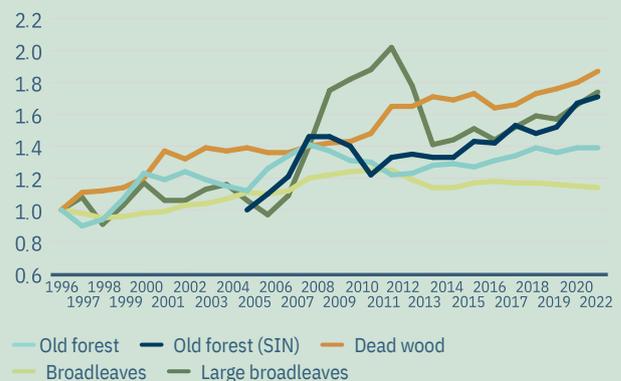
## Positive trend for forest-dwelling species' habitats

Forest biodiversity is affected by multiple factors. Several habitats important for forest-dwelling species are analysed in order to monitor their development and evaluate the measures implemented. Holmen monitors developments annually through five biodiversity indicators that show how these forest habitats are developing.

The indicators represent different types of habitats which together provide a broad picture of the conditions for biodiversity on Holmen's land. The Swedish National Forest Inventory at SLU regularly monitors the condition of Sweden's forests. The indicators are based on the National Forest Inventory's data from sample locations within Holmen's own holdings on productive forest land.

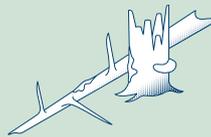
These indicators show a positive trend over the last 30 years. The Biodiversity Index created by the Natural History Museum in the UK also shows that the situation for biodiversity has improved in Sweden over the last 50 years.

Biodiversity indicators, index



**+39%**

**Old forest** has increased by 39 per cent since 1996, as a proportion of Holmen's productive forest land. Old trees host birds, insects, mosses and lichens, while undisturbed soil favours fungi and ground vegetation. The proportion of **old forest with specific indications of nature conservation value (SIN)** has increased by 71 per cent since 2005, which is good news for the sensitive species that depend on it.



**+87%**

**Dead wood** is important for biodiversity in the forest, providing a habitat and food source for birds, insects, fungi, mosses and lichens. It is estimated that around 20 per cent of all forest species depend on dead wood. The amount of dead wood has increased by 87 per cent since 1996.



**+14%**

**Broadleaves** are important for birds and rare insect species, for both food and nesting. A number of mosses and lichens only grow on a single species of deciduous tree – be it aspen, birch or more specialist species such as elm, beech, oak and maple – and then usually only on old and large trees. The amount of broadleaves has increased by 14 per cent since 1996 and **large broadleaves** are up 74 per cent.

# ENVIRONMENTAL WORK DEFINED BY CONTINUOUS IMPROVEMENT

**Holmen’s renewable products help to reduce demand for fossil-based alternatives, while our active environmental work ensures that we comply with the rules and conditions imposed on our operations.**

Holmen’s environmental work is about managing our impact on our surroundings. Industrial production is contingent on environmental permits that set out factors such as authorised emission levels of various substances. The comprehensive processes for environmental permits are based on the assumption that the impact of the activities must be acceptable for people and the environment in terms of both ongoing and discontinued operations. The permit process also ensures a balance between technology, economic viability and the environment.

### Resource-efficient production

Holmen’s production is subject to actions for continuous improvement within the framework of our certified management systems. Environmental and energy considerations are integral to the planning of both production and investments. Operations focus on resource-efficient use of renewable raw materials and energy, and applying the precautionary principle to environmental protection.

Over the years, we have effectively reduced the use of chemicals and other inputs by reusing them in our processes. When chemicals finally become waste,

they are dealt with by authorised recycling companies or sold on to external parties to be given new life in other industrial applications.

Alongside the forest raw material, electricity is a key raw material in our production. Through investments in fossil-free technology and the establishment of wind power, our renewable electricity production has increased by almost 80 per cent over the past 20 years, given normal annual production with Blisterliden Wind Farm fully operational. Our mills produce electricity in the form of back-pressure power, which is generated together with the steam used in the mills.

Holmen supplied over 1.6 TWh of electricity from hydro and wind power in 2025. Together with the electricity generated by our production facilities, this equates to 60 per cent of our total electricity consumption.

### Water is returned after use

Holmen’s industries use surface water from lakes and watercourses to transport and wash fibres in the mills and also for cooling and steam production. The availability of water at our industrial sites is good, and because our mills are located on the coast, our use does not affect other activities.

The same water is generally used multiple times, and different combinations of mechanical, biological and chemical processes treat the water in several steps before it is returned to the natural

ecocycle. With such good availability of water at our mills, there is an opportunity to increase water use in order to improve the efficiency of pulp washing.

### Sweden has excellent conditions

Holmen gives customers across the world access to renewable products from the Swedish forests. Conducting forestry and industrial production in Sweden has several advantages. In addition to a good supply of forest raw material, there is plenty of water, clean air and fossil-free energy.

Access to clean water is crucial for human health and well-being, and demand for everything from drinking water to water for industrial use and irrigation is growing. In contrast to Southern Europe in particular, the availability of surface water in Sweden is good and amounts of precipitation are high as a rule, resulting in significant water flow in the rivers throughout the year.

Like water, clean air is essential for human life. Pollution in the form of small airborne particles can cause or exacerbate chronic diseases. Air quality has improved in Europe, but in most places it fails to meet the WHO-recommended maximum of 5 micrograms per cubic metre of air ( $\mu\text{g}/\text{m}^3$ ). With one of the lowest levels of air pollution in Europe, Sweden is an ideal location for industrial production.

For more information on Holmen’s environmental work, see page 119, and for resource use, see page 124.

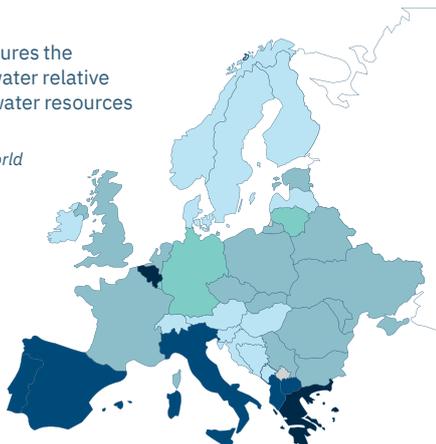
## Good access to water

### Water stress

Water stress measures the total demand for water relative to the renewable water resources available.

Source: *Aqueduct, World Resources Institute*

- Low
- Low-medium
- Medium-high
- High
- Extremely high
- No data



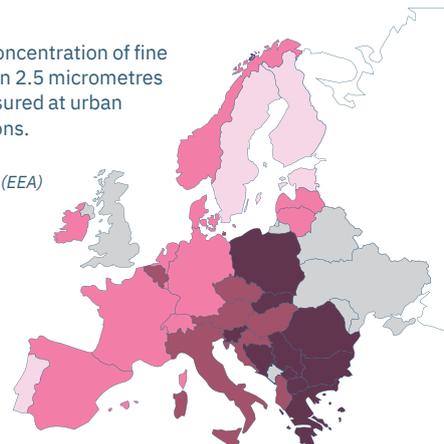
## Clean air

### Air pollution

Annual average concentration of fine particles (less than 2.5 micrometres in diameter) measured at urban background stations.

Source: *European Environment Agency (EEA)*

- <6
- 6–9
- 10–13
- >13
- No data



# MAINTENANCE SHUTDOWNS FOR SAFE AND PROFITABLE PRODUCTION

All our production sites carry out regular maintenance shutdowns to replace, repair, maintain and clean the equipment. These stoppages are necessary to comply with the conditions of the environmental permits and to fulfil the requirements of the certified management systems for environment, energy, quality and occupational health and safety.

Implementing a maintenance shutdown at Holmen's paperboard mills is a complex challenge that requires major resources

and many different skillsets. Iggesund Mill carries out around 3 000 different jobs and inspections during a typical scheduled shutdown, which takes up an intensive week once a year. Almost 1 300 people work on this in total, of which just over half are external contractors.

After a meticulous planning phase, the work is divided into three stages: shutdown, implementation and startup. Each action must be coordinated so that different work steps do not interfere with each other, and maintenance tasks are coordinated with work on investment projects. With so many people on site at the same

time, safety is the top priority. Everything from risk assessments for heavy lifting, to vehicle checks and emergency plans for working in confined spaces is tackled systematically.

The scheduled shutdown is a team effort where everyone, from shift workers to project managers and contractors, plays an important role. It is about more than just maintenance – it is a guarantee of the mill's long-term production, energy efficiency and sustainability. Investing time and resources over a few intensive days each year protects people, the environment and production.



5 800 pieces of scaffolding were required for this year's inspection of Recovery Boiler 5 at Iggesund Mill.



## WE GROW TOGETHER

**We believe in combining the power of nature with the ideas of our people – because the ability to merge innovation with a long-term approach is the very foundation of our business.**

We also believe that people grow best together. Development, responsibility and community go hand in hand here, with Holmen's success resting on countless decisions large and small, all made in line with our values. This is how we create a sustainable workplace, where both ideas and individuals can thrive.

### **Courage, commitment and responsibility**

Holmen has a philosophy of management by objectives and decentralised organisation that sets great store by the active participation of employees. Applying our management model, the strategy, business plans and performance expectations are communicated across the organisation. Based on this, our employees set targets

that will lead to the expectations being met. The management by objectives model helps to reassure our employees that they are focusing on the right things, while ensuring that we capitalise on the competence, potential and drive (the key intangible resources) of each individual, team and unit.

Our values – courage, commitment and responsibility – tell us how we can make each other and Holmen even better, and they inform the way we work on both leadership and employeeship day to day. Our values are fully embedded in the processes and tools that guide our behaviour towards each other and external stakeholders.

In order for Holmen to continue as a business that focuses on innovation and development, we need to attract and retain the right employees. We strive to have an attractive offering as an employer and apply competency-based recruitment, which helps us to bring in employees that represent a diversity of insights, experiences and cultures.

### **Safe and secure workplace**

It goes without saying that we actively pursue a healthy culture and an accident-free workplace for our employees and the contractors who work with us. We conduct Group-wide, systematic work on health and safety in line with ISO 45001. As always, the precautionary principle is paramount. The number of work-related accidents per million hours worked fell from 5.3 in 2024 to 4.7 in 2025. We continue to take a long-term approach focused on our vision of zero accidents.

Holmen upholds human rights and the equal value of all people in everything we do, and all employees must have the same rights, obligations and opportunities. We have a vision of zero discrimination and harassment, which is followed up internally through employee surveys, appraisal talks and the handling of reported cases.

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For more information on Holmen's employees, see page 126.



## Strong relationships support thriving communities

**Active forestry is essential to thriving rural communities. It creates jobs in places where there are few employers and gives people an opportunity to work, live and enjoy quality of life all over the country.**

As one of Sweden's largest forest owners, with a land holding of 1.3 million hectares from north to south, Holmen appreciates the importance of having a good relationship with our neighbours. Holmen's Code of Conduct describes how we should approach working to promote responsible business conduct and good, long-term relationships with forest owners, local residents, local businesses and everyone else who lives with the forest in one way or another.

We manage our own forests, but also work with private forest owners and other companies in the Swedish forest industry. Almost 15 000 private forest owners have chosen us as a forestry partner. As a major employer in several locations, Holmen also cooperates with other local companies,

tourism businesses and associations to promote social and economic development.

### Responsible contractors

In addition to our own workforce of around 3 500 employees, we create employment for local contractors and companies across the country. We work extensively with local forestry contractors to plant, clear and harvest trees and we employ around a thousand seasonal workers in our forests every year.

We stress the importance of hiring responsible contractors. Expectations are clearly set out in Holmen's Supplier Code of Conduct, which addresses business conduct, human rights, working conditions, the environment and the climate. The Code also requires suppliers to apply collective agreements and be certified for sustainable forestry. We engage an external party, EcoVadis, to conduct an in-depth assessment of contractors' compliance with the Code of Conduct. Of the suppliers assessed in 2025, none were found to have an elevated risk relating to the Code.

## FOREVER LEARNING

**We are constantly developing our working methods by means of dialogue and openness to new thinking. Holmen also shares knowledge with stakeholders at all levels to increase awareness of the forest industry.**

The decisions we make today will affect forests, people and communities for generations to come, and the real results from the trees we plant today will only be seen far into the future. Such long processes require reflection, but also curiosity and openness to new thinking. Therefore there are a hundred or so research projects being conducted on our land, both independently and in partnership with research organisations, universities and other stakeholders.

Dialogue and consultation with local residents and businesses enables us to gather information on how they are affected by our activities. We also have established procedures and processes in place to handle complaints.

Transparency about the thinking underpinning our decisions and the opportunity to learn from each other are an essential element of our daily work. Every year, many decision-makers, customers and suppliers visit our Knowledge Forests and production sites to learn about our active forestry and processing operations on site. The Knowledge Forests are also accessible to the public, who are welcome to come and learn more about Holmen's forestry – or just enjoy the great outdoors.

In addition, Holmen conducts advocacy work itself and through industry organisations so that politicians and authorities know where we stand on issues that are relevant to our operations. For example, we explain the risks that Holmen sees in certain regulations that might limit the forest industry's ability to provide climate benefit and improve Europe's competitiveness.

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For more information on Holmen's work with affected communities, [see page 130](#), and for business conduct, [see page 131](#).



# CORPORATE GOVERNANCE REPORT

**Holmen AB is a Swedish public limited company, listed on the Stockholm Stock Exchange (Nasdaq Stockholm) since 1936. The preparation of a corporate governance report is a requirement under the Swedish Annual Accounts Act. The corporate governance report complies with the rules and instructions stipulated in the Swedish Code of Corporate Governance (the Corporate Code).**

## Shareholders

Holmen AB had 48 648 shareholders at year-end 2025. Swedish private individuals accounted for the largest category of owners with 46 150 shareholders.

The largest shareholder at year-end, with 63.2 per cent of the votes and 36.0 per cent of the capital, was L E Lundbergföretagen, which means that a Group relationship exists between L E Lundbergföretagen AB

(corporate ID number 556056-8817), whose registered office is in Stockholm, and Holmen. The second-largest shareholder by votes was the Kempe Foundations, whose holdings of Holmen shares amounted to 17.8 per cent of the votes and 7.8 per cent of the capital at the same date. No other individual shareholder controlled as much as 10 per cent of the votes. Employees have no holdings of Holmen shares via a pension fund or similar system.

Based on the authorization from the 2024 Annual General Meeting to acquire up to 10 per cent of the company's shares, the Board of Directors decided on August 15, 2024, to repurchase shares. During the first quarter of 2025, 300,000 shares were repurchased. At the 2025 AGM, the Board's authorisation to acquire up to 10 per cent of the company's shares was renewed. The Board of Directors decided to exercise the buy-back authorisation on

three occasions in 2025, and to buy back a total of 4 000 000 shares in order to adjust the Group's capital structure. In 2025, 4 300 000 shares were bought back for SEK 1 649 million, corresponding to an average price of SEK 383/share. The buy-backs amount to 2.65 per cent of the total number of shares. The company already owned 3.0 per cent of its own shares, meaning that at 31 December 2025 Holmen held 5.59 per cent of the total number of shares.

See pages 54–55 for further information about the shares and ownership structure.

## General meeting of shareholders

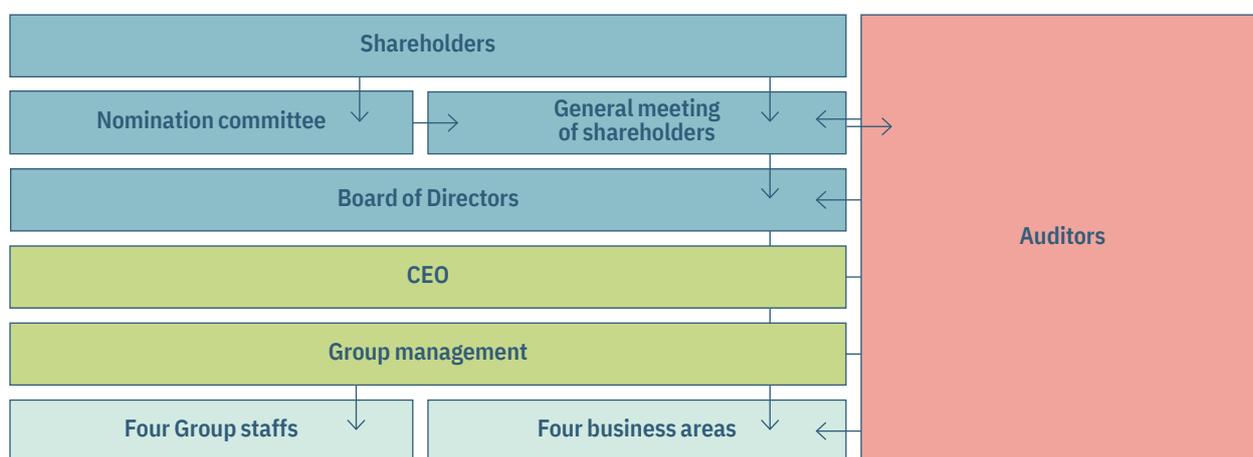
The notice convening the AGM is announced and posted on holmen.com no earlier than six and no later than four weeks before the meeting. That a notice has been issued is also advertised in a nation-wide newspaper. It was announced on 18 September 2025 that the 2026

## ↓ 2025 Annual General Meeting

The notice convening the meeting, the agenda and the minutes of the 2025 AGM are available at holmen.com. The Board of Directors attended the meeting. The AGM approved the income statement and balance sheet, decided on the appropriation of profits and granted the departing Board discharge from liability. The following Board members were re-elected: Fredrik Lundberg, Alice Kempe, Louise Lindh, Ulf Lundahl, Fredrik Persson, Henrik Sjölund, Henriette Zeuchner and Carina Åkerström. Stefan Widing was elected as a new member of the Board. Lars Josefsson declined re-election. Fredrik Lundberg was re-elected Chairman of the Board. The general meeting of shareholders also decided on Board fees, auditors and auditors' fees, the approval of the remuneration report, the adoption of a new share savings programme for key individuals within the Group and to authorise the Board to acquire up to 10 per cent of the company's shares.

## ↓ Board meetings

The Board held 11 meetings in 2025, four of which were in connection with the company's publication of its quarterly reports. One meeting was held in connection with the company's AGM. Recurring items at Board meetings include the economy, the situation on the market, investments, sustainability and the approval of financial statements. The Board of Directors sets and evaluates the company's budget, objectives and strategy and decides on important internal rules. Reports from the audit and remuneration committees, and reports on internal control and financial activities, are also discussed throughout the year. The Board also dedicated time to a Forest excursion and visits to some of the Group's production facilities. During the year, the company's CSRD materiality assessment and associated targets for the material sustainability matters were addressed. The Board also approved updated codes of conduct for employees and suppliers. The company's auditor regularly reports on audit work.



AGM would take place on 30 March 2026. Shareholders or proxies are entitled to vote in accordance with the full number of shares owned or represented.

### Nomination committee

The AGM resolved that the nomination committee should consist of the Chairman of the Board and one representative from each of the three shareholders in the company that control the most votes at 31 August each year. The composition of the nomination committee prior to the 2025 and 2026 AGMs is shown in the table on page 47.

The nomination committee's mandate is to submit proposals for the election of Board members and the Board Chairman, for Board fees and auditor fees, and for the election of auditors.

The nomination committee applies rule 4.1 of the Swedish Corporate Governance

Code (the Corporate Code) as a diversity policy when putting forward proposed Board members, which means the composition of the Board should reflect the company's business operations, phase of development and other circumstances, and should be diverse and wide-ranging in terms of the expertise, experience and background of the members elected by general meetings. An even gender distribution is sought. Further information about the work of the nomination committee will be provided at the 2026 AGM.

For the 2026 AGM, the nomination committee proposes that the Board consist of nine members elected by the AGM. The nomination committee proposes the re-election of the current Board members Fredrik Lundberg (who is also proposed for re-election as Chairman of the Board), Alice Kempe, Louise Lindh, Ulf Lundahl, Fredrik Persson, Henrik Sjölund, Stefan Widing, Henriette Zeuchner and Carina Åkerström.

### Composition of the Board

The members of the Board are elected each year by the AGM for the period until the end of the next AGM. According to the articles of association, the Board should consist of between seven and eleven members. The company's articles of association contain no other rules regarding the appointment or dismissal of Board members, or regarding amendments to the articles, or restrictions on how long members can serve on the Board.

The 2025 AGM decided to re-elect Fredrik Lundberg, Alice Kempe, Louise Lindh, Ulf Lundahl, Fredrik Persson, Henrik Sjölund, Henriette Zeuchner and Carina Åkerström to the Board, and to elect Stefan Widing as a new member. Lars Josefsson declined re-election. Fredrik Lundberg was re-elected Chairman of the Board. At the statutory first meeting of the new Board in 2025, Henrik Andersson, Senior Vice President Legal Affairs,

## ↓ Members of the Board of Directors

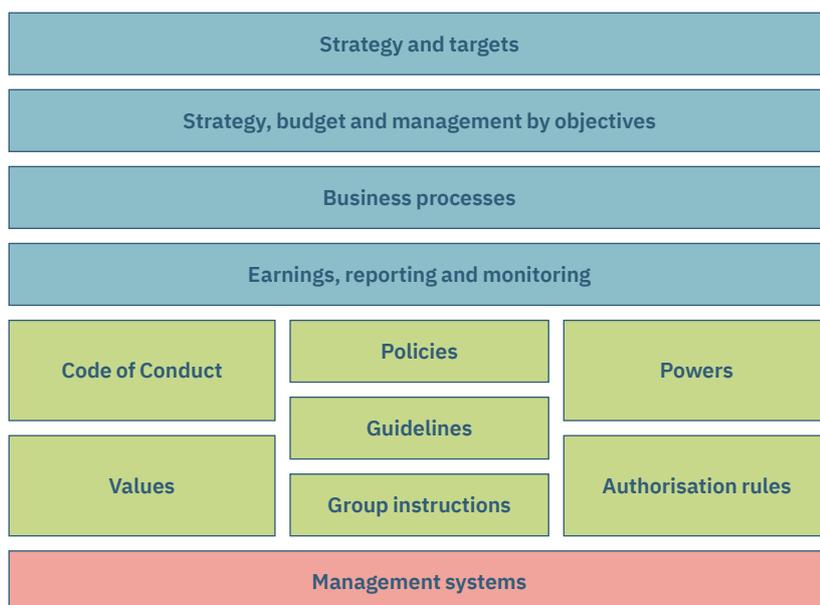
Board members	Elected	Role on the Board	Audit committee*	Remuneration committee	Attendance at meetings in 2025:			Fee for 2025 decided by AGM (SEK '000)
					Board of Directors	Audit committee*	Remuneration committee	
Fredrik Lundberg	1988	Chairman	Member	Chairman	10/11	4/6	3/3	910
Lars Josefsson	2011	Member	–	–	3/11	2/6	–	–
Alice Kempe	2019	Member	–	Member	10/11	–	3/3	455
Louise Lindh	2010	Member	Chairwoman	–	11/11	2/6	–	455
Ulf Lundahl	2004	Member	Member	–	11/11	6/6	–	455
Fredrik Persson	2022	Member	–	Member	11/11	–	3/3	455
Henriette Zeuchner	2015	Member	–	–	11/11	–	–	455
Stefan Widing	2025	Member	–	–	7/11	–	–	455
Carina Åkerström	2023	Member	Member	–	11/11	4/6	–	455
Henrik Sjölund	2014	Member, President & CEO	–	–	11/11	–	–	–

According to the nomination committee, Fredrik Lundberg, Lars Josefsson, Alice Kempe, Louise Lindh, Ulf Lundahl, Fredrik Persson, Stefan Widing, Henriette Zeuchner and Carina Åkerström are independent of the company and its senior management, and Lars Josefsson, Ulf Lundahl, Fredrik Persson, Stefan Widing, Henriette Zeuchner, Carina Åkerström and Henrik Sjölund are independent of the company's major shareholders. Lars Josefsson declined re-election at the AGM on 31 March 2025 and Stefan Widing was elected as a new Board member.

\*Prior to the AGM on 31 March 2025, Holmen's audit committee consisted of Ulf Lundahl (Chairman), Fredrik Lundberg and Lars Josefsson. At the AGM, Lars Josefsson stepped down from the Board and was replaced on the audit committee by Carina Åkerström. On 13 August, the Board decided that the audit committee should consist of Louise Lindh, who it subsequently appointed as Chairwoman, Ulf Lundahl and Carina Åkerström. Lars Josefsson was a member of the audit committee until the AGM on 31 March 2025.

### Workers' representatives

Tommy Åsenbrygg, member, elected 2009/Ari Aula, member, elected 2022/John Nyberg, member, elected 2023/Martin Nyman, deputy member, elected 2021/Daniel Hägglund, deputy member, elected 2014/Johan Viklund, deputy member, elected 2024.



Internal management processes and guideline documents.

was appointed as Board secretary.

Over and above the nine members elected by the AGM, the local labour organisations have a statutory right to appoint three members and three deputy members.

Of the nine Board members elected by the AGM, eight (89 per cent) are deemed to be independent of the company as defined by the Code. The CEO is the only Board member with an operational position in the company. Further information about the members of the Board is provided on pages 56–57.

### The Board's activities

The Board's work aims to optimise the company's profitability by taking a long-term approach to the company's management and ensuring that the company's objectives and strategy contribute to sustainable and lasting value growth. The Board's activities follow a plan intended, among other things, to ensure that the Board receives all the information it requires and that it is kept up to date on issues that are strategically important for the company. Each year the Board decides on written procedural rules and issues written instructions relating to the division of responsibilities between the Board and the CEO, and on the information that the Board is to receive continually on financial developments, impacts, risks and opportunities for the business (including from a sustainability perspective) and other key events. Company employees are consulted as experts on relevant issues.

The Board is also provided with information about the company's rules on business ethics and business conduct.

An annual evaluation is undertaken whereby each Board member answers a questionnaire containing relevant questions about the Board's work and has the opportunity to make suggestions about

how to enhance this work. Their responses are presented and discussed at a Board meeting. The results of the evaluation form the basis for the planning of the Board's work for the coming year. The Chairman of the Board reports the results of the evaluation to the nomination committee each year.

### Audit committee

The Board has created an audit committee. The audit committee's task is to monitor the company's financial reporting, sustainability reporting and the effectiveness of the company's internal control and risk management. The audit committee reviews and monitors the impartiality and independence of the auditor. The committee also evaluates the auditor's work and submits proposals to the company's nomination committee for the election of an auditor for the next mandate period. The members of Holmen's audit committee prior to the AGM of 31 March 2025 were Ulf Lundahl (Chairman), Fredrik Lundberg and Lars Josefsson. At the AGM, Lars Josefsson stepped down from the Board and was replaced on the audit committee by Carina Åkerström. On 13 August, the Board decided that the audit committee should consist of Louise Lindh, who it subsequently appointed as Chairwoman, Ulf Lundahl and Carina Åkerström. The audit committee met six times.

### Remuneration committee

The Board has also appointed a remuneration committee consisting of Fredrik Lundberg (Chairman), Fredrik Persson and Alice Kempe. The purpose of the committee is to prepare, in a smaller group, decisions concerning the remuneration of the CEO, guidelines for the remuneration of senior management and share- and share price-based incentive schemes. During the year, the committee prepared matters pertaining to the remuneration and other

employment conditions of the CEO, and evaluated guidelines for remuneration, share savings programmes and short-term benefits. The committee also examined remuneration structures, remuneration levels and methods for establishing the Group's wage levels to ensure that these are reasonable and appropriate. Remuneration and other employment conditions for senior management who report directly to the CEO are decided on by the latter and approved by the remuneration committee in accordance with the instructions for the remuneration committee adopted by the Board of Directors, as well as the guidelines adopted by the AGM for the remuneration of members of senior management.

The Group applies the principle that each manager's manager must approve decisions on remuneration in consultation with the relevant personnel manager.

The current guidelines for the remuneration of the CEO, Executive Vice President and other members of senior management, i.e. heads of business areas and heads of Group staffs who report directly to the CEO, were adopted by the 2023 AGM. The AGM adopted the guidelines in accordance with the Board's proposal. Current guidelines and information about remuneration are presented in Note 4 on pages 73–75.

The 2025 AGM approved the Board fees and payment of the auditors' fee as invoiced.

The 2022 AGM approved a share savings programme for key individuals in the Group. The programme expired when the interim report for the first quarter of 2025 was published. The 2024 AGM approved a share savings programme for Group management. The programme will expire when the interim report for the first quarter of 2027 is published. The 2025 AGM approved a share savings programme for Group management and business area management teams. The programme will expire when the interim report for the first quarter of 2028 is published. Its aim is to strengthen common interests between shareholders and company management, as well as to create a long-term commitment to Holmen. More information about the current share savings programmes and the financial and sustainability targets set can be found in Note 4.

### Group management

The Board has delegated operational responsibility for management of the company and the Group to the CEO. The Board annually decides on instructions covering the division of responsibilities between the Board and the CEO.

Holmen's Group management consists of the company's CEO, the Executive Vice President, the heads of the four business areas, and the heads of the four Group staffs. Information about the CEO and other members of Group management is provided on page 58.

Group management meets regularly. Matters that occurred during the year include earnings performance and reports before and after Board meetings, strategic issues, budgets, investments, internal control, health and safety, sustainability matters, with a particular focus on climate and environmental issues, and silviculture-related matters. The business areas have decentralised responsibility for developing their respective activities through defined targets and strategies. Business Review meetings are held quarterly. At these meetings, the management of each business area presents the market status and investment needs, etc., for their area, to the CEO, Executive Vice President, CFO and other heads of Group staff.

### Internal management processes

Holmen's business strategy is formulated by Group management in order to create long-term value for both shareholders and customers. The strategy is adopted by the Board and forms the basis for the expectations that are set. On the basis of these expectations, each unit sets targets and identifies success factors for achieving them. The Group's strategy and objectives are set out on pages 6–9. Also see the sustainability report for the objectives related to sustainability matters on page 102. Key performance indicators (KPIs) are linked to the success factors in order to measure and demonstrate changes in performance. The strategy review also provides the basis for the budget, through which decisions are taken on the distribution of resources and targets for the coming year are set. Use of a simple management-by-objectives tool for continuous follow-up ensures that the entire organisation is adopting the right priorities to meet the objectives set.

The business areas guide the operational activities towards these targets using processes for purchasing, production and sales, supported by financial management, IT, HR, environmental, sustainability and communication processes.

Activities are followed up through regular meetings with Group management and the monthly reporting of performance and KPIs that reflect business activity, along with additional qualitative analyses. Reporting of sustainability data is integrated with the financial reporting. When

major investment decisions are under consideration, financial, social and environmental effects are taken into account.

**Risk management.** The Group's business and operational risks, as well as climate- and sustainability-related risks and opportunities, are managed by the relevant business areas. Each business unit has its own processes for identifying, assessing and responding to these risks and opportunities. Material risks are reported to Group management as part of regular operational reviews.

IT infrastructure is managed by Group-wide functions in order to leverage economies of scale, and risks are handled in line with the Group's policies. Group Finance manages the Group's financing and financial risks, based on a finance policy that is established by the Board and is characterised by a low level of risk. Regulatory risks and changes in external requirements driven by sustainability matters are monitored and addressed in the business areas, supported by Group staff. Holmen has developed procedures through policy documents for identifying the risks of its operations having negative impacts on the environment, people and business conduct, and for identifying the stakeholders affected by Holmen's operations.

For further information about risks, see the Risk management section on pages 49–53.

**Code of Conduct.** The Board approves codes of conduct for employees and suppliers. Holmen's Code of Conduct is in line with the UN Global Compact, the International Labour Organization's (ILO) fundamental conventions and the OECD's Guidelines for Multinational Enterprises, and guides Holmen's day-to-day operations, clarifying the expectations placed on employees. Holmen's operations must be based on responsible behaviour towards both internal and external stakeholders. Holmen's Code of Conduct states that Holmen must endeavour to ensure that due diligence is shown with regard to consequences for human rights, the environment and the climate. The Supplier Code of Conduct is also in keeping with the above principles, conventions and guidelines. Both Holmen's Code of Conduct and Supplier Code of Conduct aim to

prevent potential and actual negative impacts on people, the environment and business conduct in its own operations and in Holmen's supply chain.

While respecting human rights, Holmen endeavours to ensure a workplace climate that is founded on the equal value of all people. All of Holmen's employees must have the same rights, obligations and opportunities irrespective of their sex, transgender identity or expression, ethnicity, religion or other beliefs, disabilities, sexual orientation or age. Holmen is subject to the UK Modern Slavery Act and a report relating to this is available at holmen.com.

**Policies.** At Group level, Holmen has decided on policies, guidelines and Group instructions that will help to implement Holmen's strategy and achieve its objectives. Policies, guidelines and Group instructions are reviewed annually and updated as necessary, based on developments and changes in the material risks and opportunities associated with the business. Holmen's CEO decides on the adoption of all policies and guidelines, except the financial policy, which is adopted by the Board. The Executive Vice President coordinates policy work. Each policy and their associated documents have an owner within Holmen's Group management who is responsible for them. Heads of finance for each business area are responsible for implementation. Policies, guidelines and Group instructions are intended to clarify how employees should act in fundamental and critical areas where material risks and opportunities may arise for the business.

The Group's eleven policies cover areas such as financial risks, business ethics, information security, investments and health and safety. The economic policy ensures that the company's assets are managed in accordance with Group rules, risks of errors in financial and sustainability reporting are minimised and irregularities are prevented. The financial policy states that financial risks are to be managed centrally and should be characterised by a low level of risk. The policies, with the associated guidelines and instructions, are available to all employees on the Group's intranet. Policies considered important for external stakeholders are published on holmen.com.

## ↓ Composition of the nomination committee

Name	Representing	Before AGM:		Independent of the:	
		2026	2025	Company	Largest shareholder (in terms of votes)
Bo Selling	L E Lundbergföretagen*	x (Chairman)	x (Chairman)	Yes	No
Fredrik Lundberg	Chairman of the Board	x	x	Yes	No
Lars Ericson	Kempe Foundations*	x	x	Yes	Yes
Vegard Torsnes	Norges Bank*	x	x	Yes	Yes

\*At 31 August 2025, L E Lundbergföretagen controlled 63.0 per cent of the votes, the Kempe Foundations controlled 17.7 per cent and Norges Bank controlled 2.2 per cent.

**Compliance.** Each business area is responsible for ensuring that the rules set out in policies are reflected in internal regulations. Compliance is monitored for example through employee surveys and appraisal talks, pay surveys, safety statistics and audits of the organisational and social work environment. The Board is informed of any breaches of the Code of Conduct. Where non-compliance or failings are found in the corporate culture, the issues are addressed on a case-by-case basis.

**Whistleblower function.** A whistleblower function is available for reporting, in a work-related context, information about misconduct that is in the public interest. Cases received are reported annually to the audit committee.

### Internal control of reporting

The Board's responsibility for internal control, financial reporting and sustainability reporting is regulated by the Swedish Companies Act and the Swedish Corporate Governance Code. Under the Corporate Code, the Board is also responsible for ensuring that the company is managed in a sustainable and responsible manner. The operational work relating to these matters has been delegated to the CEO.

**Purpose and structure.** The purpose of internal control is to ensure that Holmen achieves its objectives for both financial and sustainability reporting (see below), to ensure that the company's assets are being managed according to Group rules and to prevent irregularities. Group Finance coordinates and monitors the internal control process for reporting.

It follows the COSO framework for internal control in its work. The framework comprises five basic elements: the control environment, risk assessment, control activities, information and communication, as well as monitoring activities and evaluations. The framework has been modified to suit the needs of Holmen's various operations.

**Control environment.** The control environment forms the basis for internal control of financial and sustainability reporting and is based in part on the company's internal management processes. The Board of Directors' procedural rules and the instructions for the CEO establish the distribution of roles and responsibilities to ensure effective control and management of the business's risks.

Policies, guidelines and instructions contribute to making individuals aware of their role in maintaining good internal control. These documents also ensure that financial and sustainability reporting

complies with the laws and rules that apply to companies listed on Nasdaq Stockholm and the local rules in each country where the company operates.

**Risk assessment.** Risk assessment activities aim to identify and evaluate the risks that may result in the Group's reporting objectives not being met. The results of these risk-related activities are compiled and assessed under the guidance of Group Finance.

Holmen's biggest financial reporting risks are linked to the valuation of forest assets, pension obligations, provisions and financial transactions. Holmen's main sustainability reporting risks primarily relate to calculation methodology and dependence on individuals for data generation. The risk assessment also includes the identification and evaluation of operational risks, which are managed through each business area's management system. For further information about risks, see the Risk management section on pages 49–53.

**Control activities.** To ensure that Holmen's financial and sustainability reporting objectives are met, control requirements are incorporated in the processes that are deemed relevant: sales, purchasing, investments, personnel, financial statements, payments, IT and sustainability reporting. Control activities aim to prevent, identify and rectify errors and nonconformities. Business-specific self-assessments that are completed by all Group units set out what control requirements apply for each process and whether or not they are being met.

### Information and communication.

Holmen's communication, both external and internal, adheres to a communication policy adopted by the CEO. The provision of information to Holmen's shareholders and other stakeholders must be accurate, comprehensive, transparent and consistent, and must take place on equal terms and at the right time.

External financial reporting must:

- be accurate and complete, and comply with applicable laws, regulations and recommendations
- provide a true and fair description of the company's business
- support a reasoned and informed valuation of the business.

Internal financial reporting must also support correct business decisions at all levels in the Group.

**Follow-up and evaluation.** Control activities are regularly assessed to ensure that they are effective and appropriate. The

results of self-assessments are followed up on a continuous basis and nonconformities are reported half-yearly to the Group CFO. The accuracy of self-assessments is subject to testing. Internal control reporting to Group management takes place once a year.

The company's auditors report their observations from their internal control review to the audit committee and Board during the year.

Follow-up is an important tool for identifying possible deficiencies within the Group and for addressing these through the development of new control requirements.

**Statement on internal audit.** The Board of Directors does not believe that particular circumstances in the business or other conditions exist to justify an internal audit function. The internal control managed by the Group, together with the activities carried out by the external auditors, are deemed to be sufficient.

### Audit

The audit firm PricewaterhouseCoopers AB (PwC), which has been Holmen's auditor since 2021, was re-elected as auditor at the 2025 AGM for one year. Authorised public accountant Magnus Svensson Henryson was appointed as the principal auditor. PwC performs the audit for Holmen AB as well as for the majority of Holmen's subsidiaries.

The examination of internal procedures and control systems begins in the second quarter and continues thereafter until year-end. The interim report for January–September is subject to review by the auditors. The examination and audit of the final annual accounts and the annual report, including the sustainability report, take place in January–February.

The Board's reporting instructions include requirements that the members of the Board receive a report each year from the auditors confirming that the company's organisation is structured to enable satisfactory supervision of accounting, of the management of funds and of other aspects of the company's financial circumstances. In 2025, the auditors reported on their work to the audit committee at four meetings and to the Board of Directors on one occasion. In addition to the audit assignment, Holmen has consulted PwC on matters pertaining to taxation, accounting and for various investigations. The remuneration paid to PwC for 2025 is stated in Note 5 on page 75. PwC is required to assess its independence before making decisions on whether to provide Holmen with independent advice alongside its audit assignment.

# RISK MANAGEMENT

The Group's business and operational risks and climate- and sustainability-related risks and opportunities are managed by the relevant business areas. The business areas also make decisions regarding production, sales and employees, with the aim of generating a lasting good return on invested capital.

Some parts of IT are managed by Group-wide functions in order

to leverage economies of scale and risks are handled in line with the Group's policies. The Group's financing and financial risks are managed by Group Finance based on a finance policy established by the Board that is characterised by a low level of risk. This aims to minimise the Group's cost of capital and ensure the effective management and control of the Group's financial risks.

## Operational risks

Risk	Risk management	Comments
<p><b>Production and deliveries</b> Demand for Holmen's products is affected by macroeconomic and political factors, among others, and the competitiveness of European producers above all. Changes in demand affect the ability to achieve full production at the Group's industrial facilities and can lead to lower income. Income may also be impacted if the harvesting of our own forests needs to be limited and by variations in precipitation and wind, which govern the production of hydro and wind power.</p>	<p>Holmen endeavours to maintain a good cost position through large-scale production at well-invested production facilities, efficient logistics solutions and good control over the supply of wood and energy. Together with longstanding customer relationships and strong product brands, this also increases our ability to maintain a high level of production amid more difficult market conditions. Changes in demand for wood may be catered for by moving the harvesting of our own forests between years, while the production of hydro power during the year can be controlled by regulating water reservoir levels.</p>	<p>Demand for wood products was subdued in 2025 due to weak construction activity, while supply was constrained by global raw material shortages. The electricity price in northern Sweden was very low for much of the year due to high water flows and a limited transmission capacity, which locked in power generation for much of the time. Wind power production was curtailed partly by low electricity prices. For information about how changes in deliveries would affect Holmen's operating profit, given the circumstances on 31 December 2025, see the sensitivity analysis on page 53.</p>
<p><b>Selling prices</b> The market balance in each product segment governs the selling price and affects income.</p>	<p>Holmen is limited in its ability to make rapid changes to its product range in the event of changes in price, but it adjusts its product focus towards those products and markets deemed to have the best long-term conditions and by having a broad customer base and an offering across a number of product areas. Changes in the price of wood can be managed to some extent by moving harvesting from our own forests between years, and changes in the price of electricity can be partly managed by regulating water reservoir levels in order to move electricity production over the year.</p>	<p>Market prices for consumer paperboard and paper were broadly stable in 2025. Wood product prices rose in the spring but fell back in the autumn, and by the end of the year were broadly at the same level as at the beginning of the year. Electricity prices in northern Sweden were lower in 2025 than during the previous year, but thanks to our ability to steer electricity production to periods when electricity prices are higher, Holmen's average selling price was 40 per cent higher than the market price in northern Sweden. For information about how changes in prices would affect Holmen's operating profit, given the circumstances on 31 December 2025, see the sensitivity analysis on page 53.</p>
<p><b>Raw materials</b> Wood, electricity and chemicals are the most significant input goods and price changes affect profitability. Holmen's costs depend on price developments for input goods, as well as on how well the Group succeeds in making its production and administration more efficient. There is a risk that the Group's costs will increase if there is a shortage of raw materials, or if prices increase for input goods.</p>	<p>Nearly half of the Group's wood needs are covered by harvesting from the Group's own forests, while the remainder is mainly purchased from private forest owners. The Group's position when it comes to pulp is largely balanced as a result of the integrated production process. The paperboard business generates almost all the electricity required at its own mills, while electricity for paper manufacturing is supplied from external electricity purchases. The price risk for this consumption is managed through physical fixed price contracts and financial hedging. The Group also sells electricity from its hydro power and wind power assets to the grid. The need for thermal energy is great and is met locally through recovery and production from residual products. Chemicals are a significant input, particularly in paperboard production, but the need is declining since used chemicals are being recovered at the mills.</p>	<p>The price of wood continued to increase in 2025, with large price differences within the country, while the price of chemicals remained broadly stable over the year. In 2025, 85 per cent of electricity consumption at Holmen's paper mills was hedged. For information about how changes in commodity prices would affect Holmen's operating profit, given the circumstances on 31 December 2025, see the sensitivity analysis on page 53.</p>

Risk	Risk management	Comments
<p><b>Suppliers</b> Deficiencies in the input supply chain in terms of security of supply and quality can lead to production disruptions. Suppliers that do not meet Holmen's requirements can also have a negative effect on operations. There is a further risk of essential raw materials not being delivered because of changes in laws and regulations or other external factors.</p>	<p>Holmen endeavours to have at least two approved suppliers per area of use. Holmen's Supplier Code of Conduct is included in all new contracts. The Code contains sustainable development requirements, including respecting internationally recognised principles governing the prevention of corruption, human rights, the work environment and the environment. Holmen has engaged an external party, EcoVadis, to monitor suppliers for their compliance with the Code. Compliance with silviculture contractor agreements is ensured through site visits to forests. All silviculture contractors are given annual training, through the silviculture training programme, in silviculture, and in labour law, and are informed about where to turn should irregularities occur.</p>	<p>The supply chain risks relating to the climate, environment, labour legislation, human rights, business ethics and sustainable purchasing have been mapped. The outcome is monitored through EcoVadis, in discussion with the relevant suppliers. In 2025, no breaches (1) of the Supplier Code of Conduct were reported. In the event of such breaches of the Code, an active discussion with an action plan is put in place in accordance with Holmen's procedures. Suppliers representing 90 per cent (90) of the Group's purchasing volumes comply with the principles of the Supplier Code of Conduct. Reducing fossil fuel emissions is discussed with the largest suppliers of input products.</p>
<p><b>Customer credits</b> The risk of the Group's customers being unable to fulfil their payment obligations constitutes a credit risk.</p>	<p>The risk that the Group's customers will not fulfil their payment obligations is limited by means of creditworthiness checks, credit limits per customer and, in some cases, by insuring trade receivables against credit losses. Credit limits are continually monitored. Exposure to individual customers is limited.</p>	<p>At 31 December 2025, the Group's trade receivables totalled SEK 2 398 million (2 823), of which 61 per cent (39) were insured against credit losses. During the year, credit losses on trade receivables had an impact on earnings of SEK -9 million (-). Sales to the five largest customers accounted for 14 per cent (13) of the Group's total sales in 2025.</p>
<p><b>Installations</b> Production may be seriously disrupted, for example in the event of a fire, machine breakdown or natural disaster. This can lead to supply problems, unexpected costs and reduced customer confidence. Production facilities require ongoing maintenance and technical upgrades. Longer maintenance shutdowns can entail higher costs and a greater loss of production than planned. Investments in non-current assets may also be more costly than initially planned.</p>	<p>Holmen focuses on preventing damage through investments, maintenance, crisis management and business continuity planning. Operator training and specific procedures increase both risk awareness and safety for employees. The installations are insured with stable insurance companies at replacement cost and for loss of contribution margin.</p>	<p>Holmen continuously invests in fire protection and other damage prevention actions. In 2025, Holmen clarified and updated the technical fire protection framework, with an increased focus on the critical parts of the installations. Planned maintenance shutdowns are carried out each year at the Group's mills and sawmills to ensure continued good production and high quality products. This continuous effort is intended to reduce the risk of serious disruptions occurring.</p>
<p><b>IT systems</b> Efficient IT support is required to be able to manage and plan production, sales and purchasing. Disruptions in IT support and unauthorised access to information can have significant negative effects on the business.</p>	<p>Operating disruptions and unauthorised access are prevented by security measures and preventive measures in the form of appropriate physical protection, reliable server operation and secure networks. Measures and procedures are in place to minimise the risk of interruption and to manage situations if interruptions occur. Holmen is continually developing protective measures to address changes in the risk profile.</p>	<p>To make its systems and procedures secure, Holmen has created a function focused on IT and cyber security. In 2025, a process was initiated to certify Holmen's management systems that handle information security, cybersecurity and data protection according to the ISO/IEC 27001 standard.</p>
<p><b>Forestry regulations</b> Holmen's right to manage its own forest is crucial to maintaining its value. There is a risk that the requirements for the forests to be used as carbon sinks may increase in the future. Such a development could affect the ability to manage the forests and therefore access to raw materials. Requirements for changes in forestry practices and further restrictions under the Species Protection Regulation could lead to reduced harvests and increased costs.</p>	<p>Forest and land management are regulated both nationally and at EU level. In order to be able to engage in active and sustainable forestry, it is important that laws and regulations do not restrict the conditions necessary for sustainable operations. Holmen participates in national and international industry organisations to exert an influence on relevant political and regulatory issues.</p>	<p>During the year, the focus was on the industry's competitiveness and the implementation of EU regulations. In Sweden, studies have been presented that have an increased focus on forest growth and production by the forest industry. Within EU institutions, a greater emphasis has been placed on competitiveness and the regulations are being simplified in several areas. Holmen has continually played an active part in discussions, both on its own and through industry organisations, to influence the EU's regulations and the Swedish government's implementation planning, including by highlighting the positive climate effects of an actively managed forest.</p>
<p><b>Damage to forests</b> Wild game can damage forests when grazing, resulting in both deterioration of the quality of the trees and reduced forest growth. Insect pests are another risk factor; for example, the spruce bark beetle can damage spruce forests. Storm and snow damage, fungal attacks and forest fires are other examples of damage that must be addressed and managed in forestry.</p>	<p>The Group's forest holdings are not insured as they are spread across large parts of Sweden and the risk of extensive damage is not considered to justify the cost of insurance. To reduce the extent of grazing by wild animals, active efforts are undertaken on Holmen's land to maintain game at the correct population level. Insect pests such as pine weevils are combated by waxing seedlings and infested forest is harvested as soon as possible to prevent spread.</p>	<p>At the end of 2025, central Sweden was hit by major storms. The volumes felled by storms on Holmen's land amounted to just over 300 000 m<sup>3</sup>sub, which corresponds to 10 per cent of Holmen's normal annual harvest. Holmen's forest management programme takes into account the increased risks of forest damage in a changing climate and is focused on creating robust forests, with further variation and risk diversification being considered.</p>
<p><b>Climate change</b> Climate change may affect Holmen's operations, but there are not currently thought to be any major physical risks. Rising temperatures and changes in precipitation patterns may benefit pests such as fungi and insects, which may lead to lower timber volumes and quality. Longer periods of drought and higher temperatures may limit forestry activities due to the ground being frozen for shorter periods or stoppages due to a high risk of forest fires. At the same time, a warmer climate could increase growth, with longer growth periods, more precipitation and higher levels of carbon dioxide, aiding photosynthesis.</p>	<p>Each business area has climate adaptation plans that assess how production, products and services are being affected by a changing climate. The plans describe the relevant climate risks, their potential impacts on the business and the activities that can be carried out to seize opportunities and reduce risks. The climate change adaptation plans are reviewed annually within each business area. The management of each business area participates in the process and prioritises any activities, taking the costs and risks of the actions and the other needs of the business into account.</p>	<p>The market's ambitions with regard to the combating of climate change are contributing to demand for renewable products and Holmen's strategy is well positioned in the transition to a low-carbon economy. Increased demands to reserve land for purposes other than forestry may lead to reduced harvests and thus reduced opportunities for the forest to contribute with renewable products.</p>

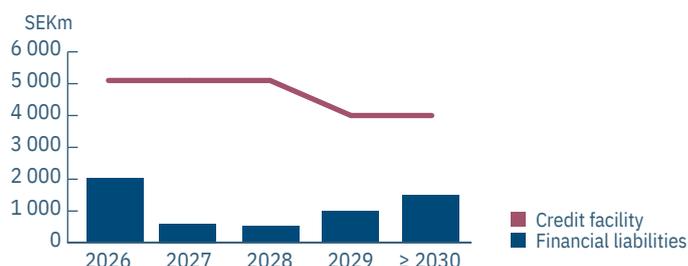
Risk	Risk management	Comments
<p><b>Environment and permits</b> Holmen runs operations that require environmental permits. The permits specify conditions regarding permitted production volumes, noise levels and permitted emissions to air and water, among others. Production disruptions can cause breaches of emission conditions set for the business by the environmental authorities. Such breaches could affect the environment. On sites where Holmen has conducted industrial operations, the need for remediation may entail future costs. Obtaining permits for wind power development often takes a long time and the outcome is uncertain.</p>	<p>Environmental measures are organised and carried out in accordance with Holmen's environmental and energy policy. In the event of process disruptions, the environment takes precedence over production. Risks are prevented and managed through regular maintenance shutdowns and own checks, checks by authorities and environmental risk analyses, as well as through the use of certified environmental and energy management systems and chain-of-custody certification. In consultation with the authorities, Holmen conducts investigations to assess whether former industrial sites need to be remediated.</p>	<p>In 2025, 42 (46) environment-related incidents were reported to the supervisory authorities. All the incidents were addressed through corrective actions within the businesses' environmental management systems. At Workington Mill, the implementation of measures to ensure that the environmental permit limits are not exceeded for the water treatment plant is still underway. The supervisory authority has been notified. In 2025, there were no incidents that led to long-term consequences for the environment, production or human health.</p>
<p><b>Work environment</b> Incidents and accidents in the workplace have an effect on human life and health. This can also lead to production disruptions and increased costs.</p>	<p>Holmen has a vision of zero work-related accidents and its work environment policy states how work-related injuries and illness are to be prevented. Certified management systems, Group-wide targets relating to industrial accidents, continual training of employees to increase risk awareness, risk observation and incident and accident reporting procedures, and risk assessments of tasks and work by contractors, are examples of activities to achieve a high level of safety in the workplace.</p>	<p>In 2025, the rate of industrial accidents was 4.7 (5.3) per 1 million hours worked. The most common accidents were slips, trips and crush injuries. The most significant areas of risk involve work with overhead cranes and vehicles with people in movement. Holmen continuously works to strengthen and promote safe behaviour in the work environment through locally adapted activities.</p>
<p><b>Talent management</b> Skilled and motivated employees are key to being able to conduct business operations with good profitability over the long term. There is a structural shortfall in many industrial positions. Skilled labour shortages can delay work and disrupt production.</p>	<p>Holmen is working continuously to enhance its employer brand. Each business area prepares a long-term talent management plan each year that identifies recruitment needs. Targeted digital marketing combined with in-person events, such as career days and sponsorship collaborations, are aimed at increasing awareness of Holmen and allowing it to attract and retain competent employees.</p>	<p>Holmen must be an attractive employer that develops employees through stimulating tasks and new challenges. Employee engagement is measured through annual new hire questionnaires and regular employee surveys. The results are analysed and acted on through local action plans.</p>
<p><b>Business ethics risks</b> Nationally and internationally, customers and partners make demands of Holmen as a stable and reliable supplier that has good business ethics and clear sustainability principles. Deviations from principles and policies could have a negative impact on the Group's reputation and business relationships.</p>	<p>Holmen's Code of Conduct, business ethics policy and associated guidelines provide clear guidance on how to maintain good business ethics when dealing with external contacts. Holmen's Code of Conduct also provides guidance on human rights, workers' rights and the environment. These areas are clarified in Holmen's policies and related guidelines. Holmen employees are regularly trained in the Code of Conduct.</p>	<p>In 2025, no corruption-related adverse judgments were delivered against Holmen or its employees. There are also no such cases ongoing in court. Seven cases were reported through Holmen's whistleblowing service in 2025. No cases of corruption or bribery were identified. Labour law issues were handled by following standard HR procedures.</p>
<p><b>External risks</b> Holmen operates in a global market and sells products to many countries around the world. Because of this geographical spread, Holmen is exposed to political risks, conflicts, natural disasters and pandemics. Moreover, Holmen is obligated to comply with laws and regulations wherever it conducts business, including in areas such as the environment, real estate, labour law and taxation. Changes in laws and regulations may affect conditions for Holmen's operations and lead to increased costs for regulatory compliance.</p>	<p>Holmen participates in national and international industry organisations whose role is monitoring social trends and advocacy work, and that put forward Holmen's position and view on relevant political and regulatory issues. Contact is established with local representatives and the general public in areas where the Group has operations. This takes place, for example, through consultation and information meetings, visits to sites and meetings with decision-makers. More unforeseeable risks that may arise, for example as a result of disease outbreaks, war or political unrest, are managed through ongoing external monitoring. To maintain optimum preparedness and active crisis management, Holmen is engaged in close dialogue and coordination with industry organisations, customers and suppliers.</p>	<p>Global trade barriers in the form of tariffs may affect our sales, both directly and indirectly, through altered trade patterns. Holmen's sales to the US are limited and the tariffs imposed by the United States on other countries have so far only had a marginal effect on the Group's earnings and financial position. Holmen continuously monitors developments in order to take measures to minimise potential effects. Holmen has been active in promoting the growth of sustainable energy production and bio-based activities, through dialogue, consultation responses, preparedness and advocacy work, on its own and together with industry organisations.</p>

For further impacts, risks and opportunities, see the sustainability report on pages 98–132.

## Financial risks

Risk	Risk management	Comments																																																
<p><b>Currency</b> The Group's earnings are affected by fluctuations in exchange rates. Transaction exposure risk arises due to a significant portion of the Group's sales income being in different currencies from costs. Translation exposure risk arises from the translation of foreign subsidiaries' assets, liabilities and earnings into Swedish kronor.</p>	<p><b>Transaction exposure.</b> In order to reduce the impact on profit of changes in exchange rates, net flows are hedged using forward foreign exchange contracts. Net flows in euros, US dollars and pounds sterling for the coming four months are always hedged. These normally consist of trade receivables and outstanding orders. The Board may decide to hedge flows for a longer period if this is deemed to be appropriate in light of the products' profitability and competitiveness and the currency situation. Currency exposure arising when investments are paid for in foreign currencies is distinguished from other transaction exposures. Normally, 90–100 per cent of the currency exposure associated with major investments is hedged.</p> <p><b>Translation exposure.</b> The Group's non-current assets are mainly Swedish, with the exception of the paperboard mill in the UK, which accounts for 2 per cent of the assets. The hedging of the exposure that arises when subsidiaries' assets and liabilities are translated into Swedish kronor (known as equity hedging) is assessed on a case-by-case basis and is arranged based on the value of the net assets upon consolidation. The hedges take the form of foreign currency loans or forward foreign exchange contracts. The exposure that arises when the earnings of foreign subsidiaries are translated into Swedish kronor is not normally hedged.</p>	<p>Expected flows in EUR/SEK are hedged for just over two years at an average rate of 11.30. For other currencies, 4–5 months of flows are hedged.</p> <p>Hedging of exposure to pounds sterling amounted to GBP 60 million at year-end. Net assets in other currencies are limited and are not usually hedged.</p>																																																
	<table border="1"> <caption>Transaction Exposure Data (SEKm)</caption> <thead> <tr> <th>Currency</th> <th>12 month net flow</th> <th>Hedged transaction exposure</th> </tr> </thead> <tbody> <tr> <td>EUR/SEK</td> <td>~4,500</td> <td>~9,000</td> </tr> <tr> <td>GBP/SEK</td> <td>~1,000</td> <td>~200</td> </tr> <tr> <td>USD/SEK</td> <td>~2,000</td> <td>~500</td> </tr> <tr> <td>EUR/GBP</td> <td>~1,000</td> <td>~200</td> </tr> <tr> <td>CNH/SEK</td> <td>~200</td> <td>~100</td> </tr> </tbody> </table>	Currency	12 month net flow	Hedged transaction exposure	EUR/SEK	~4,500	~9,000	GBP/SEK	~1,000	~200	USD/SEK	~2,000	~500	EUR/GBP	~1,000	~200	CNH/SEK	~200	~100																															
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<p><b>Interest rates</b> Changes in market interest rates affect the Group's cost of borrowing.</p>	<p>The fixed interest rate period for the Group's net financial debt varies over time and is decided on by the Board of Directors. To limit the effects of a rise in interest rates, the interest rate on loans may be fixed, or interest rate swap agreements may be entered into without changing the interest rate on the underlying loans.</p>	<p>Holmen's average borrowing rate in 2025 was 2.7 per cent.</p> <p>The table below shows the Group's fixed interest rate period by currency.</p>																																																
	<table border="1"> <thead> <tr> <th>SEKm</th> <th>&lt;1 year</th> <th>1–3 years</th> <th>3–5 years</th> <th>&gt;5 years</th> <th>Pension obligations</th> <th>Right-of-use agreements</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>SEK</td> <td>-894</td> <td>-500</td> <td>-3 000</td> <td>-</td> <td>1</td> <td>-159</td> <td>-4 551</td> </tr> <tr> <td>EUR</td> <td>141</td> <td>-</td> <td>-</td> <td>-</td> <td>-8</td> <td>-57</td> <td>76</td> </tr> <tr> <td>GBP</td> <td>-821</td> <td>-</td> <td>-</td> <td>-</td> <td>207</td> <td>-7</td> <td>-621</td> </tr> <tr> <td>Other items</td> <td>120</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-4</td> <td>117</td> </tr> <tr> <td></td> <td><b>-1 454</b></td> <td><b>-500</b></td> <td><b>-3 000</b></td> <td><b>-</b></td> <td><b>200</b></td> <td><b>-226</b></td> <td><b>-4 979</b></td> </tr> </tbody> </table>	SEKm	<1 year	1–3 years	3–5 years	>5 years	Pension obligations	Right-of-use agreements	Total	SEK	-894	-500	-3 000	-	1	-159	-4 551	EUR	141	-	-	-	-8	-57	76	GBP	-821	-	-	-	207	-7	-621	Other items	120	-	-	-	-	-4	117		<b>-1 454</b>	<b>-500</b>	<b>-3 000</b>	<b>-</b>	<b>200</b>	<b>-226</b>	<b>-4 979</b>	
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<p><b>Credit risk relating to financial counterparties</b> The risk of financial transactions giving rise to credit risks in relation to financial counterparties.</p>	<p>The creditworthiness of Holmen's financial counterparties is assessed using reputable credit rating agencies or, where a counterparty has no credit rating, the company's own analyses. A maximum credit risk and settlement risk are established for each financial counterparty and are continually monitored. The calculation is based on the maturity and historical volatility of different types of derivatives. For cash and cash equivalents and current investments, the maximum credit risk is deemed to correspond to the nominal amount.</p>	<p>At 31 December 2025, the Group had outstanding derivative contracts of a nominal amount of SEK 1.6 billion and a net fair value of SEK 0.5 billion.</p>																																																

Risk	Risk management	Comments
<p><b>Liquidity and refinancing</b> The risk that the need for future funding and refinancing of maturing loans may have to be met at a high cost.</p>	<p>Holmen's strategy is to have a strong financial position to give it room for manoeuvre when making long-term business decisions. The target is for net financial debt not to exceed 25 per cent of equity. Holmen's financing usually mainly comprises bonds and the issuing of commercial paper. Holmen reduces the risk of future funding becoming difficult or expensive by using long-term contractual credit facilities. The Group plans its financing by forecasting its financing needs over the coming years based on the Group's budget and profit forecasts, which are regularly updated.</p>	<p>Net financial debt amounted to SEK 4 979 million, equal to 9 per cent of equity. Financial liabilities totalled SEK 5 637 million at the end of the year, of which SEK 2 024 million is due for payment in 2026, and financial assets totalled SEK 658 million, of which SEK 414 million consists of cash and cash equivalents and current investments.</p> <p>The Group has two unutilised contractual credit facilities totalling SEK 5.1 billion maturing between 2028 and 2030. The facilities include limits that mean that they cannot be used if the net debt to equity ratio exceeds 125 per cent.</p>



## Sensitivity analysis

Operational risks	Impact on operating profit, SEKm			
	Sales	Change	Price	
<p>A 1 per cent change in deliveries and the price of the Group's products or significant input goods is deemed to affect Group operating profit as per the table on the right.</p> <p>Earnings are relatively evenly spread over the year. The clearest seasonal effects are lower personnel costs in the third quarter and the fact that electricity production at the hydro power plants is normally higher in the first and fourth quarters.</p> <p>Holmen hedges part of the electricity consumption at the paper mills. For 2026, price hedges are in place corresponding to 85 per cent of expected consumption and 40 per cent for 2027.</p>			Deliveries	
	Paperboard and paper	+/-1%	143	49
	Wood products	+/-1%	36	10
	Wood from company forests	+/-1%	23	17
	Hydro and wind power	+/-1%	4	2
	<b>Input goods</b>	<b>Change</b>	<b>Price</b>	
	Wood	+/-1%	54	
	Electricity*	+/-1%	3	
	Chemicals	+/-1%	18	
	Other variable costs	+/-1%	8	
	Delivery costs	+/-1%	21	
	Employees	+/-1%	30	
	Other fixed costs	+/-1%	31	
*Taking electricity price hedges for 2026 into account. Without taking hedges into account, the corresponding impact would be SEK 16 million.				
Financial risks	Profit/loss before tax*	Change	SEKm	
<p>The table on the right shows the extent of the impact of any change in the Swedish krona, the price of electricity or the market interest rate on Group profit/loss before tax and equity next year, taking account of hedging. The assumed change is calculated based on five years' average historical volatility for each instrument, which is deemed to be a reasonable change going forward. The historical volatility of exchange rates is calculated based on average annual volatility on the KIX, the Riksbank's exchange rate index. Excluding hedging, a 5 per cent change in the krona would affect the profit/loss before tax by SEK 464 million a year.</p>				
	Exchange rate total	+/-5%	199	
	EUR/SEK	+/-5%	36	
	USD/SEK	+/-5%	79	
	GBP/SEK	+/-5%	49	
	Other currencies/SEK	+/-5%	35	
	Borrowing rate	+/-1% point	10	
	<b>Equity</b>	<b>Change</b>	<b>SEKm</b>	
	Transaction hedging	+/-5%	531	
	Investment hedging	+/-5%	3	
	Equity hedging	+/-5%	29	
	Electricity price hedging	+/-60 %	904	
	Interest rate changes	+/-1% point	86	
*Estimated effect for 2026 including hedging.				

# SHAREHOLDER INFORMATION

**Holmen's two classes of shares are listed on Nasdaq Stockholm, Large Cap. Over the past ten years, Holmen's total shareholder return (dividends paid and share price performance) has been 261 per cent, compared with 181 per cent for the OMX Stockholm GI. For Holmen, this corresponds to an annual return of 14 per cent. The number of shareholders has increased over the same period with 20 000 to 48 650.**

## Stock exchange trading

Holmen was listed on the Stockholm Stock Exchange in 1936, but was called Mo och Domsjö AB at the time. Holmen's two classes of shares are currently listed on Nasdaq Stockholm, Large Cap. At the end of 2025, Holmen A was trading at SEK 349 (399) and Holmen B at SEK 354 (406), corresponding to a market capitalisation of SEK 54.1 billion (63.7). The highest closing price of the year for Holmen B was SEK 438 and was recorded on 10 March. The lowest closing price of SEK 341 was recorded on 18 November.

The daily average number of class B shares traded was 561 000, which corresponds to a value of SEK 215 million. The daily average number of class A shares traded was 1 493. 34 per cent of trading took place on Nasdaq Stockholm. Holmen shares are also traded on other trading platforms, such as Cboe BXE, LSE and Aquis.

## Dividend

Decisions on shares dividends are based on an appraisal of the Group's profitability, future investment plans and financial position. The Board proposes that the AGM, to be held on 30 March 2026, approve

an ordinary dividend of SEK 9.5 per share.

## Share buy-backs

Based on the authorization from the 2024 Annual General Meeting to acquire up to 10 per cent of the company's shares, the Board of Directors decided on August 15, 2024, to repurchase shares. During the first quarter of 2025, 300,000 shares were repurchased for SEK 119 million, corresponding to an average price of SEK 397 per share. After the 2025 AGM, Holmen's Board of Directors decided to buy back an additional 4 million shares. The shares were bought back for a total of SEK 1 530 million, corresponding to an average price of SEK 382/share. Overall, the share buy-backs completed in 2025 correspond to 2.65 per cent of the total number of shares and amounted to SEK 1 649 million. At 31 December 2025, Holmen held shares corresponding to 5.59 per cent of the total number of shares.

The Board proposes that the 2026 AGM renew its authorisation to buy back up to 10 per cent of the company's shares.

## Share structure

After the share buy-backs, Holmen has 153 434 534 outstanding shares, of which 45 246 468 class A shares and 108 188 066 class B shares. The company also holds 9 077 790 repurchased class B shares. Each class A share carries 10 votes, and each class B share one vote. In other respects, the shares carry the same rights. Neither laws nor the company's articles of association place any restrictions on the transferability of the shares.

## Ownership structure

Holmen had a total of 48 650 shareholders at year-end 2025. In terms of numbers,

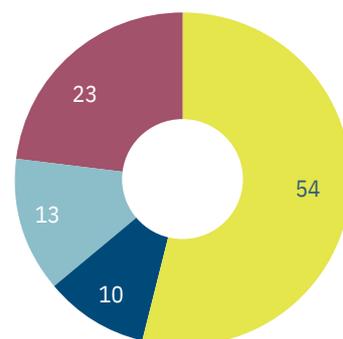
Swedish private individuals were the largest category of owners with 46 150 shareholders. Shareholders registered in Sweden own 78 per cent (76) of the share capital. Among foreign shareholders, the largest proportion of shares are held in Norway and the US, accounting for 8 per cent and 8 per cent of the capital respectively. The largest owner at the turn of 2025/2026, with 63.2 per cent of the votes and 36.0 per cent of the capital, was L E Lundbergföretagen AB.

## Shareholder communication

Information about the company is available on the holmen.com website, including financial information in the form of reports, presentations and financial data, as well as the performance of Holmen's shares and contact information.

## Shareholder categories

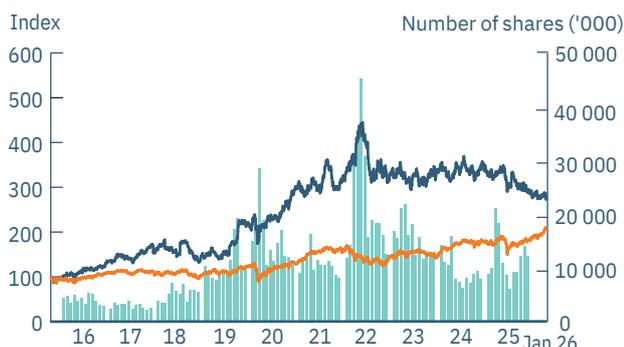
Share of capital, %



Swedish institutions	54%
Swedish equity funds	10%
Swedish private individuals	13%
Foreign shareholders	23%

## Share price performance

Holmen B and OMX Stockholm



■ Holmen B ■ OMX Stockholm 30 (OMXS30)  
■ Total number of class B shares traded (thousands)

## Total return Holmen B and OMX Stockholm

Including reinvested dividends without tax



■ Holmen B ■ Stockholm Stock Exchange (OMXSGI)

Source: Macrobond

## Earnings per share, SEK

# 18.5

## Proposed dividend per share, SEK

# 9.5

Annual return at 31 Dec 2025*, %	1 year	3 years	5 years	10 years
Holmen B	-10	-2	1	14
Stockholm Stock Exchange (OMXSGI)	13	13	10	11

\*Including reinvested dividends.

Holmen's total shareholder return has averaged 14 per cent a year over the past 10 years, which is 3 percentage points better than the OMX Stockholm GI.

## Share capital structure

Shares	Votes	No. of shares	No. of votes	Quotient value	SEKm
A	10	45 246 468	452 464 680	26	1 180
B	1	117 265 856	117 265 856	26	3 058
Total no. of shares		162 512 324	569 730 536		4 238
Holding of repurchased class B shares		-9 077 790	-9 077 790		
<b>Total number of outstanding shares</b>		<b>153 434 534</b>	<b>560 652 746</b>		

## Changes in share capital 2000–2025

	Change in no. of shares	Total no. of shares	Change in share capital	Total share capital, SEKm
2001 Cancellation of repurchased shares	-8 885 827	79 972 451	-444	3 999
2004 Conversion and subscription	4 783 711	84 756 162	239	4 238
2018 Share split	84 756 162	169 512 324	-	4 238
2020 Cancellation of repurchased shares	-7 000 000	162 512 324	-	4 238

## Data per share

(adjusted for the 2:1 share split in 2018)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Diluted earnings per share, SEK <sup>1)</sup>	<b>18.5</b>	18.0	23.0	36.3	18.5	12.2	52.6	13.5	9.9	8.5
Dividends, SEK										
Ordinary dividend, SEK	<b>9.5<sup>2)</sup></b>	9.0	8.5	8.0	7.5	7.25	3.5	6.75	6.5	6.0
Extra dividend, SEK	<b>-<sup>2)</sup></b>	3.0	3.0	8.0	4.0	3.5	-	-	-	-
Total dividends as % of:										
Equity	<b>2.6</b>	3.3	3.2	4.6	4.0	4.1	1.4	4.8	5.0	4.7
Closing market price	<b>2.7</b>	3.0	2.7	3.9	2.6	2.7	1.2	3.9	3.0	3.7
Profit/loss for the year	<b>51</b>	67	50	44	62	88	6	50	65	71
Return on equity, % <sup>1)</sup>	<b>5</b>	5	7	11	7	5	35	10	8	7
Return on capital employed, % <sup>1) 3)</sup>	<b>5</b>	6	8	13	9	6	9	10	9	9
Equity per share, SEK	<b>361</b>	364	358	352	290	263	238	140	131	127
Closing market price, B, SEK	<b>354</b>	406	426	414	435	394	285	175	218	164
Average market price for year, B, SEK	<b>381</b>	422	414	459	404	310	220	213	186	141
Highest market price for year, B, SEK	<b>438</b>	463	459	573	469	396	297	240	218	163
Lowest market price for year, B, SEK	<b>341</b>	395	372	400	365	228	172	175	157	114
Total closing market capitalisation, '000 SEKm	<b>54.1</b>	63.7	67.7	67.5	71.0	64.7	46.6	29.5	36.6	27.4
P/E ratio <sup>4)</sup>	<b>19</b>	23	19	11	23	32	5	13	22	19
EV/EBITDA <sup>3) 5)</sup>	<b>12</b>	13	11	8	14	19	14	9	13	10
Closing beta value (48 months), B, at year-end <sup>6)</sup>	<b>0.62</b>	0.67	0.72	0.74	0.83	0.83	0.89	0.85	0.84	0.81
Number of shareholders at year-end	<b>48 650</b>	50 139	53 344	52 701	48 126	48 104	38 904	33 573	30 903	28 159

1) See page 134: Definitions and glossary. 2) Board proposal. 3) Excl. items affecting comparability. 4) Closing market price divided by diluted earnings per share.

5) Market capitalisation plus net financial debt at year-end (EV) divided by EBITDA. 6) Measures the sensitivity of the return on class B shares relative to the return on the OMX SGI Stockholm over a period of 48 months.

## Ownership structure\* 31 Dec 2025

	% of capital	% of votes
L E Lundbergföretagen	36.0	63.2
Norges Bank	8.0	2.2
Kempe Foundations	7.8	17.8
Carnegie Funds (Sweden)	3.3	0.9
SEB Funds	2.5	0.7
Vanguard (US)	2.5	0.7
BlackRock	2.2	0.6
Alecta	2.2	0.6
Handelsbanken Funds	1.9	0.5
Legal and General Assurance	1.2	0.3
<b>Total</b>	<b>67.6</b>	<b>87.5</b>
Other	32.4	12.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
Of which non-Swedish shareholders	23.5	6.7

\*Calculated based on the total number of outstanding shares. The 10 shareholders identified as having the largest holdings in terms of capital. Some large shareholders may have their holdings registered under nominee names, in which case they are included in 'Other shareholders'.

## Shareholder statistics at 31 Dec 2025

Share classes, no. of shares	No. of shareholders	Share of capital, %
1–1 000	44 901	4
1 001–100 000	3 666	11
100 001–	83	85
<b>Total</b>	<b>48 650</b>	<b>100</b>

# BOARD OF DIRECTORS

## 1. Fredrik Lundberg

Chairman. Djursholm. Born in 1951. Member since 1988. M.Sc. in Engineering, M.Sc. in Economics and Dr h c mult. President and CEO of L E Lundbergföretagen AB.

### Other significant appointments:

Chairman of Hufvudstaden AB and AB Industrivärden. Deputy Chairman of Svenska Handelsbanken AB. Board member of L E Lundbergföretagen AB.

**Shareholding:** 1 679 448 shares. L E Lundbergföretagen's shareholding: 55 244 000 shares.

## 2. Henrik Sjölund

Norrköping. Born in 1966. Member since 2014. M.Sc. in International Economics with German. President and CEO.

### Other significant appointments:

Chairman of the Swedish Association of Industrial Employers and Cepi. Board member of Skanska AB, SKGS, Swedish Forest Industries and the Confederation of Swedish Enterprise.

**Shareholding:** 54 002 shares.

## 3. Alice Kempe

Torshälla. Born in 1967. Member since 2019. M.Sc. in Forestry.

### Other significant appointments:

Chairwoman of the Kempe Foundations. Board member of SweTree Technologies AB.

**Shareholding:** 421 292 shares.

## 4. Henriette Zeuchner

Stockholm. Born in 1972. Member since 2015. M.Sc. in Economics and Master of Laws. CEO of TVM Media.

### Other significant appointments:

Chairwoman of All Ears AB. Board member of Caybon, the NTM Group and SinterCast.

**Shareholding:** 1 600 shares.

## 5. Ulf Lundahl

Lidingö. Born in 1952. Member since 2004. M.Sc. in Economics and Master of Laws.

### Other significant appointments:

Chairman of Fidelio Capital AB. Chairman of the credit committee of Nordstjernen Kredit KB. Board member of Indutrade AB.

**Shareholding:** 8 000 shares.

## 6. Louise Lindh

Stockholm. Born in 1979. Member since 2010. M.Sc. in Economics.

### Other significant appointments:

Chairwoman of Fastighets AB L E Lundberg and J2L Holding AB. Board member of Hufvudstaden AB, L E Lundbergföretagen AB and Svenska Handelsbanken AB.

**Shareholding:** 206 000 shares.

## 7. Fredrik Persson

Stockholm. Born in 1968. Member since 2022. M.Sc. in Economics.

### Other significant appointments:

Chairman of BusinessEurope, Ellevio AB and JM AB. Board member of A Ahlström Oy, Hufvudstaden AB, AB Industrivärden, ICA Gruppen AB and Interogo Holding AG.

**Shareholding:** 3 000 shares.

## 8. Carina Åkerström

Stockholm. Born in 1962. Member since 2023. Legal counsel.

### Other significant appointments:

Board member of FastPartner AB, Intea Fastigheter AB, SkiStar AB, Stiftelsen Skansen and the World Childhood Foundation.

**Shareholding:** 630 shares.

## 9. Stefan Widing

Danderyd. Born in 1977. Member since 2025. M.Sc. in Engineering and Bachelor of Business Administration. President and CEO of Sandvik AB.

### Other significant appointments:

Board member of the Swedish Association of Industrial Employers.

**Shareholding:** 3 500 shares.

## Workers' representatives

## 10. Ari Aula

Norrköping. Born in 1967. Member since 2023. Employee representative, Swedish Trade Union Confederation. Chairman of the Swedish Paper Workers' Union, branch 53, in Braviken.

## 11. John Nyberg

Överklinten. Born in 1975. Member since 2024. Employee representative, Swedish Trade Union Confederation. Club chairman at Holmen's sawmill in Bygdasiljum.

## 12. Johan Viklund

Hudiksvall. Born in 1979. Deputy member since 2024. Employee representative, Swedish Trade Union Confederation. Chairman of the Swedish Paper Workers' Union, branch 15.

## 13. Martin Nyman

Ölsund. Born in 1978. Deputy member since 2021. Employee representative, PTK. Chairman of the Holmen Iggesund Unionen Club.

**Shareholding:** 760 shares.

## 14. Daniel Hägglund

Örnsköldsvik. Born in 1982. Deputy member since 2014. Employee representative, PTK.

## 15. Tommy Åsenbrygg

Skebobruk. Born in 1968. Member since 2015. Employee representative, PTK.

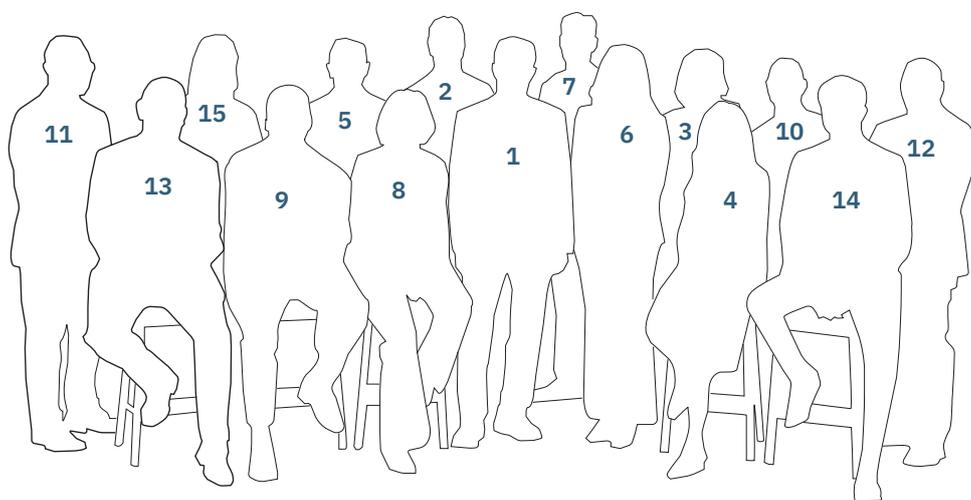
**Shareholding:** 200 shares.

## Auditors: PricewaterhouseCoopers AB

### Principal auditor:

Magnus Svensson Henryson  
*Authorised public accountant.*

*This information relates to personal and related party shareholdings at 31 December 2025.*



1. Fredrik Lundberg
2. Henrik Sjölund
3. Alice Kempe
4. Henriette Zeuchner
5. Ulf Lundahl
6. Louise Lindh
7. Fredrik Persson
8. Carina Åkerström
9. Stefan Widing
10. Ari Aula
11. John Nyberg
12. Johan Viklund
13. Martin Nyman
14. Daniel Hägglund
15. Tommy Åsenbrygg

# GROUP MANAGEMENT



1



2



3



4



5



6



7



8



9



10

## 1. Henrik Sjölund

*President and CEO*

Born in 1966. Joined Holmen in 1993. **Shareholding:** 54 002 shares. Henrik Sjölund has no material shareholdings or ownership interests in companies with which the Group has significant business relationships. Further information is provided on page 56.

## 2. Anders Jernhall

*Executive Vice President*

Born in 1970. Joined Holmen in 1997. **Shareholding:** 22 629 shares.

## 3. Stefan Loréhn

*Chief Financial Officer*

Born in 1978. Joined Holmen in 2025. **Shareholding:** 3 900 shares.

## 4. Sören Petersson

*Senior Vice President Forest*

Born in 1969. Joined Holmen in 1994. **Shareholding:** 28 000 shares.

## 5. Fredrik Nordqvist

*Senior Vice President Renewable Energy*

Born in 1971. Joined Holmen in 2011. **Shareholding:** 1 600 shares.

## 6. Lars Lundin

*Senior Vice President Board and Paper*

Born in 1966. Joined Holmen in 2018. **Shareholding:** 7 828 shares.

## 7. Johan Padel

*Senior Vice President Wood Products*

Born in 1966. Joined Holmen in 2014. **Shareholding:** 4 118 shares.

## 8. Gunilla R Söderberg

*Senior Vice President Human Resources*

Born in 1966. Joined Holmen in 2013. **Shareholding:** 2 983 shares.

## 9. Stina Sandell

*Senior Vice President Sustainability and Communications*

Born in 1966. Joined Holmen in 2017. **Shareholding:** 3 016 shares.

## 10. Henrik Andersson

*Senior Vice President Legal Affairs*

Secretary of the Board of Directors. Born in 1971. Joined Holmen in 2008. **Shareholding:** 6 700 shares.

*This information relates to personal and related party shareholdings at 31 December 2025.*

# CALENDAR AND INFORMATION

## Information

The interim and year-end reports are presented at an online conference for press and analysts. The conference is held in English and is broadcast live on holmen.com. The annual report together with the year-end and interim reports are published in Swedish and English and are sent automatically to the shareholders who have indicated their wish to receive them. The reports are also available at holmen.com.

### How to order printed documents:

Holmen AB, Group  
Sustainability and Communications,  
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## Calendar

Holmen will publish the following financial reports for 2026:

**Interim report Jan–Mar:** 28 April 2026  
**Interim report Jan–Jun:** 20 August 2026  
**Interim report Jan–Sep:** 22 October 2026  
**Year-end report:** 2 February 2027

**2026 AGM:** 30 March 2026

## Trading and dividend dates

**The last day for trading, including dividend rights:** 30 March 2026

**Record date for dividend:**  
1 April 2026

**Payment date for dividend:**  
8 April 2026

# FINANCIAL STATEMENTS

Income statement, SEKm	Note	2025	2024
Net sales	2	22 056	22 759
Other operating income	3	2 003	2 083
Change in inventories		-219	233
Raw materials and consumables		-11 855	-12 752
Personnel costs	4	-3 437	-3 389
Other operating expenses	5	-4 715	-4 739
Change in value of biological assets	9	895	907
Depreciation and amortisation according to plan	10, 11, 12	-1 464	-1 388
Profit from investments in associates	13	5	7
<b>Operating profit/loss</b>		<b>3 270</b>	<b>3 721</b>
Financial income	6	34	39
Financial costs	6	-138	-101
<b>Profit/loss before tax</b>		<b>3 165</b>	<b>3 660</b>
Tax	7	-286	-798
<b>Profit/loss for the year</b>		<b>2 879</b>	<b>2 861</b>
Attributable to:			
Owners of the parent company		2 879	2 861
Earnings per share (SEK)	8		
basic		18.5	18.0
diluted		18.5	18.0
Average number of shares (million)	8		
basic		155.9	158.8
diluted		155.9	158.8

Operating profit for 2025 amounted to SEK 3 270 million (3 721). The decrease in earnings is due to a weak performance in Wood Products and lower electricity prices in northern Sweden.

Net financial items totalled SEK -104 million (-62).

Recognised tax totalled SEK -286 million (-798), corresponding to 9 per cent (22) of the profit/loss before tax. Recognised tax for 2025 was positively affected, by an amount of SEK 386 million, by Holmen being granted rights by the Administrative Court in relation to tax loss carry-forwards linked to the operations the Group previously conducted in Spain. The judgment has been appealed by the Swedish Tax Agency.

Statement of comprehensive income, SEKm	Note	2025	2024
<b>Profit/loss for the year</b>		<b>2 879</b>	<b>2 861</b>
<b>Other comprehensive income</b>			
Revaluation of forest land	9	-2 204	454
Revaluations of defined benefit pension plans	18	203	-5
Tax attributable to items that will not be reclassified to profit/loss for the year	7	404	-92
<b>Total items that will not be reclassified to profit/loss for the year</b>		<b>-1 598</b>	<b>357</b>
Cash flow hedges			
Revaluation		497	-95
Transferred from equity to the income statement		27	-406
Translation difference on foreign operations		-238	181
Hedging of currency risk from foreign operations		142	-127
Tax attributable to items that will be reclassified to profit/loss for the year	7	-137	129
<b>Total items that will be reclassified to profit/loss for the year</b>		<b>291</b>	<b>-318</b>
<b>Total other comprehensive income after tax</b>		<b>-1 308</b>	<b>39</b>
<b>Total comprehensive income</b>		<b>1 572</b>	<b>2 900</b>
Attributable to:			
Owners of the parent company		1 572	2 900

<b>Balance sheet at 31 December, SEKm</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>Non-current assets</b>			
Biological assets	9	32 663	31 600
Forest land	9	24 049	26 243
Intangible assets	10	487	498
Property, plant and equipment	11	11 604	11 231
Right-of-use assets	12	217	220
Investments in associates	13	1 696	1 701
Other shares and participations	13	6	6
Pension assets, net	18	207	-
Non-current financial receivables	14	36	46
Deferred tax assets	7	3	3
<b>Total non-current assets</b>		<b>70 967</b>	<b>71 549</b>
<b>Current assets</b>			
Inventories	15	5 651	5 697
Trade receivables	16	2 398	2 823
Current tax assets	7	224	144
Other operating receivables	16	1 209	1 085
Current financial receivables	14	24	15
Cash and cash equivalents	14	390	234
<b>Total current assets</b>		<b>9 896</b>	<b>9 999</b>
<b>Total assets</b>		<b>80 863</b>	<b>81 548</b>
<b>Equity</b>			
Share capital		4 238	4 238
Other contributed capital		281	281
Reserves		19 256	20 726
Retained earnings including profit/loss for the year		31 630	32 125
<b>Total equity attributable to owners of the parent company</b>		<b>55 405</b>	<b>57 370</b>
<b>Non-current liabilities</b>			
Non-current financial liabilities	14	3 502	2 502
Non-current liabilities relating to right-of-use assets		105	132
Pension obligations	18	7	9
Non-current provisions	19	402	389
Deferred tax liabilities	7	14 250	14 252
<b>Total non-current liabilities</b>		<b>18 266</b>	<b>17 285</b>
<b>Current liabilities</b>			
Current financial liabilities	14	1 903	953
Current liabilities relating to right-of-use assets		121	95
Current provisions	19	40	45
Trade payables	20	3 773	3 808
Current tax liabilities	7	93	97
Other operating liabilities	20	1 262	1 895
<b>Total current liabilities</b>		<b>7 192</b>	<b>6 893</b>
<b>Total liabilities</b>		<b>25 458</b>	<b>24 178</b>
<b>Total equity and liabilities</b>		<b>80 863</b>	<b>81 548</b>

## Changes in equity, SEKm

			Reserves			Retained earnings incl. profit/loss for the year	Total equity
	Share capital	Other contributed capital	Translation reserve	Hedge reserve	Revaluation surplus		
<b>Opening equity balance 1 Jan 2024</b>	<b>4 238</b>	<b>281</b>	<b>148</b>	<b>320</b>	<b>20 199</b>	<b>31 738</b>	<b>56 923</b>
Profit/loss for the year	-	-	-	-	-	2 861	2 861
Other comprehensive income							
Revaluation of forest land	-	-	-	-	454	-	454
Revaluation of defined benefit pension plans	-	-	-	-	-	-5	-5
Cash flow hedges	-	-	-	-501	-	-	-501
Translation difference on foreign operations	-	-	181	-	-	-	181
Hedging of currency risk from foreign operations	-	-	-127	-	-	-	-127
Tax attributable to other comprehensive income	-	-	26	103	-93	1	37
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>-398</b>	<b>360</b>	<b>-4</b>	<b>39</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>-398</b>	<b>360</b>	<b>2 858</b>	<b>2 900</b>
Gain/loss on currency hedges, acquisition of non-current assets	-	-	-	16	-	-	16
Dividends declared	-	-	-	-	-	-1 831	-1 831
Buy-backs of treasury shares	-	-	-	-	-	-647	-647
Share savings programmes	-	-	-	-	-	11	11
<b>Closing equity balance 31 Dec 2024</b>	<b>4 238</b>	<b>281</b>	<b>228</b>	<b>-61</b>	<b>20 560</b>	<b>32 125</b>	<b>57 370</b>
Profit/loss for the year	-	-	-	-	-	2 879	2 879
Other comprehensive income							
Revaluation of forest land	-	-	-	-	-2 204	-	-2 204
Revaluation of defined benefit pension plans	-	-	-	-	-	203	203
Cash flow hedges	-	-	-	524	-	-	524
Translation difference on foreign operations	-	-	-238	-	-	-	-238
Hedging of currency risk from foreign operations	-	-	142	-	-	-	142
Tax attributable to other comprehensive income	-	-	-29	-108	454	-51	266
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-126</b>	<b>416</b>	<b>-1 750</b>	<b>152</b>	<b>-1 308</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-126</b>	<b>416</b>	<b>-1 750</b>	<b>3 031</b>	<b>1 572</b>
Gain/loss on currency hedges, acquisition of non-current assets	-	-	-	-11	-	-	-11
Dividends declared	-	-	-	-	-	-1 888	-1 888
Buy-backs of treasury shares	-	-	-	-	-	-1 649	-1 649
Share savings programmes	-	-	-	-	-	10	10
<b>Closing equity balance 31 Dec 2025</b>	<b>4 238</b>	<b>281</b>	<b>103</b>	<b>344</b>	<b>18 810</b>	<b>31 630</b>	<b>55 405</b>

<b>Cash flow statement, SEKm</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>Operating activities</b>			
Profit/loss before tax	25	3 165	3 660
Adjustments for non-cash items			
Depreciation and amortisation according to plan		1 464	1 388
Change in value of biological assets		-895	-907
Change in provisions		-8	-16
Other*		235	28
Income tax paid		-60	-425
<b>Cash flow from operating activities before changes in working capital</b>		<b>3 901</b>	<b>3 728</b>
<b>Cash flow from changes in working capital</b>			
Change in inventories		-238	-824
Change in trade receivables and other operating receivables		261	4
Change in trade payables and other operating liabilities		-73	409
<b>Cash flow from operating activities</b>		<b>3 851</b>	<b>3 317</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment		-1 968	-1 956
Disposal of property, plant and equipment		14	38
Acquisition of intangible assets		-4	-1
Investments in and acquisition of biological assets		-167	-158
Disposal of biological assets		-	20
Acquisition of shares and participations		0	-8
Disposal of shares and participations		10	0
<b>Cash flow from investing activities</b>		<b>-2 115</b>	<b>-2 066</b>
<b>Financing activities</b>			
Long-term borrowings raised	25	1 000	1 500
Repayment of long-term borrowings	25	-900	-1 000
Change in current financial liabilities	25	1 999	-112
Repayment of debt related to right-of-use assets	25	-134	-127
Change in current financial receivables		-3	-3
Buy-backs of treasury shares		-1 649	-647
Dividends paid to owners of the parent company		-1 888	-1 831
<b>Cash flow from financing activities</b>		<b>-1 576</b>	<b>-2 221</b>
<b>Cash flow for the year</b>		<b>161</b>	<b>-970</b>
Cash and cash equivalents at beginning of year		234	1 202
Exchange difference in cash and cash equivalents		-4	2
<b>Cash and cash equivalents at end of year</b>		<b>390</b>	<b>234</b>

\*Adjustments primarily consist of changes in provisions, inventory impairment losses, profit/loss from associates, foreign exchange effects, the marking to market of financial instruments and gains/losses on the sale of non-current assets.

<b>Change in net financial debt, SEKm</b>	<b>2025</b>	<b>2024</b>
<b>Opening net financial debt</b>	<b>-3 397</b>	<b>-1 869</b>
Cash flow		
Operating activities	3 851	3 317
Investing activities (excl. financial receivables)	-2 115	-2 066
Buy-backs of treasury shares	-1 649	-647
Dividends paid	-1 888	-1 831
Liabilities relating to new right-of-use agreements	-132	-105
Revaluations of defined benefit pension plans	202	-3
Foreign exchange effects and changes in fair value	148	-192
<b>Closing net financial debt</b>	<b>-4 979</b>	<b>-3 397</b>

## Parent company

Income statement, SEKm	Note	2025	2024
Net sales	2	19 945	20 393
Other operating income	3	1 146	1 253
Change in inventories		-125	192
Raw materials and consumables		-10 235	-10 890
Personnel costs	4	-2 836	-2 814
Other external costs	5	-7 085	-7 048
Depreciation and amortisation according to plan	10, 11	-60	-60
<b>Operating profit/loss</b>		<b>750</b>	<b>1 027</b>
Profit from investments in Group companies	6, 22	3 002	350
Interest income and similar income	6	166	215
Interest expenses and similar expenses	6	-62	-281
<b>Profit/loss after financial items</b>		<b>3 856</b>	<b>1 311</b>
Appropriations	23	449	366
<b>Profit/loss before tax</b>		<b>4 305</b>	<b>1 677</b>
Tax	7	94	-302
<b>Profit/loss for the year</b>		<b>4 399</b>	<b>1 375</b>

Statement of comprehensive income, SEKm	Note	2025	2024
<b>Profit/loss for the year</b>		<b>4 399</b>	<b>1 375</b>
<b>Other comprehensive income</b>			
Cash flow hedges			
Revaluation		499	-108
Transferred from equity to the income statement		26	-395
Tax attributable to other comprehensive income	7	-108	104
<b>Total items that will be reclassified to profit/loss for the year</b>		<b>416</b>	<b>-400</b>
<b>Total comprehensive income</b>		<b>4 814</b>	<b>976</b>

The parent company includes Holmen's Swedish operations, except for most of the non-current assets, and the operations conducted in the Group's building systems business, which are recognised in other Group companies.

Profit/loss after net financial items includes the profit from the hedging of equity in foreign subsidiaries of SEK 142 million (-127).

Cash flow statement, SEKm	Note	2025	2024
<b>Operating activities</b>			
Profit/loss after financial items		3 856	1 311
Adjustments for non-cash items			
Depreciation and amortisation according to plan		60	60
Change in provisions		-25	6
Other*		210	109
Income tax paid		10	-318
<b>Cash flow from operating activities before changes in working capital</b>		<b>4 111</b>	<b>1 168</b>
<b>Cash flow from changes in working capital</b>			
Change in inventories		-363	-699
Change in operating receivables		190	14
Change in operating liabilities		96	370
<b>Cash flow from operating activities</b>		<b>4 034</b>	<b>853</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment		-161	-7
Disposal of property, plant and equipment		7	6
Acquisition of intangible assets		-1	-
Acquisition of shares and participations and shareholder contributions		-2 700	0
Disposal of shares and participations		10	1
<b>Cash flow from investing activities</b>		<b>-2 845</b>	<b>0</b>
<b>Financing activities</b>			
Long-term borrowings raised	25	1 000	1 500
Repayment of long-term borrowings	25	-900	-1 000
Change in other financial liabilities	25	2 172	-614
Change in other financial receivables		-3	-3
Buy-backs of treasury shares		-1 649	-647
Dividends paid to owners of the parent company		-1 888	-1 831
Group contributions received		1 009	921
Group contributions paid		-803	-89
<b>Cash flow from financing activities</b>		<b>-1 062</b>	<b>-1 763</b>
<b>Cash flow for the year</b>		<b>127</b>	<b>-910</b>
Cash and cash equivalents at beginning of year		180	1 090
<b>Cash and cash equivalents at end of year</b>		<b>307</b>	<b>180</b>

\*Adjustments primarily consist of changes in provisions, inventory impairment losses, profit/loss from associates, foreign exchange effects, the marking to market of financial instruments and gains/losses on the sale of non-current assets.

Balance sheet at 31 December, SEKm	Note	2025	2024
<b>Non-current assets</b>			
Intangible assets	10	8	8
Property, plant and equipment	11	3 127	3 106
Non-current financial assets			
Shares and participations	13, 22	14 595	11 896
Non-current financial receivables	14	4 186	4 365
<b>Total non-current assets</b>		<b>21 916</b>	<b>19 374</b>
<b>Current assets</b>			
Inventories	15	4 867	4 720
Operating receivables	16	2 989	3 131
Current tax assets	7	210	105
Current investments	14	24	15
Cash and cash equivalents	14	307	180
<b>Total current assets</b>		<b>8 397</b>	<b>8 152</b>
<b>Total assets</b>		<b>30 312</b>	<b>27 527</b>

Balance sheet at 31 December, SEKm	Note	2025	2024
<b>Equity</b>	17		
Restricted equity			
Share capital		4 238	4 238
Statutory reserve		1 577	1 577
Revaluation reserve		100	100
Non-restricted equity			
Retained earnings incl. hedge reserve		2 936	4 682
Profit/loss for the year		4 399	1 375
<b>Total equity</b>		<b>13 249</b>	<b>11 972</b>
<b>Untaxed reserves</b>	23	<b>4 708</b>	<b>4 950</b>
<b>Provisions</b>			
Pension obligations	18	0	0
Provisions	19	605	630
Deferred tax liabilities	7	691	584
<b>Total provisions</b>		<b>1 297</b>	<b>1 215</b>
<b>Liabilities</b>			
Non-current financial liabilities	14	4 425	3 241
Current financial liabilities	14	1 903	953
Operating liabilities	20	4 730	5 195
<b>Total liabilities</b>		<b>11 059</b>	<b>9 389</b>
<b>Total equity and liabilities</b>		<b>30 312</b>	<b>27 527</b>

### Changes in equity, SEKm

	Restricted equity				Non-restricted equity		Total equity
	Share capital	Statutory reserve	Revaluation reserve	Hedge reserve	Retained earnings	Profit/loss for the year	
<b>Opening equity balance 1 Jan 2024</b>	<b>4 238</b>	<b>1 577</b>	<b>100</b>	<b>322</b>	<b>4 790</b>	<b>2 421</b>	<b>13 448</b>
Appropriation of profits	-	-	-	-	2 421	-2 421	-
Profit/loss for the year	-	-	-	-	-	1 375	1 375
Other comprehensive income							
Cash flow hedges	-	-	-	-503	-	-	-503
Tax on other comprehensive income	-	-	-	104	-	-	104
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-400</b>	<b>-</b>	<b>-</b>	<b>-400</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-400</b>	<b>2 421</b>	<b>-1 046</b>	<b>976</b>
Gain/loss on currency hedges, acquisition of non-current assets	-	-	-	16	-	-	16
Dividends declared	-	-	-	-	-1 831	-	-1 831
Buy-backs of treasury shares	-	-	-	-	-647	-	-647
Share savings programmes	-	-	-	-	11	-	11
<b>Closing equity balance 31 Dec 2024</b>	<b>4 238</b>	<b>1 577</b>	<b>100</b>	<b>-61</b>	<b>4 743</b>	<b>1 375</b>	<b>11 972</b>
Appropriation of profits	-	-	-	-	1 375	-1 375	-
Profit/loss for the year	-	-	-	-	-	4 399	4 399
Other comprehensive income							
Cash flow hedges	-	-	-	523	-	-	523
Tax on other comprehensive income	-	-	-	-108	-	-	-108
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>416</b>	<b>-</b>	<b>-</b>	<b>416</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>416</b>	<b>1 375</b>	<b>3 023</b>	<b>4 814</b>
Gain/loss on currency hedges, acquisition of non-current assets	-	-	-	-11	-	-	-11
Dividends declared	-	-	-	-	-1 888	-	-1 888
Buy-backs of treasury shares	-	-	-	-	-1 649	-	-1 649
Share savings programmes	-	-	-	-	10	-	10
<b>Closing equity balance 31 Dec 2025</b>	<b>4 238</b>	<b>1 577</b>	<b>100</b>	<b>344</b>	<b>2 592</b>	<b>4 399</b>	<b>13 249</b>

# NOTES TO THE FINANCIAL STATEMENTS

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## Note 1. Accounting policies

The accounting policies for the Group presented below have been applied consistently to all periods included in the Group's financial statements except where otherwise stated below. The Group's accounting policies have been applied consistently to the reporting and the consolidation of the parent company, subsidiaries and associates.

### Compliance with standards and statutory requirements

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), as adopted by the EU. The Swedish Financial Reporting Board's recommendation (RFR 1 Supplementary Accounting Rules for Groups) has been applied.

The parent company applies the same accounting policies as the Group except in the cases that are commented on separately under each section. The parent company's accounts are prepared in accordance with RFR 2 Accounting for Legal Entities. The differences between the policies applied by the parent company and those applied by the Group are due to restrictions in the parent company's ability to apply IFRS as a consequence of the Swedish Annual Accounts Act, the Swedish Pension Obligations Vesting Act, and in some cases for tax reasons.

### Valuation principles applied in the preparation of the financial statements of the parent company and the Group

Assets and liabilities are recognised at cost, except for biological assets and forest land, as well as certain financial assets and liabilities, which are measured at fair value. In the parent company's accounts, biological assets and forest land are not measured at fair value. Investments in Group companies and associates are recognised in the parent company's accounts at the lower of cost and fair value.

### Functional currency and reporting currency

The functional currency is the currency used in the primary financial environments in which the companies conduct their business. The parent company's functional currency is the Swedish krona (SEK), which is also the reporting currency of the parent company and the Group. The financial statements are presented in millions of Swedish kronor.

### Estimates and judgements in the financial statements

Preparing the financial statements in accordance with IFRS requires the company's management to make estimates and judgements, as well as to make assumptions that affect the application of the accounting policies and the recognised amounts for assets, liabilities, income and expenses. The actual outcome may deviate from these estimates and judgements.

These estimates and judgements are regularly reviewed. Changes in estimates are recognised in the accounts for the period in which the change was made if the change only affects that period, or in the period in which the change was made and in later periods if the change affects current and future periods. Also see Note 26 'Critical accounting estimates and judgements'.

### Changes in accounting policies

#### *New and amended accounting policies applicable as of 2025*

The new and amended IFRSs applicable from 1 January 2025 do not have any material impact on the company's financial statements.

#### *New and amended accounting policies not yet applied*

The new and amended IFRSs to be applied in the future are not expected to have any material impact on the company's financial statements. The implementation of IFRS 18 Presentation and Disclosure in Financial Statements is not expected to give rise to material reclassifications.

### Segment reporting

The Group's operations are divided into operating segments, based on which parts of the operations are monitored by the company's highest executive decision-maker. This is known as the management approach. The segmentation criteria are based on the Group's business areas. This is in line with the Group's operating structure and the internal reporting to the CEO and the Board. The operating segments' profits, assets and liabilities are recognised in accordance with the profits (operating profit), assets and liabilities that are monitored by the company's highest executive decision-maker. See Note 2 for more a detailed description of the segmentation and a presentation of the operating segments.

## Consolidation principles

### Subsidiaries

A subsidiary is a company over which the parent company, Holmen AB, exercises a controlling influence. Potential shares with voting rights and whether de facto control exists are considered when determining whether one company has control over another.

The consolidated accounts have been prepared using the acquisition method.

### Holdings recognised in accordance with the equity method

**Associates.** Shareholdings in associates, in which the Group controls a minimum of 20 per cent and a maximum of 50 per cent of the votes, or otherwise has a significant influence, are recognised in the consolidated accounts in accordance with the equity method.

**The equity method.** The Group's share of the net earnings of associates after tax attributable to the parent company's owners, adjusted for any depreciation/amortisation or reversals of negative or positive goodwill acquired, is recognised in the consolidated income statement as 'Share of profits of associates'. Dividends received from an associate reduce the book value of the investment.

When the Group's share of the recognised losses of an associate exceeds the book value of the investments recognised in the consolidated accounts, the value of the investments is written down to zero. The equity method is applied until such time as the significant influence no longer exists.

## Foreign currency

### Transactions denominated in foreign currencies

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated into the functional currency at the exchange rates prevailing on the balance sheet dates. Exchange differences arising on such translations are recognised in the income statement. Non-monetary assets and liabilities that are recognised at historical cost are translated at the exchange rates prevailing on the transaction dates.

### Financial statements of foreign operations

The assets and liabilities of foreign operations, including any goodwill and other consolidated surplus and deficit values, are translated in the consolidated accounts, from the foreign operation's functional currency into the Group's reporting currency (Swedish kronor), at the exchange rates prevailing on the balance sheet dates. The income and expenses of foreign operations are translated into Swedish kronor at an average rate that is an approximation of the exchange rates prevailing on the date of each transaction. Translation differences arising during the currency translation of foreign operations and the related effects of hedging net investments are recognised in other comprehensive income and are accumulated in a separate component of equity called the translation reserve. On the disposal of a foreign operation, the accumulated translation differences attributable to the business are realised, less any currency hedging, in the consolidated income statement.

## Companies operating on behalf of the parent company

The parent company's business is largely conducted through companies operating on its behalf: Holmen Skog AB, Holmen Wood Products AB, Holmen Board and Paper AB and Holmen Energi AB. From 2025, all the operations of the Board and Paper business area will be conducted through the commission company Holmen Board and Paper AB, formerly Holmen Iggesund Paperboard AB, following the absorption by merger of the commission company Holmen Paper AB.

The parent company is liable for all the commitments entered into by these companies. All the income, expenses, assets and liabilities that arise in the operations conducted by the companies are recognised in Holmen AB's accounts, except for most of the investments made, as well as some sales of forest assets, which are instead recognised in the accounts of some of the Group's other subsidiaries.

## Income

The Group's sales mostly relate to goods sold to customers, which are specified in the tables in Note 2. The services provided are limited and essentially relate to silviculture services and services in the construction industry such as installation work. Holmen acts almost exclusively as principal and the sales transactions are based on agreements. For Holmen, the vast majority of contracts are separate undertakings and comprise one undertaking per contract. Holmen's guarantees in connection with sales should not be regarded as separable and are therefore recognised in accordance with IAS 37.

The transaction price is the price of the goods or service. Variable remuneration mainly occurs in the form of volume or cash discounts. Volume discounts give customers a discounted price provided that a certain amount of goods are purchased over a period. A cash discount entitles customers to a lower price if payment is made by a certain date. Discounts are recognised as a reduction in net sales.

The income is recognised when Holmen fulfils its commitment by transferring control of the promised goods and, where applicable, services, to the customer. The date of the transfer of control, and the transfer of risk, is critical to when income is recognised. The transfer of risk differs depending on the shipping terms applied. The sale of energy differs from other sales as supply takes place alongside production, when it is also recognised in income.

The Group's business also includes wood construction solutions. Income from this activity is treated as commercial construction contracts and recognised over time, based on costs incurred in relation to the total estimated costs of the project. Projects do not usually extend beyond twelve months. Holmen therefore applies the relaxation rule and does not disclose remaining performance commitments. Accrued income related to commercial construction contracts is initially recognised as contract assets, since the right to payment is conditional upon customer approval. When the customer has accepted the goods, the amount of the contract asset is recognised as a receivable instead. Advances received are included in the contract liability.

Payment terms vary from market to market and Holmen usually follows applicable practice on each market.

### Renewable energy certificates and guarantees of origin

Some of the Group's renewable electricity production entitles it to renewable energy certificates and guarantees of origin. These are recognised in income as the eligible electricity production takes place, and provided that a sales contract is signed with an external party.

Income from certificates and guarantees of origin granted in relation to hydro and wind power production is recognised in net sales, and income from certificates and guarantees of origin granted in relation to other forms of renewable electricity production is recognised in other operating income.

### Emission allowances

Holmen receives a free allocation of emission allowances under the EU ETS and UK ETS. The free allocation is recognised as income on the completion of delivery to external parties for the emission allowances not used to cover emissions from its own activities. The income is recognised as other operating income.

### Other operating income

Income from activities not forming part of the company's main business is recognised as other operating income. This item mainly comprises sales of by-products, certificates for other forms of renewable energy, rent and land lease income, emission allowances, insurance compensation and gains/losses on sales of non-current assets.

### State grants

State grants are recognised in the balance sheet as accrued income when it is reasonably certain that the grant will be received and that the Group will satisfy the conditions associated with the grant. State grants linked to a non-current asset reduce the asset's recognised cost. State grants, such as road grants, intended to cover costs, are recognised as other operating income. Grants are systematically distributed in the income statement in the same way and over the same periods as the costs the grants are intended to cover.

## Financial income and costs

Financial income and costs consist of interest income and interest expenses, dividend income and revaluations of financial instruments measured at fair value, as well as unrealised and realised currency gains and losses.

Interest income on receivables and interest expenses on liabilities are calculated using the effective interest method. Interest expenses include transaction costs for loans that have been distributed over the duration of the loans; this also applies to any difference between the funds received and the repayment amounts. Dividend income is recognised when the dividend is confirmed and the right to receive payment is judged to be certain.

Interest expenses are charged to profit/loss in the period to which they relate. Borrowing costs attributable to the purchase or construction of qualifying assets are capitalised in the consolidated accounts as part of the assets' cost. A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use and that is useful to the Group in connection with major investment projects.

## Note 1

### Taxes

Income taxes are recognised in the income statement except when underlying transactions are recognised in other comprehensive income or directly in equity, in which case the associated tax effect is also recognised in other comprehensive income or directly in equity. Current tax is the tax to be paid or received for the year in question, at the tax rates that have been decided on, or to all intents and purposes have been decided on, at the balance sheet date. This also includes any adjustments to current tax attributable to previous periods. Deferred tax is calculated using the balance sheet method on the basis of temporary differences between book values and the values for tax purposes of assets and liabilities, applying the tax rates and rules that have been decided on or announced at the balance sheet date. In the parent company's accounts, untaxed reserves are recognised including the deferred tax liabilities.

Deferred tax assets in respect of tax-deductible temporary differences and loss carry-forwards are recognised only to the extent that it is likely they will be utilised and entail lower tax payments in the future. Deferred tax assets and deferred tax liabilities in the same country are recognised net to the extent that a right of set-off applies.

### Earnings per share (EPS)

The calculation of earnings per share (EPS) is based on the Group's profit/loss for the year attributable to owners of the parent company and the weighted average number of shares outstanding during the year. When calculating the diluted EPS, the earnings and the average number of shares are adjusted to take account of the effects of diluting potential ordinary shares.

### Financial instruments

#### *Recognition in and derecognition from the balance sheet*

A financial asset or liability is stated in the balance sheet when the company becomes a party to an instrument in accordance with its contractual conditions. A financial asset is removed from the balance sheet when the rights referred to in the contract have been realised or mature, or when the company no longer has control over it. A financial liability is removed from the balance sheet when the undertaking in the contract is performed or expires in some other way. Spot transactions are recognised in accordance with the trade date principle. A financial asset and a financial liability are only offset and recognised as a net amount where a legal right to offset the amounts exists and there is an intention to settle the items at a net amount or simultaneously realise the asset and settle the liability. Financial assets, excluding shares, and financial liabilities, have been classified as current if the amounts are expected to be recovered or paid within 12 months of the balance sheet date.

#### *Classification and measurement of financial instruments*

Financial instruments are classified and measured based on the company's business model and the nature of the contractual cash flows. See Note 14 for the company's classifications of financial instruments.

*Financial assets* – are measured initially at fair value less any transaction costs. Normally, the assets are measured on an ongoing basis at amortised cost using the effective interest method since the assets are held with the objective of collecting the contractual cash flows, which consist of principal and interest on the outstanding principal. In those cases where funds issued fall short of the repayment amount, the difference is distributed over the duration of the loan using the effective interest method. Derivatives are recognised on an ongoing basis at fair value. Changes in the value of derivatives that are not hedged are recognised in the income statement.

*Financial liabilities* – are measured initially at the value of the funds received after the deduction of any transaction costs. Normally, the liabilities are measured on an ongoing basis at amortised cost using the effective interest method. In those cases where the funds received fall short of the repayment amount, the difference is distributed over the duration of the loan using the effective interest method. Derivatives are recognised on an ongoing basis at fair value. Changes in the value of derivatives that are not hedged are recognised in the income statement.

*Impairment of financial assets* – When assessing expected credit losses on financial assets, the simplification rule is applied in accordance with IFRS 9. For financial assets for which the occurrence of an event indicates an increased credit risk and that the entire book value may not be recovered, an individual assessment is made of each instrument. Missed payments from counterparties usually constitute such an event. Any impairment is recognised based on an individual estimate. For financial instruments for which no events have occurred that indicate a low credit quality, a provision is made for expected credit losses based on historical outcomes.

*Hedge accounting* – all derivatives, such as forward foreign exchange contracts, electricity derivatives and interest rate swaps, are measured at fair value and recognised in the balance sheet. Essentially all derivatives are held for hedging

purposes. The effective portion of changes in value from cash flow hedges is recognised in other comprehensive income and accumulated in equity until the hedged item impacts the income statement. The accumulated changes in value are then reclassified from equity to the income statement through other comprehensive income, to charge them against the hedged transactions. When investments are hedged, the cost of the hedged item is instead adjusted when it is incurred. The ineffective portion of hedges is recognised directly in the income statement. Interest rate swaps are used as a cash flow hedge for interest rates. Changes in the value of hedges relating to net investments in foreign operations are recognised in other comprehensive income for the Group. Accumulated changes in value are recognised as a component of the Group's equity until the business is disposed of, at which point the accumulated changes in value are recognised in the income statement. In the parent company's accounts, changes in value relating to hedges of net investments in foreign operations are recognised in the income statement as hedge accounting is not used. Holmen's cash flow hedges mainly relate to the hedging of sales in foreign currencies, future interest payments, electricity purchases and purchases in foreign currencies in conjunction with investments. Hedging instruments comprise forward foreign exchange contracts, forward electricity contracts and interest rate swaps.

The hedged items consist of forecasts of future sales, interest payments, electricity purchases and capital expenditures. The hedge ratio is determined on an ongoing basis to reflect the economic relationship between the hedged item and the hedging instrument. The Group's risk management of financial instruments is described on pages 52–53.

### Forest land and biological assets

The Group's forest land is recognised at fair value using the revaluation model in IAS 16 Property, Plant and Equipment. Fair value is calculated based on transaction prices for forest properties in the counties where the Group owns forest land, less the fair value of standing trees recognised as biological assets in accordance with IAS 41 Biological Assets. Fair value measurement is based on measurement level 3. Changes in the fair value of forest land are recognised in other comprehensive income and accumulated in a separate component of equity called the revaluation surplus. If the fair value of forest land proved to be less than its cost, the difference would be recognised in the income statement.

Standing trees are recognised at fair value as biological assets in accordance with IAS 41 Biological Assets. The value of the biological assets is established by calculating the present value of the cash flows, less selling costs but before tax, expected from harvesting the currently standing trees. Fair value measurement is based on measurement level 3. Changes in the fair value of biological assets are recognised in the income statement.

#### *Recognition in the parent company's accounts*

Forest land and standing trees are recognised in accordance with RFR 2 in the parent company's accounts. This means that they are classified as non-current assets (forest land) and recognised at cost adjusted for revaluations, taking into account the need, if any, for impairment.

### Intangible assets

Intangible assets, such as IT systems and right-of-use assets relating to some energy assets, are recognised at cost after the deduction of accumulated amortisation and any impairment losses. The Group's intangible assets are amortised over periods of between 5 and 20 years, except for goodwill. Both goodwill and other intangible assets are tested for impairment annually. Any impairment losses may be reversed, with the exception of goodwill. Intangible assets in the parent company's accounts are amortised over five years.

Goodwill is allocated to cash generating units that are expected to benefit from the effects of the acquisition. Goodwill is valued at cost less any accumulated impairment losses. Goodwill arising in connection with the acquisition of associates is included in the book value of investments in associates.

Research costs are expensed when they are incurred. Development costs are only capitalised in the case of major projects, to the extent that their future financial benefits can be reliably assessed. The book value includes all directly attributable expenses, for example for materials and services, employee benefits, the registration of legal rights, the amortisation of patents and licences and borrowing costs in accordance with IAS 23. Other development expenditure is recognised in the income statement as expenses when incurred.

### Property, plant and equipment

Property, plant and equipment are recognised at cost after the deduction of accumulated depreciation and any impairment losses. Property, plant and equipment that consist of parts with different useful lives are treated as separate components of property, plant and equipment. Additional expenditure is capitalised only if it is judged to generate financial benefits for the company. The key factor determining whether or not additional expenditure is capitalised is if it

relates to the replacement of identified components, or parts thereof, in which case the expenditure is capitalised. Expenditure is also capitalised in cases where a new component is created. Any undepreciated book values for replaced components, or parts of components, are retired and expensed when the replacement is made.

The book value of an item of property, plant or equipment is removed from the balance sheet on the retirement or disposal of the asset, or when no future financial benefits can be expected from use of the asset. The gain or loss arising on the retirement or disposal of an asset consists of the difference between any selling price and the book value of the asset, less any direct selling costs. Gains and losses are recognised in the accounts as other operating income/expenses.

Depreciation according to plan is based on the original cost less any impairment losses. Depreciation takes place on a straight-line basis over the estimated useful life of the asset. Land is not depreciated.

**The following useful lives (in years) are used:**

Machinery for hydro and wind power production	10–40
Administrative and warehouse buildings, residential properties	10–33
Production buildings, land installations, and machinery for sawmills, pulp, paper and paperboard production	10–20
Other machinery	10
Forest roads	20
Equipment	4–10

If there is any indication that the book value is too high, an analysis is made in which the recoverable amount of individual or inherently related assets is determined as the higher of the net realisable value and the value in use. The value in use is measured as the expected future discounted cash flow. The discount rate applied takes account of the risk-free rate and the risk associated with the asset. An impairment loss consists of the amount by which the recoverable amount falls short of the book value. An impairment loss is reversed if there has been a positive change in the circumstances upon which the determination of the recoverable amount is based. A reversal may be made up to, but not exceed, the book value that would have been recognised, less depreciation, if there had been no impairment.

Borrowing costs attributable to the purchase or construction of qualifying assets must be capitalised in the consolidated accounts as part of the assets' cost. A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use and that is useful to the Group in connection with major investment projects.

**Right-of-use assets (leases)**

When entering an agreement an assessment is made as to whether the agreement is, or contains, a lease. An agreement is, or contains, a lease if the agreement transfers the right for a set period to control the use of an identified asset in exchange for compensation. The Group recognises a right-of-use asset and an associated liability upon entering into a lease agreement. Such liabilities are initially valued at the present value of the remaining lease payments for the estimated lease period. Lease payments are discounted at the Group's marginal borrowing rate, which, in addition to the Group's credit risk, reflects the agreement's lease period and currency. Right-of-use assets are initially valued at the value of the liability plus lease payments paid upon or before the start date, plus any initial direct payments. Such a right-of-use asset is depreciated/amortised on a straight-line basis over the term of the lease.

The term of the lease comprises the non-cancellable period plus additional periods in the agreement if it is deemed at the start date to be reasonably certain that these will be used.

No right-of-use asset or lease liability is recognised for leases with a term of a maximum of 12 months or with low-value underlying assets. Lease payments for such leases are recognised as an expense on a straight-line basis over the term of the lease.

**Parent company**

The policies on leases, in accordance with IFRS 16, that are applied by the Group, are not applied by the parent company. The parent company applies an optional exception in RFR 2, with the result that the parent company recognises existing leases as operating leases.

**Inventories**

Inventories are valued at the lower of cost, after deductions for necessary obsolescence, and net realisable value. The cost of inventories is calculated using the first in, first out method (FIFO). The net realisable value is the estimated selling price for the operating activity after the deduction of the estimated costs of completion and of making the sale. The cost of finished products manufactured by

the company comprises direct production costs and a reasonable share of indirect costs.

Purchased felling rights are recognised in inventories. These have been acquired with a view to meeting Holmen's raw material requirements through harvesting. No measurable biological change has occurred since the acquisition date.

Renewable energy certificates and guarantees of origin received are recognised in inventories and income as the eligible electricity production takes place, and provided that a sales contract has been signed with an external party.

**Employee benefits**

**Pension costs and pension obligations**

Obligations to pay premiums to defined contribution plans are recognised as an expense in the income statement as and when they are earned.

The Group's net obligation regarding defined benefit plans is calculated separately for each plan by estimating future benefits earned by employees through their employment in both current and previous periods. These benefits are discounted to present value and the fair value of any plan assets is deducted. The discount rate is the interest rate at the balance sheet date based on a selection of high-quality corporate bonds with a duration corresponding to the Group's pension obligations. If there is no active market for such corporate bonds, the market interest rate for government bonds with a corresponding duration is used instead. The calculation is performed by a qualified actuary using the projected unit credit method for the defined benefit portion of the pension obligations.

The establishing of the obligations' present value and the fair value of plan assets may give rise to actuarial gains and losses. These arise either through the actual outcome deviating from previously made assumptions or through changes in assumptions. Actuarial gains and losses are recognised in other comprehensive income.

If any changes occur to a defined benefit plan, these are recognised when the change to the plan occurs. If the changes occur in conjunction with restructuring, they are recognised when the company recognises the associated restructuring costs. The changes are recognised directly in profit/loss for the year.

When the calculation leads to an asset for the Group, the book value of the asset is limited to the lower of the plan surplus and the maximum value of the asset calculated using the discount rate. The maximum value of the asset consists of the present value of future economic benefits in the form of reduced future costs or cash reimbursements. Any minimum funding requirements are taken into account when calculating the present value of future reimbursements or receipts.

The interest expenses in respect of defined benefit obligations are recognised in profit/loss for the year under financial items. They are calculated as the net total of the upward adjustment of interest on the pension obligations and expected income on plan assets calculated using the same interest factor (discount rate). Other components are recognised in operating profit/loss. Revaluation effects consist of actuarial gains and losses and the difference between the actual return on plan assets and the amount included in net interest. Revaluation effects are recognised in other comprehensive income.

Payroll tax is recognised in net obligations. Policyholder tax is recognised as it is incurred in profit/loss for the period to which the tax relates and is consequently not included in the calculation of liabilities. In the case of funded plans, this tax is levied on the return on plan assets and is recognised in other comprehensive income. In the case of unfunded plans, or partially unfunded plans, the tax is levied on profit/loss for the year.

In the parent company's accounts, different bases are used for the calculation of defined benefit plans from those referred to in IAS 19. The parent company complies with the provisions of the Swedish Pension Obligations Vesting Act and the Swedish Financial Supervisory Authority's regulations, because this is a condition for the right to make deductions for tax purposes. The main differences in relation to the rules in IAS 19 relate to how the discount rate of interest is established, the calculation of the defined benefit obligation on the basis of the current pay level without any assumption regarding wage increases in the future, and the recognition of all actuarial gains and losses in the income statement when they arise.

When there is a difference between how the pension cost is arrived at in the legal entity and in the Group, a provision or a receivable for payroll tax is recognised in the consolidated accounts based on this difference. The present value of the provision or receivable is not calculated.

**Share-based payments**

The share savings programme is recognised in accordance with IFRS 2 Share-based Payments and is settled through equity instruments. Recognition of share-based payment programmes settled through equity instruments entails the fair value of the instrument at the dividend date being recognised in the

## Note 1

income statement as a cost over the vesting period, with a corresponding adjustment of equity. At the end of each vesting period, an estimate is made of the expected number of shares to be allocated, and the effect of any change in previous estimates is recognised in the income statement with a corresponding adjustment of equity. In addition, a provision is made for estimated social security costs relating to the share savings programme.

Estimates are based on the value of the shares at the allocation date, which is defined as the period when the agreement was concluded between the parties. The average share price during this period is used as the basis for the valuation of the shares at the allocation date.

### **Termination benefits**

Termination benefits in connection with the termination of employment contracts are recognised in the accounts if it is shown that the Group has an obligation, without any reasonable possibility of withdrawing, as a result of a formal, detailed plan to terminate an employment contract before the normal date. When benefits are granted in the form of an offer to encourage voluntary redundancy, a cost is recognised if it is likely that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

### **Short-term benefits**

Short-term employee benefits are calculated without being discounted and are recognised as a cost when the related services are rendered.

## **Equity**

Consolidated equity comprises share capital, other contributed capital, the translation reserve, hedge reserve, revaluation surplus and retained earnings, including profit/loss for the year. Other contributed capital refers to premiums paid in conjunction with share issues. The translation reserve consists of all the exchange differences arising in the translation of foreign operations' financial statements that have been prepared in a currency other than Swedish kronor. It also includes exchange differences arising in connection with the revaluation of liabilities and derivatives that are classified as instruments for the hedging of a net investment in a foreign operation, including tax. The hedge reserve comprises the effective portion of the accumulated net change in the fair value of cash flow hedging instruments attributable to underlying transactions that have not yet occurred, including tax. The revaluation surplus comprises changes in value attributable to forest land. Retained earnings comprise all the other components of equity, including profit/loss for the year.

Holdings of repurchased shares are recognised as a reduction in retained earnings. Acquisitions of treasury shares are recognised as a deduction, and proceeds from the disposal of treasury shares are recognised as an increase. Transaction costs are charged directly to retained earnings.

The parent company's equity comprises share capital, statutory reserves, revaluation reserves, retained earnings and profit/loss for the year. The parent company's statutory reserve consists of previous compulsory provisions charged to the statutory reserve plus amounts added to the share premium reserve before 1 January 2006. The parent company's revaluation reserve contains amounts set aside in connection with the revaluation of property, plant and equipment or non-current financial assets. Retained earnings comprise all the other components of equity, such as hedge reserves and transactions as a result of treasury share buy-backs. The parent company applies the same accounting policies as the Group for these items. See above.

## **Provisions**

A provision is recognised in the balance sheet when the Group has a legal or informal commitment as a consequence of a past event and it is likely there will be an outflow of financial resources to settle the commitment and a reliable estimate of the amount can be made.

Provisions are made for environmental measures that relate to earlier activities when pollution arises or is discovered, it is likely that a payment obligation will arise, and the amount can be estimated reliably.

## **Contingent liabilities**

A contingent liability is recognised when there is a potential commitment that originates from past events, the existence of which will be confirmed only by one or more uncertain future events, or when there is a commitment that is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required.

## **Group contributions and shareholder contributions**

Group contributions are recognised in the parent company's accounts in accordance with RFR 2's alternative rule, i.e. Group contributions paid or received are recognised as appropriations.

Shareholder contributions are recognised as an increase in the item 'Investments in Group companies'. In addition, a review is conducted of whether the shares need to be impaired. This review complies with standard rules on the valuation of this asset item. Shareholder contributions received are recognised directly in non-restricted equity.

## **Other**

The figures presented are rounded off to the nearest whole number or the equivalent. The absence of a value is indicated by a dash (-).

## Note 2. Operating segment reporting

2025	Forest	Renewable Energy	Wood Products	Board and Paper	Group-wide and other	Eliminations	Total Group
Net sales							
External	3 188	430	4 010	14 428	-	-	22 056
Internal	6 589	8	-	-	-	-6 597	-
Other operating income	251	29	941	1 545	215	-980	2 003
Operating expenses	-8 897	-342	-4 919	-13 250	-394	7 577	-20 226
Change in value of biological assets	895	-	-	-	-	-	895
Depreciation and amortisation according to plan	-79	-110	-215	-1 027	-32	-	-1 464
Profit from investments in associates	-	5	0	-	-	-	5
<b>Operating profit/loss</b>	<b>1 948</b>	<b>18</b>	<b>-182</b>	<b>1 697</b>	<b>-212</b>	<b>-</b>	<b>3 270</b>
Operating margin, %	20	4	-5	12	-	-	15
Return on capital employed, %	4	0	neg	22	-	-	5
Operating assets	59 926	6 380	3 327	10 351	946	-728	80 203
Operating liabilities	-2 772	-347	-681	-1 855	-643	728	-5 571
Deferred tax, net	-12 096	-738	-192	-1 262	40	-	-14 248
<b>Capital employed</b>	<b>45 058</b>	<b>5 295</b>	<b>2 453</b>	<b>7 234</b>	<b>343</b>	<b>-</b>	<b>60 384</b>
Acquisition of non-current assets	259	997	196	691	13	-	2 156
External net sales by market							
Sweden	3 188	430	1 188	642	-	-	5 448
Germany	-	-	81	2 473	-	-	2 554
UK	-	-	540	1 714	-	-	2 254
Italy	-	-	16	1 078	-	-	1 094
France	-	-	39	1 052	-	-	1 091
Rest of Europe	0	-	1 066	4 909	-	-	5 976
Asia	-	-	250	1 465	-	-	1 715
Rest of the world	-	-	829	1 095	-	-	1 924
<b>Total</b>	<b>3 188</b>	<b>430</b>	<b>4 010</b>	<b>14 428</b>	<b>-</b>	<b>-</b>	<b>22 056</b>

	Group		Parent company			Group		Parent company	
	2025	2024	2025	2024		2025	2024	2025	2024
<b>Net sales by market</b>					<b>Net sales by product group</b>				
Sweden	5 448	5 425	5 928	5 827	Consumer paperboard	6 894	7 072	4 499	4 550
Germany	2 554	2 475	2 150	2 022	Pulp	435	384	623	610
UK	2 254	2 540	1 689	1 950	Paper	7 099	7 782	7 099	7 782
Italy	1 094	1 271	978	1 134	Wood products	3 698	3 593	3 813	3 706
France	1 091	1 201	927	1 034	Wood construction solutions	312	302	-	-
Rest of Europe	5 976	5 918	4 744	4 679	Wood	3 188	2 991	3 188	2 991
Asia	1 715	1 986	1 654	1 910	Electricity	419	623	420	595
Rest of the world	1 924	1 944	1 874	1 838	Other	11	12	304	159
<b>Total</b>	<b>22 056</b>	<b>22 759</b>	<b>19 945</b>	<b>20 393</b>	<b>Total</b>	<b>22 056</b>	<b>22 759</b>	<b>19 945</b>	<b>20 393</b>

Income from external customers has been allocated to individual countries according to the country in which the customer is based.

	Group		Parent company	
	2025	2024	2025	2024
<b>Non-current assets by country</b>				
Sweden	69 532	69 991	17 725	15 005
UK	1 180	1 499	-	-
Other	3	4	-	-
<b>Total</b>	<b>70 715</b>	<b>71 494</b>	<b>17 725</b>	<b>15 005</b>

**Note 2. Operating segment reporting, cont.**

2024	Forest	Renewable Energy	Wood Products	Board and Paper	Group-wide and other	Eliminations	Total Group
Net sales							
External	2 991	634	3 896	15 238	-	-	22 759
Internal	6 327	8	-	-	-	-6 335	-
Other operating income	228	54	962	1 560	254	-975	2 083
Operating expenses	-8 431	-327	-4 671	-14 112	-417	7 311	-20 647
Change in value of biological assets	907	-	-	-	-	-	907
Depreciation and amortisation according to plan	-75	-111	-186	-984	-32	-	-1 388
Profit from investments in associates	-	6	1	-	-	-	7
<b>Operating profit/loss</b>	<b>1 947</b>	<b>264</b>	<b>2</b>	<b>1 702</b>	<b>-194</b>	<b>-</b>	<b>3 721</b>
Operating margin, %	21	41	0	11	-	-	16
Return on capital employed, %	4	6	0	21	-	-	6
Operating assets	60 950	5 428	3 319	11 536	750	-734	81 250
Operating liabilities	-2 632	-276	-757	-2 218	-1 085	734	-6 234
Deferred tax, net	-12 341	-564	-188	-1 300	143	-	-14 249
<b>Capital employed</b>	<b>45 978</b>	<b>4 588</b>	<b>2 375</b>	<b>8 019</b>	<b>-192</b>	<b>-</b>	<b>60 767</b>
Acquisition of non-current assets	229	559	364	949	13	-	2 114
External net sales by market							
Sweden	2 991	634	1 237	562	-	-	5 425
Germany	-	-	47	2 428	-	-	2 475
UK	-	-	587	1 953	-	-	2 540
Italy	-	-	13	1 257	-	-	1 271
France	-	-	43	1 158	-	-	1 201
Rest of Europe	0	-	898	5 020	-	-	5 918
Asia	-	-	254	1 732	-	-	1 986
Rest of the world	-	-	816	1 128	-	-	1 944
<b>Total</b>	<b>2 991</b>	<b>634</b>	<b>3 896</b>	<b>15 238</b>	<b>-</b>	<b>-</b>	<b>22 759</b>

The Forest business area manages the Group's forests, which cover just over one million hectares. The annual harvest of own forests usually amounts to 2.8 million m<sup>3</sup>sub. This business area is also responsible for the Group's wood supply in Sweden.

The Renewable Energy business area is responsible for the Group's hydro power and wind power assets. Deliveries in 2025 amounted to 1.6 TWh of renewable hydro and wind power electricity and include wind power electricity bought from a wind farm constructed on Holmen's land.

The Wood Products business area supplies wood products for joinery and construction purposes to five sawmills in Sweden and operates a timber frame construction business. In 2025, 1.3 million m<sup>3</sup> of wood products were delivered.

The Board and Paper business area manufactures paperboard and paper products at four production facilities in Sweden and the UK. In 2025, 1.4 million tonnes of paperboard and paper were delivered.

These business areas are responsible for managing the operating assets and liabilities, which together with the net amount of deferred tax assets and tax liabilities constitute their capital employed. Group management monitors the business at operating profit level, and in terms of earnings relative to capital employed. The capital employed in each segment includes all the assets and liabilities used by the business area, such as non-current assets, inventories and operating receivables and operating liabilities, and the net amount of deferred tax assets and tax liabilities. Financing and tax issues are managed at Group level. Consequently, net financial items, financial assets and liabilities, including pension obligations, and current tax assets and tax liabilities, are not allocated to the business areas.

Intra-Group sales between segments are based on an internal market-based price. The 'Group-wide and other' segment comprises Group staffs and Group-wide functions that are not allocated to other segments.

**Note 3. Other operating income**

	Group		Parent company	
	2025	2024	2025	2024
Sales of by-products	748	950	585	793
Sales of non-current assets	11	21	6	6
Certificates, renewable energy	605	646	-	0
Emission allowances	168	103	124	88
Insurance compensation	102	3	55	0
Rent and land lease income	55	57	47	50
Silviculture contracts	129	109	129	109
Other	184	194	201	207
<b>Total</b>	<b>2 003</b>	<b>2 083</b>	<b>1 146</b>	<b>1 253</b>

Of the sales of by-products in the consolidated accounts, SEK 73 million (237) relate to rejects from production, SEK 428 million (450) to wood shavings, bark and chips, as well as SEK 247 million (263) to external sales of energy.

Renewable energy certificates mainly relate to allocations for production at the UK paperboard mill in Workington. The Group has been allocated emission allowances under the EU ETS and the UK ETS that have been partly used for its own production. The value of the surplus is recognised on the external delivery of emission allowances sold, which has resulted in a recognised profit of SEK 168 million (103). Insurance compensation mainly relates to compensation received for the solid fuel boiler at the Braviken Paper Mill following a fire in December 2024.

## Note 4. Employees, personnel costs and remuneration of senior management

	Group		Parent company	
	2025	2024	2025	2024
<b>Wages, salaries and social security costs</b>				
Wages and other remuneration	2 373	2 356	1 897	1 897
Social security costs	992	958	884	858

### The AGM's guidelines for determining wages and other remuneration for senior management

The 2023 AGM decided on the following guidelines for determining the wages and other remuneration of the CEO and other members of senior management, namely the heads of the business areas and heads of Group staff who report directly to the CEO. The guidelines must be applied to remuneration agreed after the guidelines were adopted by the 2023 AGM. The guidelines do not cover remuneration determined by the AGM.

#### The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Holmen's strategy is to own and add value to the forest. Holmen's forest holdings form the basis of the business in which the raw material grows and is transformed into everything from wood products for climate-smart building to renewable packaging, magazines and books, using energy that largely comes from its own hydro and wind power.

The company must be able to attract the right employees to be able to successfully implement the company's business strategy, long-term interests and sustainability. These guidelines are intended to give Holmen the means to hire and retain qualified employees and ensure that the forms of remuneration and other conditions are uniform and consistent.

#### Forms of remuneration

Long-term share-based incentive programmes are introduced within the company from time to time. These are approved by the general meeting of shareholders and are therefore not covered by these guidelines. See holmen.com for more information about these programmes.

Remuneration for senior management should be in line with market terms and competitive within the job market for senior managers, as well as reflecting senior management's responsibilities, powers and performance. Remuneration may consist of a fixed wage, variable remuneration, other benefits and a pension.

Variable remuneration should be aimed at encouraging and rewarding value-creating initiatives that support the company's business strategy, sustainability and long-term interests. Variable remuneration should be calculated based on the achievement of measurable targets and not exceed 50 per cent of the person's fixed annual wage. It should be possible to measure compliance with the criteria for the payment of variable remuneration annually, under normal circumstances.

Other benefits may include such items as health insurance, and housing and car allowances. Where such benefits are provided, they should constitute no more than 10 per cent of the person's fixed wage.

The retirement age should usually be 65 years. Pension benefits should be based on defined contributions and should usually be equal to 30 per cent of the person's fixed cash wage.

#### Notice and severance pay

The period of notice should be six months, regardless of whether notice is given by the company or the member of senior management. In the event of notice being given by the company, severance pay may be paid corresponding to no more than 18 months' wages.

#### Consideration of wage and employment conditions for other employees

In formulating its proposals for these remuneration guidelines, the Board took into account the wage and employment conditions of the company's other employees, by including information about employees' total remuneration, the components of such remuneration, and the increase in remuneration and rate of increase over time, in the basis for decision-making when evaluating the reasonableness of these guidelines.

#### Decision-making process for establishing, reviewing and implementing the guidelines

The Board has created a remuneration committee. The committee's duties include preparing the Board's decision on proposed remuneration guidelines for members of senior management. Under Chapter 8, §51 of the Swedish Companies Act, the Board must prepare proposed new guidelines at least every four years and put the proposal to the AGM. The remuneration committee must

also monitor and evaluate the application of the guidelines and applicable remuneration structures and levels in the company. Members of the remuneration committee must be independent in relation to the company and its senior management. The Chief Executive Officer and other members of senior management do not attend the Board's discussion of and decisions on remuneration-related matters if such matters relate to them.

#### Deviations from the guidelines

The Board may decide to temporarily deviate from the guidelines in full or in part if, in an individual case, there are particular reasons for doing so and a deviation is necessary in the long-term interests of the company, including its sustainability, or to ensure the company's financial viability.

#### Share savings programmes

In 2025, Holmen had three outstanding long-term directed share savings programmes, LTIP 2022, LTIP 2024 and LTIP 2025, decided on by the Annual General Meeting. LTIP 2022 ended on 8 May 2025. The aim of the programmes is to strengthen common interests between key individuals and shareholders, as well as to foster a long-term commitment to Holmen.

The 2025 AGM resolved on a share savings programme for members of the Group management and business area management teams (LTIP 2025), and the 2024 AGM resolved on a share savings programme for members of the Group management only (LTIP 2024). The share savings programme directed at key individuals within the Group that was resolved on by the 2022 AGM (LTIP 2022) ended during the year. Participation in the programmes requires a personal investment in Holmen shares (so-called savings shares) and continued employment throughout the duration of the programme.

LTIP 2025 expires in spring 2028 and covers 45 participants who have invested in a total of 20 790 savings shares. LTIP 2024 expires in spring 2027 and covers 10 participants who have invested in a total of 8 940 savings shares. The programmes have performance conditions linked to the total return on capital employed for the industrial business areas Wood Products and Board and Paper ('ROCE'), the development of the Group's climate benefit ('Climate Benefit') and the total shareholder return on Holmen's class B shares ('TSR') during the period 2025-2027 for LTIP 2025 and the period 2024-2026 for LTIP 2024. For each programme, the performance condition linked to the ROCE may yield 5.4 shares for the CEO, 4.5 shares for the Executive Vice President and 3.6 shares for other members of Group management, per savings share. Allocations in line with the ROCE criterion require that the minimum level is exceeded, and the maximum level must be reached for a maximum allocation. If the ROCE is between the minimum and maximum level, the allocations are determined on a straight-line basis. For LTIP 2025, the ROCE range is set at 10-20 per cent, and at 11-21 per cent for LTIP 2024. For each programme, the performance condition linked to the Climate Benefit may yield 0.6 shares for the CEO, 0.5 shares for the Executive Vice President and 0.4 shares for other members of Group management, per savings share. Allocations under the programmes require an increase in the reported climate benefit measured as an average over the financial years corresponding to the duration of the programmes compared with the reported climate benefit during the reference year. For LTIP 2025, the financial years 2025-2027 and 2024 are used as reference years and for LTIP 2024, the financial years 2024-2026 are used and the reference year is 2023. If the climate benefit decreases or remains unchanged during the measurement period, no allocations linked to the Climate Benefit will be made. For each programme, the performance condition linked to the TSR may yield 0.5 shares per savings share for the CEO, the Executive Vice President and other members of Group Management if the TSR exceeds 10 per cent during the period 2025-2027 for LTIP 2025, and exceeds 10 per cent during the period 2024-2026 for LTIP 2024.

The maximum number of shares that may be allocated under LTIP 2025 is 91 600. The total recognised cost for LTIP 2025 amounts to SEK 8 million (-). The maximum number of shares that may be allocated under LTIP 2024 is 45 300. The total recognised cost for LTIP 2024 amounts to SEK 4 million (5).

See pages 112-113 and 116 for the definition and calculation of the climate benefit.

LTIP 2022 ended on 8 May 2025 and covered 67 participants who invested in a total of 18 861 savings shares. The programme had performance conditions linked to the total return on capital employed for the industrial business areas Wood Products and Board and Paper ('ROCE') and to the total shareholder return on Holmen's class B shares ('TSR') during the period 2022-2024. For the performance condition linked to the ROCE, the maximum allocation was made, as the ROCE during the period amounted to 32 per cent, exceeding the requirement for the maximum allocation of a ROCE of more than 17 per cent. This means that the CEO received 6 shares, the Executive Vice President 5 shares and other members

## Note 4. Employees, personnel costs and remuneration of senior management, cont.

of Group management 3–4 shares per savings share related to the performance condition linked to the ROCE. No allocation was made for the performance condition linked to the TSR as the total shareholder return amounted to 6 per cent, which was below the requirement of a TSR of 10 per cent. The number of shares allocated totalled 66 342. The total recognised cost for LTIP 2022 amounted to SEK 42 million for the period 2022–2025.

### Remuneration of the Board and members of senior management

#### Board of Directors

A fixed Board fee is paid to the members of the Board elected by the AGM. The CEO does not receive a Board fee. For 2025, fees paid to the Board amounted to SEK 4 095 000 (3 870 000). The Chairman of the Board received a fee of SEK 910 000 (860 000), and each of the other seven (seven) members received SEK 455 000 (430 000).

#### Senior management

The remuneration and other benefits for the CEO and other members of senior management are set out below. Other members of senior management refers to the Executive Vice President and the four (four) heads of the business areas and, until 30 September, five, then four (five) heads of Group staff (Group management).

#### Summary of wages, remuneration and other benefits in 2025

SEK (kronor)	Fixed wage	Variable remuneration <sup>1)</sup>	Others benefits	Total wages, remuneration and other benefits	Recognised wage cost, share savings programmes <sup>2)</sup>	Pension cost <sup>3)</sup>
Chief Executive Officer	11 400 000	3 095 100	512 387	<b>15 007 487</b>	2 596 720	6 978 948
Other members of senior management (10) <sup>4)</sup>	31 819 000	6 187 724	1 079 171	<b>39 085 895</b>	4 847 424	12 378 311

<sup>1)</sup> Variable remuneration consists of the short-term incentive programme for 2025 that will be paid out in 2026.

<sup>2)</sup> Refers to the recognised wage cost for the LTIP 2024 and LTIP 2025 share savings programmes. The CEO received an allocation under the LTIP 2022 share savings programme of 11 400 shares worth SEK 4 612 440. Other members of senior management received allocations of 17 821 shares worth SEK 7 210 376.

<sup>3)</sup> The pension cost for the CEO includes a SEK 3 563 380 recognised cost for an option to retire before the usual retirement age. The pension cost for other members of senior management includes a recognised cost of SEK 2 000 098 relating to an option to retire before the usual retirement age for two senior managers.

<sup>4)</sup> 10 people in February–September and 9 people for the rest of the year.

#### Summary of wages, remuneration and other benefits in 2024

SEK (kronor)	Fixed wage	Variable remuneration <sup>1)</sup>	Others benefits	Total wages, remuneration and other benefits	Recognised wage cost, share savings programmes <sup>2)</sup>	Pension cost <sup>3)</sup>
Chief Executive Officer	11 400 000	2 736 000	479 605	<b>14 615 605</b>	2 403 206	6 796 262
Other members of senior management (9) <sup>4)</sup>	28 519 000	5 239 530	1 033 187	<b>34 791 717</b>	4 172 055	10 370 925

<sup>1)</sup> Variable remuneration consists of the short-term incentive programme for 2023 that was paid out in 2024.

<sup>2)</sup> Refers to the recognised wage cost for the LTIP 2022 share savings programme. No allocations were made under share savings programmes during the year.

<sup>3)</sup> The pension cost for the CEO includes a SEK 3 375 599 recognised cost for an option to retire before the usual retirement age. The pension cost for other members of senior management includes a recognised cost of SEK 1 845 296 relating to an option to retire before the usual retirement age for three senior managers.

<sup>4)</sup> 10 people in January and 9 people for the rest of the year.

#### Short-term variable remuneration of members of senior management

The short-term variable remuneration for members of senior management ("STI") is calculated annually and may amount to a maximum of 50 per cent of their annual fixed salary for the CEO and Executive Vice President and a maximum of 35 per cent of their annual fixed salary for the rest of Group management. STI is not pensionable. The criteria for STI for 2025 to be paid out in 2026 and for STI for 2024 paid out in 2025 are 90 per cent based on the return on capital employed (ROCE) for the industrial business areas (i.e. Wood Products and Board and Paper) and 10 per cent based on the accident rate at Holmen's workplaces being reduced. For the heads of the industrial business areas, the allocation based on the ROCE was 70 per cent for the ROCE for their own business areas and 30 per cent for the overall ROCE for the industrial business areas. For the Senior Vice President Renewable Energy, specific quantitative parameters have been applied. For STI for 2025, the range for the ROCE was 10–20 per cent. For STI to be paid, the minimum level must be exceeded, and for the maximum STI to be paid, the maximum level must be reached. If the ROCE is between the minimum and maximum level, STI is paid on a straight-line basis. For STI for 2024, the range for the ROCE was 11–21 per cent.

For 2025, the ROCE for the industrial business areas totalled 14.9 per cent and the accident rate decreased to 4.7 accidents per million hours worked compared with 5.3 in 2024. This means that the payout to the CEO in respect of STI for 2025 will amount to 54 per cent of the maximum STI. For the other members of Group management, the outcome is between 10–90 per cent of the maximum STI. For 2024, the ROCE for the industrial business areas totalled 16.3 per cent and the accident rate increased to 5.3 accidents per million hours worked compared with 5.2 in 2023. This means that the payout to the CEO in respect of the STI for 2024 amounted to 48 per cent of the maximum STI. For the other members of Group management, the outcome was between 11–81 per cent of the maximum STI.

#### Notice period for members of senior management

For members of senior management, employed from 2011, a mutual notice period of six months applies. In the event of notice being given by the company, deductible severance pay corresponding to 18 months' wages will be paid. These terms apply to the CEO and seven other people. For two senior management employment contracts, signed before 2011, the employee is required to give six months' notice and the company must give 12 months' notice. In the event of notice being given by the company for these people, severance pay corresponding to up to two years' wages will be paid.

All members of senior management are employed by the parent company.

#### Pension obligations in respect of senior management

Holmen's defined benefit pension obligations for the CEO amounted to SEK 49 million (46) at 31 December 2025 and, for the other members of senior management, to SEK 32 million (34), calculated in accordance with IAS 19. The obligations relate to the costs that would arise if the CEO and two members of senior management retired before ordinary retirement age based on agreements entered into in accordance with the applicable guidelines for remuneration for members of senior management. The pension obligations are secured by plan assets managed by an independent pension fund.

#### Proportion of women in Holmen's Board of Directors and Group management

Proportion of women, number (%)	Group		Parent company	
	2025	2024	2025	2024
Board (excl. deputy members)	4 (33%)	4 (33%)	4 (33%)	4 (33%)
Senior management	2 (20%)	2 (20%)	2 (20%)	2 (20%)
<b>Total</b>	<b>6 (29%)</b>	<b>6 (29%)</b>	<b>6 (29%)</b>	<b>6 (29%)</b>

Number of employees (full-time equivalent)	2025			2024		
	number full-time equivalent	of whom women	of whom men	number full-time equivalent	of whom women	of whom men
<b>Parent company</b>						
Sweden	2 833	655	2 178	2 901	662	2 239
<b>Group companies</b>						
France	12	5	7	13	5	8
Netherlands	59	32	27	69	40	29
UK	400	44	356	387	39	348
Sweden	61	15	46	59	14	45
Germany	20	5	15	21	6	15
US	8	3	5	8	3	5
Other countries	42	16	26	40	15	25
<b>Total Group companies</b>	<b>602</b>	<b>120</b>	<b>482</b>	<b>597</b>	<b>122</b>	<b>475</b>
<b>Total Group</b>	<b>3 435</b>	<b>775</b>	<b>2 660</b>	<b>3 498</b>	<b>784</b>	<b>2 714</b>

## Note 5. Auditors' fee and remuneration

The audit firm PricewaterhouseCoopers AB (PwC), which has been Holmen's auditor since 2021, was re-elected as auditor at the 2025 AGM for a period of one year. PwC performs the audit for Holmen AB as well as for the majority of Holmen's subsidiaries.

'Audit assignments' refers to the statutory examination of the annual accounts and accounting records, and of the administration by the Board and the CEO, and the auditing carried out as agreed or in accordance with contracts. This includes other duties that are incumbent on the company's auditors, and the provision of advice or other assistance as a result of observations in connection with such reviews or the performance of such other duties. 'Tax advice' refers to all consulting in the field of taxation.

Remuneration of auditors	Group		Parent company	
	2025	2024	2025	2024
Audit assignments, PwC	9	10	7	7
Other statutory assignments, PwC	1	0	1	0
Tax advice, PwC	0	0	0	0
<b>Total</b>	<b>10</b>	<b>10</b>	<b>8</b>	<b>7</b>
Other auditors	0	0	-	-
<b>Total</b>	<b>11</b>	<b>10</b>	<b>8</b>	<b>7</b>

## Note 6. Net financial items and income from financial instruments

Net financial items	Group		Parent company	
	2025	2024	2025	2024
<b>Financial income</b>				
Dividend income from Group companies	-	-	2 992	344
Dividends from shares and participations	1	0	1	-
Foreign exchange effect on the liquidation of Group companies	-1	4	9	6
Interest income	33	35	166	215
<b>Total financial income</b>	<b>34</b>	<b>39</b>	<b>3 168</b>	<b>565</b>
<b>Financial costs</b>				
Net gains/losses on financial instruments				
Measured at fair value through profit/loss	-59	-41	88	-172
Cash and cash equivalents	-1	-4	-6	0
Measured at amortised cost	57	45	57	45
<b>Total net profit/loss</b>	<b>-2</b>	<b>0</b>	<b>139</b>	<b>-127</b>
Interest expenses attributable to right-of-use agreements	-8	-7	-	-
Interest expenses*	-127	-94	-202	-154
<b>Financial costs</b>	<b>-138</b>	<b>-101</b>	<b>-63</b>	<b>-281</b>
<b>Net financial items</b>	<b>-104</b>	<b>-62</b>	<b>3 105</b>	<b>284</b>

\*SEK -25 million (-23) relates to interest expenses for derivatives measured at fair value through other comprehensive income. SEK -5 million (-3) relates to interest expenses for derivatives recognised at fair value through profit/loss for the year.

Interest expenses and interest income are usually calculated using the effective interest method from financial items measured at amortised cost.

Net gains and losses recognised in net financial items mainly relate to currency revaluations of internal lending and hedging of internal lending. The parent company's net financial items also include currency revaluations of forward contracts that hedge net investments in foreign operations, which are recognised in the consolidated accounts under other comprehensive income. The fair value of the interest component of forward foreign exchange contracts as well as changes in the value of the accrued interest and realised interest component of fixed interest rate swaps are recognised on an ongoing basis in net interest items. Information about financial risks is provided in the section on risk on pages 52–53.

## Note 6. Net financial items and income from financial instruments, cont.

The income from financial instruments recognised in operating profit/loss is shown in the following table:

	Group		Parent company	
	2025	2024	2025	2024
Exchange gains/losses on trade receivables and trade payables	-126	244	-140	250
Net gain/loss from derivatives recognised in operating profit/loss	564	-570	576	-610

The derivatives recognised in operating profit/loss relate to currency hedges of trade receivables and trade payables as well as financial electricity derivatives.

Gains and losses on currency hedges are recognised in operating profit/loss when the hedged item is recognised and in 2025 amounted to SEK 341 million (-347), the remainder being recognised in other comprehensive income as hedge accounting is applied. The fair value of outstanding currency hedges recognised in other comprehensive income was SEK 370 million (-61) at 31 December 2025.

Gains/losses on financial electricity hedges are recognised in the income statement when they expire; for 2025 they totalled SEK 223 million (-223). The fair value of outstanding financial electricity hedges at 31 December 2025 was SEK 43 million (-66). The change in fair value is recognised in other comprehensive income as hedge accounting is applied.

The change in the fair value of hedges of investment purchases is recognised in the hedge reserve until expiry, at which point the gain/loss is moved from equity to the cost of the non-current asset that was hedged. The fair value of outstanding hedges of investment purchases amounted to SEK -1 million (12) at 31 December 2025. In 2025, there was a SEK -27 million (-14) impact on the cost of hedged items due to the result from hedging.

The result from the hedging of foreign net assets amounted to SEK 142 million (-127) in 2025 and was recognised in other comprehensive income as hedge accounting was applied. In the parent company's accounts, this result is recognised in the income statement. The translation of foreign net assets had an impact of SEK -238 million (181) on consolidated equity. The fair value of outstanding hedges of net assets at 31 December 2025 was SEK 8 million (-15) and relates to financial derivatives.

The fair value of the derivatives used to manage fixed interest rate periods amounted to SEK 21 million (38) at 31 December 2025, which was recognised in other comprehensive income as hedge accounting was applied. This value is expected to be recognised in the income statement in 2026 and later.

## Note 7. Tax

Taxes recognised in the income statement	Group		Parent company	
	2025	2024	2025	2024
Current tax	38	-416	96	-301
Deferred tax	-324	-383	-2	0
<b>Total</b>	<b>-286</b>	<b>-798</b>	<b>94</b>	<b>-302</b>

Recognised tax totalled SEK -286 million (-798), corresponding to 9 per cent (22) of the profit/loss before tax. In 2025, recognised tax was positively affected, by an amount of SEK 386 million, by Holmen being granted rights by the Administrative Court in relation to tax loss carry-forwards linked to the operations the Group previously conducted in Spain. The judgment has been appealed by the Swedish Tax Agency.

Taxes recognised in the income statement	Group				Parent company			
	2025		2024		2025		2024	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Recognised profit/loss before tax	3 165		3 660		4 305		1 677	
Tax at applicable rate	-652	20.6	-754	20.6	-887	20.6	-346	20.6
Difference in tax rate for foreign operations	-8	0.2	-17	0.5				
Tax-exempt income	15	-0.5	9	-0.3	623	-14.5	75	-4.5
Non-tax-deductible costs	-7	0.2	-10	0.3	-11	0.2	-6	0.3
Standard interest on tax allocation reserve	-20	0.6	-24	0.7	-20	0.5	-24	1.4
Tax attributable to previous periods	390	-12.3	-7	0.2	387	-9.0	-4	0.2
Other	-3	0.1	4	-0.1	1	0.0	2	-0.1
<b>Effective tax</b>	<b>-286</b>	<b>9.0</b>	<b>-798</b>	<b>21.7</b>	<b>94</b>	<b>-2.2</b>	<b>-302</b>	<b>18.0</b>

Tax attributable to other comprehensive income	Group						Parent company					
	Before tax	Tax	After tax	Before tax	Tax	After tax	Before tax	Tax	After tax	Before tax	Tax	After tax
	2025			2024			2025			2024		
Cash flow hedges	524	-108	416	-501	103	-398	523	-108	416	-503	104	-400
Translation difference on foreign operations	-238	-	-238	181	-	181	-	-	-	-	-	-
Hedging of currency risk from foreign operations	142	-29	112	-127	26	-101	-	-	-	-	-	-
Revaluations of forest land	-2 204	454	-1 750	454	-93	360	-	-	-	-	-	-
Revaluations of defined benefit pension plans	203	-51	152	-5	1	-4	-	-	-	-	-	-
<b>Other comprehensive income</b>	<b>-1 574</b>	<b>267</b>	<b>-1 308</b>	<b>2</b>	<b>37</b>	<b>39</b>	<b>523</b>	<b>-108</b>	<b>416</b>	<b>-503</b>	<b>104</b>	<b>-400</b>

Taxes as recognised in the balance sheet	Group		Parent company	
	2025	2024	2025	2024
<b>Tax receivables</b>				
Deferred tax assets	3	3	-	-
Current tax assets	224	144	210	105
<b>Total tax receivables</b>	<b>226</b>	<b>148</b>	<b>210</b>	<b>105</b>
<b>Deferred tax liabilities</b>				
Non-current assets				
Biological assets	6 728	6 510	-	-
Forest land	4 907	5 360	602	602
Property, plant and equipment	1 399	1 293	4	4
Tax allocation reserve	973	1 028	-	-
Transactions subject to hedge accounting	89	-16	89	-16
Other, including deferred tax assets recognised net of deferred tax liabilities	154	77	-4	-6
<b>Deferred tax liabilities</b>	<b>14 250</b>	<b>14 252</b>	<b>691</b>	<b>584</b>
Current tax liabilities	93	97	-	-
<b>Total tax liabilities</b>	<b>14 344</b>	<b>14 349</b>	<b>691</b>	<b>584</b>

#### Change in the net amount of deferred tax assets and deferred tax liabilities

	Group					Parent company			
	Opening balance	Recognised in the income statement	Recognised directly in equity	Translation differences and other	Closing balance	Opening balance	Recognised in the income statement	Recognised directly in equity	Closing balance
<b>2025</b>									
Biological assets	-6 510	-219	-	-	-6 728	-	-	-	-
Forest land	-5 360	-1	454	-	-4 907	-602	0	-	-602
Property, plant and equipment	-1 293	-129	-	23	-1 399	-4	0	-	-4
Tax allocation reserve	-1 028	55	-	-	-973	-	-	-	0
Transactions subject to hedge accounting	16	-	-105	-	-89	17	-	-105	-89
Other	-74	-30	-54	6	-151	5	-2	-	4
<b>Deferred net tax liability</b>	<b>-14 249</b>	<b>-324</b>	<b>295</b>	<b>30</b>	<b>-14 248</b>	<b>-584</b>	<b>-2</b>	<b>-105</b>	<b>-691</b>
	Group					Parent company			
	Opening balance	Recognised in the income statement	Recognised directly in equity	Translation differences and other	Closing balance	Opening balance	Recognised in the income statement	Recognised directly in equity	Closing balance
<b>2024</b>									
Biological assets	-6 294	-215	-	-	-6 510	-	-	-	0
Forest land	-5 272	5	-93	-	-5 360	-601	-1	-	-602
Property, plant and equipment	-1 210	-66	-	-17	-1 293	-3	-1	-	-4
Tax allocation reserve	-932	-97	-	-	-1 028	-	-	-	0
Transactions subject to hedge accounting	-83	0	99	-	16	-83	-	99	17
Other	-65	-10	1	0	-74	4	2	-	5
<b>Deferred net tax liability</b>	<b>-13 856</b>	<b>-382</b>	<b>6</b>	<b>-17</b>	<b>-14 249</b>	<b>-683</b>	<b>0</b>	<b>99</b>	<b>-584</b>

The Group's deferred tax liability for forest land and biological assets amounts to SEK 11 635 million (11 869) and is calculated based on the difference between the book value of SEK 56 711 million (57 843) and taxable cost of SEK 229 million (225). This represents the tax expense that would arise if the forest assets were sold as forest properties. No tax expense arises if the assets are retained.

The deferred tax liability in respect of property, plant and equipment is primarily attributable to depreciation in excess of plan. Deferred tax assets from leases in accordance with IFRS 16 total SEK 2 million net (2), of which SEK 46 million (47) of deferred tax assets and SEK -45 million (-45) of deferred tax liabilities. Recognised directly in equity includes deferred tax mainly related to a change in the value of forest land of SEK -454 million (93) and a hedge reserve of SEK 105 million (-99).

Tax loss carry-forwards linked to the operations the Group previously conducted in Spain were recognised in 2025 after Holmen was granted rights in relation to loss carry-forwards by the Administrative Court, which positively affected recognised tax for 2025 by an amount of SEK 386 million. The judgment has been appealed by the Swedish Tax Agency. No provision has been recognised for if the appeal has a negative outcome. There are no other significant loss carry-forwards in the consolidated accounts.

The Group is covered by the OECD's Pillar Two model rules and legislation has been adopted in Sweden effective from 1 January 2024. Holmen's assessment is that the Group will not have to pay additional Global minimum tax for either the 2024 or 2025 financial years.

## Note 8. Earnings per share (EPS)

	Group	
	2025	2024
Total number of outstanding shares, 1 January	157 668 192	159 222 355
Buy-backs of treasury shares during the year	-4 300 000	-1 554 163
Allocation to share savings programmes	66 342	-
<b>Total number of outstanding shares, 31 December</b>	<b>153 434 534</b>	<b>157 668 192</b>
Shareholders' share of profit/loss for the year, SEK	2 879 408 660	2 861 454 499
Basic average number of shares	155 867 065	158 775 615
<b>Basic EPS for the year, SEK</b>	<b>18.5</b>	<b>18.0</b>
Shareholders' share of profit/loss for the year, SEK	2 879 408 660	2 861 454 499
Diluted average number of shares	155 867 065	158 775 615
<b>Diluted EPS for the year, SEK</b>	<b>18.5</b>	<b>18.0</b>

The share savings programme, adopted by the 2022 AGM expired in May 2025, resulting in participants being allocated 66 342 Holmen Class B shares.

The AGM has decided on two share savings programmes that are outstanding as at 31 December 2025. Together they may lead to the allocation of 136 900 shares from Holmen's own holding of shares. This may result in marginal dilutive effects on key figures and earnings per share. See Note 4 for more information about the share savings programmes.

Based on the Board of Directors' decision on 15 August 2024 to buy back own shares, 300 000 shares were bought back in the first quarter of 2025 for SEK 119 million, corresponding to an average price of SEK 397 per share. The 2025 AGM renewed the Board's authorisation to take decisions on purchasing the company's shares. Since the 2025 AGM, Holmen's Board has decided to buy back 4 million shares. The shares were bought back for a total of SEK 1 530 million, corresponding to an average price of SEK 382/share. Overall, the share buy-backs completed in 2025 correspond to 2.65 per cent of the total number of shares and amounted to SEK 1 649 million, representing an average price of SEK 383 per share. At 31 December 2025, Holmen held shares corresponding to 5.59 per cent of the total number of shares.

## Note 9. Forest land and biological assets

Holmen's land holdings amount to 1 303 000 hectares, of which 1 161 000 hectares are classified as forest land according to international definitions. 1 047 000 hectares are classified as productive forest land. The holdings are spread over five regions of Sweden.

	Total land holdings, thousand ha	Productive forest land, thousand ha
Västerbotten	486	372
Västernorrland	329	273
Jämtland	194	146
Gävleborg	184	164
Uppsala and further south	109	91
<b>Total</b>	<b>1 303</b>	<b>1 047</b>

Forest land is recognised at fair value calculated based on transaction prices for forest properties in the counties where the Group owns forest land, less the fair value of standing trees recognised as biological assets in accordance with IAS 41 Biological Assets. Only productive forest land is assigned a value. Below, the valuation based on transactions in forest properties is described first, followed by the valuation of biological assets.

### Valuation based on transactions in forest properties

Prices for individual forest properties vary mainly due to geographical location and the volume of standing timber. To address these differences, valuations are based on the amounts paid in relation to the properties' volume of standing timber broken down by geographical area, mainly according to county. To obtain a sufficiently large population, three years of aggregated transactions are used. The calculation is carried out by aggregating valuations made based on:

- Price statistics published by market participants. Holmen uses the price statistics together with the volume of standing timber for the productive forest land to calculate the value of the productive forest land for each county.

- Detailed data on transactions in forest properties. Holmen uses the detailed transaction data to calculate the value of the forest land per hectare using a regression model based on the parameters location (county or part of a county), volume of standing timber and site quality (i.e. the productive capacity of the land) for the productive forest land. The calculation is carried out for each forest property owned by Holmen and the figures are aggregated to obtain a value for each county.

The method is considered to reflect market conditions at the reporting date and has been applied consistently between years.

### Price statistics and transaction data

The price statistics come from Ludvig & Co and Svefa, both of which are independent of Holmen. They are expressed in SEK per m<sup>3</sup> growing stock, solid over bark of standing timber mainly broken down by county. Svefa processes the data by excluding transactions involving less than 10 hectares and transactions that may include other significant components besides forest land. Holmen does not process the price statistics.

The detailed data on forest properties is based on transaction data that mainly come from the government agency Lantmäteriet and is supplied by Infotrader, which is independent of Holmen. Holmen processes the information by excluding transactions for which Infotrader believes there are other significant components besides forest land and transactions involving less than 20 hectares.

### Volume of standing timber

Data on Holmen's volume of standing timber for each region valued are used for valuations. The volume of standing timber is calculated based on the most recent inventory, updated with the harvests realised and estimated growth after the inventory date. The inventory is usually carried out every ten years and last took place in 2019. The table below shows the volume of standing timber measured in m<sup>3</sup> growing stock, solid over bark per hectare in the inventories carried out since 1988, and the calculated volume of standing timber at 31 December 2025.

Volume of standing timber	1988	1993	2000	2010	2019	2025
m <sup>3</sup> growing stock, solid over bark per hectare of productive forest land	90	100	105	114	118	122



The table below shows Holmen's volume of standing timber expressed in m<sup>3</sup> growing stock, solid over bark, the site quality (i.e. the productive capacity of the land) of the productive forest land and the age distribution by region.

	Volume of standing timber, million m <sup>3</sup> growing stock, solid over bark	Site quality, m <sup>3</sup> /ha	Age distribution, %					
			0–20	21–40	41–60	61–80	81–100	101+
Västerbotten	39	4.0	29	24	15	18	7	8
Västernorrland	33	4.3	27	25	18	16	5	9
Jämtland	15	3.5	23	21	18	7	2	28
Gävleborg	26	6.2	28	22	28	13	2	7
Uppsala and further south	14	7.4	28	26	23	13	4	7
<b>Total</b>	<b>128</b>	<b>4.7</b>	<b>27</b>	<b>24</b>	<b>19</b>	<b>14</b>	<b>5</b>	<b>11</b>

### Valuation as at 31 December 2025

The valuation based on transactions in forest properties amounted to SEK 56 711 million (57 843) at 31 December 2025, corresponding to SEK 54 thousand (55) per hectare of productive forest land and SEK 444 per m<sup>3</sup> growing stock, solid over bark (456) of standing timber on the productive forest land.

The valuation per county is shown in the table below. For Västerbotten, Jämtland and Västernorrland, price differences within counties have been taken into account to the extent possible based on price statistics and detailed transaction data.

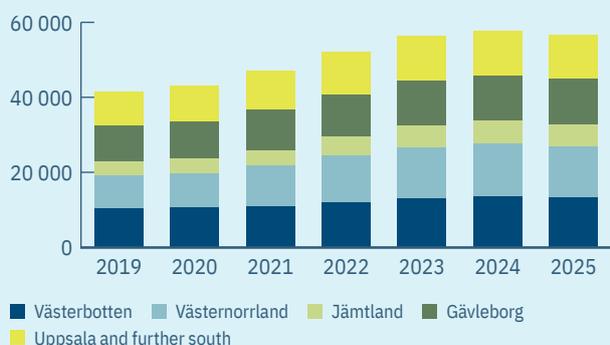
2025	Holmen's forests				Holmen's book value			Market statistics**	
	Total land holdings, thousand ha	Area of productive forest land, thousand ha	Number of properties	Average size, ha per property*	SEKm	SEK '000/ha*	SEK/m <sup>3</sup> growing stock, solid over bark	Number of transactions	Average size, ha per property*
Västerbotten	486	372	1 377	270	13 399	36	347	337	101
Västernorrland	329	273	620	441	13 533	50	414	110	75
Jämtland	194	146	357	409	6 021	41	389	202	149
Gävleborg	184	164	1 435	115	12 077	73	456	108	78
Uppsala and further south	109	91	502	182	11 681	128	808	215	83
<b>Total</b>	<b>1 303</b>	<b>1 047</b>	<b>4 291</b>	<b>244</b>	<b>56 711</b>	<b>54</b>	<b>444</b>	<b>972</b>	<b>102</b>

2024	Holmen's forests				Holmen's book value			Market statistics**	
	Total land holdings, thousand ha	Area of productive forest land, thousand ha	Number of properties	Average size, ha per property*	SEKm	SEK '000/ha*	SEK/m <sup>3</sup> growing stock, solid over bark	Number of transactions	Average size, ha per property*
Västerbotten	486	371	1 376	270	13 772	37	358	330	102
Västernorrland	329	273	620	440	13 945	51	429	102	87
Jämtland	194	146	357	410	6 105	42	401	194	170
Gävleborg	184	163	1 434	114	12 076	74	462	115	74
Uppsala and further south	109	91	502	181	11 946	131	823	190	79
<b>Total</b>	<b>1 303</b>	<b>1 045</b>	<b>4 289</b>	<b>244</b>	<b>57 843</b>	<b>55</b>	<b>456</b>	<b>931</b>	<b>106</b>

\*Refers to productive forest land. \*\*Refers to transactions forming the basis for the valuation based on detailed information about transactions in forest properties.

The chart below shows the change in the valuation, aggregated for each region, since the method was first introduced in 2019.

### Book value, SEKm



The value per hectare varies between different parts of the country, the value of forest properties in southern Sweden being significantly higher. This is partly due to better site quality, a shorter harvest cycle and higher wood prices, but is also due to the fact that demand for forest land is greater closer to densely populated areas. The tables below show how the valuation per region has developed since the transition to recognising forest land at fair value.

### Valuation, SEK '000/ha

	2019	2020	2021	2022	2023	2024	2025
Västerbotten	29	29	30	33	35	37	36
Västernorrland	32	33	39	45	50	51	50
Jämtland	25	26	28	34	39	42	41
Gävleborg	58	61	66	69	74	74	73
Uppsala and further south	98	104	113	125	130	131	128

### Valuation, SEK/m<sup>3</sup> growing stock, solid over bark

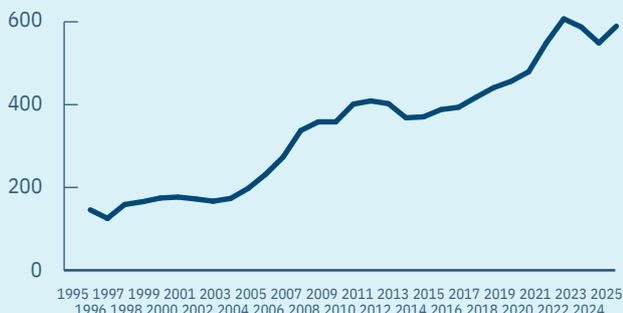
	2019	2020	2021	2022	2023	2024	2025
Västerbotten	283	287	301	329	346	358	347
Västernorrland	278	286	328	373	416	429	414
Jämtland	266	273	289	345	382	401	389
Gävleborg	370	388	418	434	465	462	456
Uppsala and further south	613	639	698	772	818	823	808

## Note 9. Forest land and biological assets, cont.

### Sensitivity analysis

There has been low volatility in forest property prices over time, as illustrated in the chart below showing annualised prices compiled by Ludvig & Co.

### Price development of forest properties, SEK/m<sup>3</sup> growing stock, solid over bark



The measurement of fair value is primarily dependent on price statistics and transaction data collected from external parties and how large the volume of standing timber is estimated to be. The table below shows how the value per region is affected by changes in these parameters.

Price statistics and transaction data		SEKm
Västerbotten	5% (SEK 17/m <sup>3</sup> growing stock, solid over bark)	670
Västernorrland	5% (SEK 21/m <sup>3</sup> growing stock, solid over bark)	680
Jämtland	5% (SEK 19/m <sup>3</sup> growing stock, solid over bark)	300
Gävleborg	5% (SEK 23/m <sup>3</sup> growing stock, solid over bark)	600
Uppsala and further south	5% (SEK 40/m <sup>3</sup> growing stock, solid over bark)	580

Holmen's volume of standing timber		SEKm
Västerbotten	1% (0.4 million m <sup>3</sup> growing stock, solid over bark)	130
Västernorrland	1% (0.3 million m <sup>3</sup> growing stock, solid over bark)	140
Jämtland	1% (0.2 million m <sup>3</sup> growing stock, solid over bark)	60
Gävleborg	1% (0.3 million m <sup>3</sup> growing stock, solid over bark)	120
Uppsala and further south	1% (0.1 million m <sup>3</sup> growing stock, solid over bark)	120

Transparency regarding forest property transactions is good in Sweden, creating a favourable environment for market participants to publish market statistics and create a basis for valuations based on detailed information about completed transactions. As the valuations are based on a combination of price statistics compiled by Ludvig & Co and Svefa, and detailed transaction data collected by Infotrader, the risk of valuations being affected by data collection or processing errors is reduced. The three methods yielded a value within +/- 1.2 per cent of the weighted value at year-end 2025.

The volume of standing timber is based on sample inventories designed to provide the most reliable information possible about this volume. The last inventory was carried out in 2019 by an external party, with a mean error rate of 1.4 per cent for Holmen's total volume of standing timber. The volume of standing timber is broken down by county based on information in the Group's stand catalogue. The change in the volume of standing timber after the inventory is based on harvest data and the estimated growth on which the current harvesting plan is based.

As the valuations are based on three years of transactions, sufficiently large populations are considered to be obtained in each geographical area to arrive at reliable valuations and reduce the impact of individual transactions while reflecting current market conditions. If valuations were based on transactions concluded over a shorter period of time, such as the past year, the quality and reliability of the valuations are estimated to be reduced due to the greater impact of individual transactions and the small number of transactions in certain regions. The chart below illustrates how the value for each region would have been calculated based on one year of transactions. The total value of Holmen's holdings in 2025 would have amounted to SEK 441/m<sup>3</sup> growing stock, solid over bark, which is 1 per cent lower than the valuation on which the book value of the forest assets is based.

### Price of forest properties, SEK/m<sup>3</sup> growing stock, solid over bark



### Reference valuation

To verify Holmen's own valuation, a valuation of parts of the forest holdings is carried out each year by an external, independent valuation company. During the period 2019–2023, the company Forum Fastighetsekonomi carried out the external valuations and by the end of 2023 had valued all the forest holdings. The external valuations exceeded Holmen's own valuations by an average of 7 per cent. In 2024 and 2025, the company Svefa carried out external valuations of the forest properties in Uppsala and further south and Västerbotten, corresponding to 44 per cent of the book value. The external valuations exceeded Holmen's own valuation by an average of 10 per cent and took into account the size premium that Svefa believes exists for properties exceeding 200–300 hectares. Without taking such a premium into account, the valuations exceeded Holmen's own valuation by 2 per cent. No size premium has been taken into account in Holmen's own valuation.

### Biological assets

The value of standing trees was determined by calculating the present value of expected future cash flows, less selling costs but before tax, from current standing trees. Costs for replanting after harvesting were not included.

The standing trees are expected, on average, to be harvested when they reach an age of 85 years. The volumes are based on the long-term harvesting plan that was updated in 2020. The harvesting plan is based on the current forest management programme. The plan takes into account existing forestry regulations and projected future climate change. Under the plan, there should be an average harvest of 2.8 million m<sup>3</sup> per year between 2020 and 2029, gradually increasing to 3.9 million m<sup>3</sup> in 85 years, corresponding to an annual increase of 0.4 per cent. In 2020–2025, the harvest averaged 2.8 million m<sup>3</sup> per year. Compared with the 2000–2009 harvesting plan, the harvest under the 2020–2029 harvesting plan has increased by 12 per cent, corresponding to an annual increase of 0.6 per cent. The annual harvest is expected to consist, on average, of 48 per cent saw logs and 50 per cent pulpwood, with 2 per cent for energy production.

Revenue is calculated based on an average price of SEK 620/m<sup>3</sup>, which is an increase from SEK 603/m<sup>3</sup> the previous year as a result of continued price increases for both pulpwood and logs. The price used is in line with historical prices adjusted for inflation, but 25 per cent lower than the average price for wood from own forests in 2025. The costs represent the current level adjusted for temporary effects. Prices and costs are assumed to increase in line with general inflation, which is estimated at 2 per cent per year in accordance with the Riksbank's inflation target.

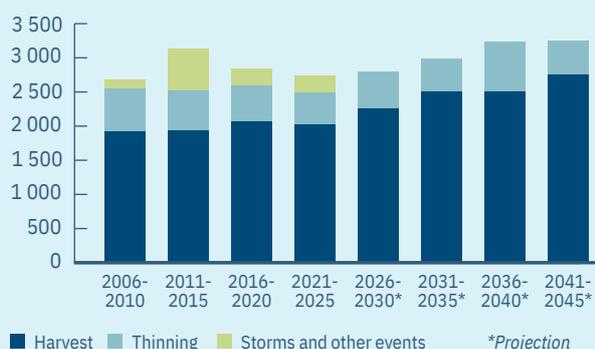
The discount rate for the 2025 valuation is 4.75 per cent (4.75) before tax. This rate represents the estimated long-term cost of capital for investments in standing trees. The rate is calculated based on the real yield requirement derived from transactions in forest properties, the real interest rate applied when preparing the harvesting plan and the interest rate used by other large forest-owning companies in Sweden. When real interest rates were translated into nominal interest rates, 2 per cent inflation was assumed in line with the Riksbank's target.

### Holmen's wood prices, SEK/m<sup>3</sup>sub



The chart above shows the development of Holmen's wood prices for the period 2003-2025, in real and nominal terms, as well as the nominal wood prices applied in the valuation of the standing trees for the period 2026-2033.

### Harvesting plan, '000 m<sup>3</sup>sub/year



The chart above shows harvest for the period 2006-2025 as well as harvesting plan for the period 2026-2045, split by harvest, thinning as well as storms and other events. Expressed in thousand m<sup>3</sup>sub per year.

### Valuation as at 31 December 2025

The valuation of biological assets at 31 December 2025 amounts to SEK 32 663 million (31 600), which is an increase of SEK 1 062 million (1 045). The value of biological assets has been positively affected by investments in reforestation of SEK 159 million (140) and the acquisition of forest land, with standing trees valued at SEK 8 million (18), while sales of forest land reduced the value of standing trees by SEK 0 million (20). The remaining change, of SEK 895 million (907), is the net of the change resulting from harvesting and the unrealised change in fair value and is recognised net as the change in value of biological assets in the income statement.

### Sensitivity analysis

The table below shows how the value of biological assets would be affected by changes in the most significant valuation assumptions.

		SEKm
Annual change	+0.1% per year	
Harvest rate		1 140
Price inflation		1 770
Cost inflation		-830
Change in level	+1%	
Harvest		400
Prices		640
Costs		-310
Discount rate	+0.1%	-880

The annual change refers to the annual rate of change used in the valuation of each parameter. For example, an increase of 0.1 per cent means that the annual price inflation will be increased from 2.0 per cent to 2.1 per cent in the calculations. Change in level means that the level for each parameter and year is changed. For example, a 1 per cent price increase means that the wood prices in the calculations are raised by 1 per cent for all years (change of level).

### Forest land

The fair value of forest land as at 31 December 2025 was SEK 24 049 million (26 243), calculated based on transactions in forest properties, SEK 56 711 million (57 843), less the fair value of standing trees, SEK 32 663 million (31 600). Of the change for the year, SEK 10 million (12) is due to the acquisition of forest land and SEK 0 million (-16) to the disposal of forest land. The remainder of the change, of SEK -2 204 million (454), consists of the unrealised change in fair value and is recognised in other comprehensive income.

### Sensitivity analysis

The valuation of forest land depends on the same parameters as the valuation based on transactions in forest properties and the valuation of biological assets.

The value of forest land may reflect existing and possible future revenue streams from the forest land, and the harvesting of future generations of trees, but there are also actors who assign value to land that is not linked to its ability to generate cash flows. Over the past five years, cash flow from land has amounted to approximately SEK 200 million per year, the major sources of existing cash flow being the sale of hydro power received in exchange for the use of waterfall rights ('replacement power'), revenue from leases and property development, and leases linked to wind power. The portfolio of wind power projects is under development and there are currently 20 projects at various stages of completion that may generate revenue in the form of both sales of wind power licences and leases. A market for voluntary carbon credits, including from forestry, is emerging and could provide new revenue opportunities. The Group owns land close to densely populated areas with expansion plans, such as Uppsala, and also has land suitable for the construction of data centres. The value of harvests from future generations of trees depends on the rate at which the trees grow and changes in the price of wood. The reasonableness of the forest land's book value is assessed each year by estimating the present value of possible future cash flows from the land holdings. This assessment of reasonableness has resulted in a wide range of values that support the book value.

SEKm	Biological assets		Forest land		Total forest land and biological assets	
	2025	2024	2025	2024	2025	2024
Book value at beginning of year	31 600	30 555	26 243	25 793	57 843	56 348
Acquisitions	8	18	10	12	18	30
Disposals	0	-20	0	-16	0	-36
Investment in reforestation	159	140	-	-	159	140
Change due to harvesting	-1 295	-1 078	-	-	-1 295	-1 078
Unrealised change in fair value	2 191	1 985	-2 204	454	-14	2 439
<b>Book value at end of year</b>	<b>32 663</b>	<b>31 600</b>	<b>24 049</b>	<b>26 243</b>	<b>56 711</b>	<b>57 843</b>

## Note 10. Intangible assets

	Group						Parent company	
	Goodwill		Other intangible assets		Total		Intangible assets	
	2025	2024	2025	2024	2025	2024	2025	2024
<b>Accumulated acquisition costs</b>								
Opening balance	358	358	437	438	796	797	66	66
Investments	-	-	4	1	4	1	1	-
Disposal and retirement of assets	-	-	-	-4	-	-4	-	-
Translation differences	-	-	-3	2	-3	2	-	-
<b>Total</b>	<b>358</b>	<b>358</b>	<b>439</b>	<b>437</b>	<b>797</b>	<b>796</b>	<b>67</b>	<b>66</b>
<b>Accumulated amortisation and impairment losses</b>								
Opening balance	-	-	298	283	298	283	58	58
Amortisation for the year	-	-	16	16	16	16	-	-
Reclassifications	-	-	-	-	-	-	0	-
Disposal and retirement of assets	-	-	-	-4	-	-4	-	-
Translation differences	-	-	-3	2	3	2	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>311</b>	<b>298</b>	<b>310</b>	<b>298</b>	<b>59</b>	<b>58</b>
<b>Residual value according to plan at end of year</b>	<b>358</b>	<b>358</b>	<b>128</b>	<b>140</b>	<b>487</b>	<b>498</b>	<b>8</b>	<b>8</b>

The goodwill recognised is attributable to the Wood Products business area, and was added when Martinsons was acquired in 2020. Goodwill is tested for impairment annually by calculating the value in use of the cash flow generating unit to which goodwill has been allocated. The calculations are made by assessing future cash flows. The future cash flows are based on current levels of selling prices, costs and volumes for the coming year. When calculating cash flows for subsequent periods, prices and costs are used based on historical data. Changing conditions due to climate change are not expected to have a significant impact. The future cash flows have been discounted by 7 per cent interest before tax. The discount rate has been determined by calculating the weighted average cost of capital (WACC). Based on these calculations, there is no need for impairment.

Other intangible assets consist primarily of IT systems, amounting to SEK 66 million (78), and the value of the right of use relating to certain energy assets, amounting to SEK 53 million (54). The assets are mainly externally acquired and all the assets, with the exception of goodwill, have a definable useful life.

## Note 11. Property, plant and equipment

Group	Buildings, other land* and land installations		Machinery and equipment		Work in progress and advance payments to suppliers		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
<b>Accumulated acquisition costs</b>								
Opening balance	7 219	7 022	34 821	33 963	784	359	42 825	41 344
Investments	141	134	1 587	1 233	171	664	1 899	2 031
Reclassifications	75	13	627	227	-680	-240	22	-
Disposal and retirement of assets	-21	-3	-308	-1 031	-	-	-329	-1 034
Translation differences	-75	54	-583	429	-2	2	-660	484
<b>Total</b>	<b>7 339</b>	<b>7 219</b>	<b>36 144</b>	<b>34 821</b>	<b>273</b>	<b>784</b>	<b>43 755</b>	<b>42 825</b>
<b>Accumulated depreciation and impairment losses</b>								
Opening balance	4 555	4 376	27 039	26 638	-	-	31 594	31 014
Depreciation according to plan for the year	145	141	1 168	1 103	-	-	1 313	1 244
Reclassifications	-	-	22	-	-	-	22	-
Disposal and retirement of assets	-19	-3	-248	-1 025	-	-	-267	-1 028
Translation differences	-57	41	-453	323	-	-	-509	364
<b>Total</b>	<b>4 624</b>	<b>4 555</b>	<b>27 528</b>	<b>27 039</b>	<b>-</b>	<b>-</b>	<b>32 152</b>	<b>31 594</b>
<b>Residual value according to plan at end of year</b>	<b>2 715</b>	<b>2 665</b>	<b>8 616</b>	<b>7 782</b>	<b>273</b>	<b>784</b>	<b>11 604</b>	<b>11 231</b>

\*Other land refers to land other than forest land.

	Forest land		Buildings, other land* and land installations		Machinery and equipment		Work in progress and advance payments to suppliers		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Parent company</b>										
<b>Accumulated acquisition costs</b>										
Opening balance	514	502	234	228	408	407	13	4	1 169	1 141
Investments	5	12	4	4	62	42	12	11	84	68
Reclassifications	-	-	6	2	-	-	-6	-2	-	-
Disposal and retirement of assets	0	0	-9	0	-26	-40	-	-	-34	-40
<b>Total</b>	<b>519</b>	<b>514</b>	<b>235</b>	<b>234</b>	<b>445</b>	<b>408</b>	<b>19</b>	<b>13</b>	<b>1 218</b>	<b>1 169</b>
<b>Accumulated depreciation according to plan</b>										
Opening balance	-	-	159	153	286	273	-	-	445	426
Depreciation according to plan for the year	-	-	6	6	54	54	-	-	60	60
Reclassifications	-	-	-	-	-	-	-	-	-	-
Disposal and retirement of assets	-	-	-7	-	-24	-40	-	-	-31	-40
<b>Total</b>	<b>-</b>	<b>-</b>	<b>159</b>	<b>159</b>	<b>315</b>	<b>286</b>	<b>-</b>	<b>-</b>	<b>474</b>	<b>445</b>
<b>Accumulated revaluations</b>										
Opening balance	2 382	2 382	1	1	-	-	-	-	2 382	2 382
Disposal and retirement of assets	0	0	-	-	-	-	-	-	0	0
<b>Total</b>	<b>2 382</b>	<b>2 382</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 382</b>	<b>2 382</b>
<b>Residual value according to plan at end of year</b>	<b>2 901</b>	<b>2 896</b>	<b>78</b>	<b>76</b>	<b>130</b>	<b>122</b>	<b>19</b>	<b>13</b>	<b>3 127</b>	<b>3 106</b>

\*Other land refers to land other than forest land.

For forest assets in the Group see Note 9. In 2025, capitalised borrowing costs totalled SEK 31 million (19). An interest rate of 3.2 per cent (2.6) was used to determine the amount.

## Note 12. Right-of-use assets (leases)

Group	Buildings		Machinery and equipment		Total	
	2025	2024	2025	2024	2025	2024
<b>Accumulated acquisition costs</b>						
Value at beginning of year	278	283	202	223	480	506
Additional leases	38	36	101	73	139	108
Completed leases	-25	-40	-51	-94	-75	-134
<b>Total</b>	<b>292</b>	<b>278</b>	<b>252</b>	<b>202</b>	<b>544</b>	<b>480</b>
<b>Accumulated depreciation</b>						
Value at beginning of year	158	140	102	122	260	262
Depreciation for the year	61	59	74	69	135	128
Completed leases	-25	-40	-43	-90	-68	-131
<b>Total</b>	<b>194</b>	<b>158</b>	<b>133</b>	<b>102</b>	<b>326</b>	<b>260</b>
<b>Value at end of year</b>	<b>98</b>	<b>120</b>	<b>119</b>	<b>100</b>	<b>217</b>	<b>220</b>

### Buildings

The Group's rental of buildings refers to office and warehouse premises. The leases usually have a term of between 5 and 10 years.

### Machinery and equipment

The Group's leasing of machinery and equipment mainly relates to cargo ships, forklifts and cars. The leases usually have a term of between 2 and 5 years.

Amounts recognised in profit/loss	2025	2024
Depreciation	135	128
Interest expenses	8	7
Costs related to current lease liabilities	5	3
Costs related to low-value leases	0	2
Costs related to variable lease payments	0	0
<b>Total</b>	<b>148</b>	<b>140</b>

In 2025, the Group's payments attributable to leases amounted to SEK 148 million (140). These payments include both amounts for leases that are recognised as lease liabilities and amounts paid for variable lease payments, short-term leases and low-value leases. No right-of-use asset is recognised for leases with a term of 12 months or less or with low-value underlying assets.

See Note 14 for a maturity analysis of liabilities relating to right-of-use assets.

## Note 13

### Note 13. Investments in associates and other shares and participations

	Group	
	2025	2024
Profit from associates		
Recognised in profit/loss for the year	5	7
<b>Total comprehensive income</b>	<b>5</b>	<b>7</b>

Associates	Group		Parent company	
	2025	2024	2025	2024
Book value at beginning of year	1 701	1 686	93	93
Investments	0	8	-	-
Share of earnings	5	7	0	-
Translation difference	-	-	-	-
Disposals	-10	-	0	-
<b>Book value at end of year</b>	<b>1 696</b>	<b>1 701</b>	<b>93</b>	<b>93</b>

#### Parent company and Group holdings of shares and participations in associates

Associates	Corporate ID No.	Registered office	Number of shares	Holding %*	Value of holding in consolidated accounts**	Book value in the parent company's accounts	Holding %*	Value of holding in consolidated accounts**	Book value in the parent company's accounts
					2025		2024		
Harrsele AB	556036-9398	Vännäs	9 886	49.4	1 539	-	49.4	1 534	-
Vattenfall Tuggen AB	556504-2826	Lycksele	683	6.8	90	90	6.8	90	90
Brännälvens Kraft AB	556017-6678	Arbrå	5 556	13.9	45	-	13.9	45	-
Gidekraft AB	556016-0953	Örnsköldsvik	990	9.9	0	0	9.9	0	0
Uni4 Marketing AB	556594-6984	Stockholm	2 050	41.0	22	3	41.0	22	3
Rebio AB***	556594-3015	Umeå	-	-	-	-	40.3	10	1
Other associates					1	-		1	-
<b>Total</b>					<b>1 696</b>	<b>93</b>		<b>1 701</b>	<b>93</b>

\*The holdings correspond to the percentage of votes for the total number of shares held.

\*\*Proportion of equity recognised in the Renewable Energy and Wood Products business areas of SEK 1 673 million (1 668) and SEK 23 million (33).

\*\*\*Disposed of during the year.

The interests in Brännälvens Kraft AB, Gidekraft AB, Harrsele AB and Vattenfall Tuggen AB refer to hydro power assets. The holdings entitle the Group to buy electricity produced at cost price, which means that the associates only earn a very limited profit. Purchased electricity is sold to external customers at market price, and the earnings are recognised in the consolidated accounts within the Renewable Energy business area.

The holding in associate Harrsele AB is recognised in the consolidated accounts at SEK 1 539 million (1 534). Holmen purchased 558 GWh (472) of electrical power from Harrsele AB in 2025, giving Holmen an operating profit of SEK 82 million (166) from market sales. Harrsele AB owns power assets that generate 950 GWh of electrical power in a normal year. These assets were originally constructed in 1957–58 and the book value of the non-current assets in Harrsele AB's accounts amounts to SEK 188 million (188). The company's shareholders made a shareholders' contribution during the year of SEK 0 million (0).

Ownership of the remaining associates relates to activities in the areas of sales, research and development.

The interests in Brännälvens Kraft AB, Gidekraft AB and Vattenfall Tuggen AB are classified as associates even though the holdings are less than 20 per cent, since shareholder agreements provide significant influence over each company's activities.

Other shares and participations	Group		Parent company	
	2025	2024	2025	2024
Book value at beginning of year	6	5	5	4
Investments	-	1	-	1
Disposals	0	-	0	-
Translation difference	0	0	-	-
<b>Book value at end of year</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>5</b>

## Note 14. Financial instruments

**Non-current financial receivables** consist of interest-bearing financial receivables from other companies, prepayments for credit facilities and the fair value of non-current derivatives.

Fixed income investments and lending with maturities of up to one year, accrued interest income, unrealised exchange gains and the fair value of derivatives are recognised in **current financial receivables**. Current financial receivables essentially have fixed interest periods of under three months, and thus involve a very limited interest rate risk.

**Cash and cash equivalents** refers to bank balances and investments that can be readily converted into cash of a known amount and have maturities of no more than three months from their acquisition date, which also means that their interest rate risk is negligible. Cash is placed in bank accounts or with banks as current deposits.

Loans, accrued interest expenses, unrealised exchange losses and the fair value of derivatives are recognised as **financial liabilities**. Financial liabilities are largely interest-bearing.

In addition to the financial assets and liabilities identified above, liabilities relating to right-of-use assets (see Note 12) and pension obligations (see Note 18) are also included in net financial debt. The maturity structure and average interest for the Group's liabilities are stated in the section on risk on pages 52–53.

SEK 1 903 million of the parent company's liabilities are due for payment within one year.

All of the Group's derivatives are covered by ISDA or FEMA agreements, which entail a right for Holmen to offset assets and liabilities relating to the same counterparty in the case of a credit event. Based on the terms of the netting agreements, the net exposure is SEK 494 million (-150). Assets and liabilities are not offset in the accounts. Recognised derivatives totalled SEK 576 million (427) on the asset side and SEK -81 million (-578) on the liability side.

The ongoing Interest Rate Benchmark Reforms only have a marginal impact on Holmen, since interest rate derivatives are almost exclusively taken out at the Swedish reference rate. For currencies for which a reform of the interest rate benchmark is under way, continued hedge accounting will apply while the reform is in progress. These hedges are expected to also be effective in the future, however.

No provision has been made for expected credit losses for the financial assets included in the net liabilities, as no losses have arisen over the past 10 years and the assets held at the balance sheet date are deemed to have a good credit quality. See Note 16 for information about the impairment testing of trade receivables.

The fair value of financial instruments traded on an active market is based on listed market prices and belongs to measurement level 1 as per IFRS 13. Where there are no listed market prices, fair value has been calculated using discounted cash flows. When discounted cash flows are calculated, the variables used for the calculations, such as discount rates and exchange rates, are taken from market quotations where possible. When such calculations are made, the mean exchange rates and discount rates are used. These valuations belong to measurement level 2. Other valuations, for which a variable is based on own assessments, belong to measurement level 3. Currency options are valued using the Black & Scholes formula, where appropriate. Holmen uses measurement level 2 when valuing financial instruments, in accordance with IFRS 13.

Fair value in the tables is calculated on the basis of discounted cash flows and all the variables, such as discount rates and exchange rates, are taken from market quotations. Fair value may differ from the book value because certain liabilities are not measured at fair value in the balance sheet, and are instead recognised at their amortised cost. In the case of trade receivables and trade payables, the book value is recognised as the fair value, as this is judged to be a good reflection of the fair value. For further information about financing and quantitative data regarding Holmen's hedge accounting, see the section on risk on pages 52–53 and Note 6.

Group Maturity structure, undiscounted amounts	2026	2027	2028	2029	2030–
<b>Financial liabilities</b>					
Derivatives	4	-5	-	-	-
Derivatives attributable to working capital	-50	-15	-4	-	-
Trade payables	-3 773	-	-	-	-
Liabilities relating to right-of-use assets*	-125	-57	-36	-10	-3
Other financial liabilities	-1 993	-596	-587	-1 064	-1 534

Group Maturity structure, undiscounted amounts	2026	2027	2028	2029	2030–
<b>Financial receivables</b>					
Derivatives	13	0	6	4	4
Derivatives attributable to working capital	355	179	22	-	-
Trade receivables	2 398	-	-	-	-
Other financial receivables	400	17	5	5	5

\*Liabilities relating to right-of-use assets are not classified as financial instruments under IFRS 9.

Parent company Maturity structure, undiscounted amounts	2026	2027	2028	2029	2030–
<b>Financial liabilities</b>					
Derivatives	4	-5	-	-	-
Derivatives attributable to working capital	-50	-15	-4	-	-
Trade payables	-3 673	-	-	-	-
Other financial liabilities	-1 993	-1 521	-588	-1 064	-1 534

Parent company Maturity structure, undiscounted amounts	2026	2027	2028	2029	2030–
<b>Financial receivables</b>					
Derivatives	13	0	6	4	4
Derivatives attributable to working capital	355	179	22	-	-
Trade receivables	2 026	-	-	-	-
Other financial receivables	400	4 167	4	4	4

**Note 14. Financial instruments, cont.**

Group	Recognised at fair value through profit/loss*		Hedging instruments		Recognised at amortised cost		Total book value		Fair value	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	<b>Financial instruments included in net financial debt</b>									
<b>Non-current financial receivables</b>										
Derivatives	-	-	14	34	-	-	14	34	14	34
Other financial receivables	-	-	-	-	22	12	22	12	22	12
	-	-	14	34	22	12	36	46	36	46
<b>Current financial receivables</b>										
Accrued interest	-	-	-	-	1	-	1	-	1	-
Derivatives	8	1	6	8	-	-	14	10	14	10
Other financial receivables	-	-	-	-	10	6	10	6	10	6
	8	1	6	8	11	6	24	16	24	16
<b>Cash and cash equivalents</b>										
Cash and cash equivalents	-	-	-	-	390	234	390	234	390	234
	-	-	-	-	390	234	390	234	390	234
<b>Non-current liabilities</b>										
Bonds	-	-	-	-	-3 500	-2 500	-3 500	-2 500	-3 535	-2 534
Derivatives	-	-	0	-	-	-	0	-	0	-
Other non-current liabilities	-	-	-	-	-2	-2	-2	-2	-2	-2
	-	-	0	-	-3 502	-2 502	-3 502	-2 502	-3 537	-2 536
<b>Current liabilities</b>										
Commercial paper programme	-	-	-	-	-1 370	-	-1 370	-	-1 370	-
Derivatives	-1	-2	-	-19	-	-	-1	-21	-1	-21
Accrued interest	-	-	-	-	-32	-22	-32	-22	-32	-22
Other current liabilities	-	-	-	-	-501	-911	-501	-911	-503	-904
	-1	-2	-	-19	-1 902	-932	-1 903	-953	-1 906	-947
<b>Financial instruments not included in net financial debt</b>										
Other shares and participations	-	-	-	-	6	6	6	6	6	6
Trade receivables	-	-	-	-	2 398	2 823	2 398	2 823	2 398	2 823
Derivatives (recognised in operating receivables)	74	15	474	370	-	-	548	384	548	384
Trade payables	-	-	-	-	-3 773	-3 808	-3 773	-3 808	-3 773	-3 808
Derivatives (recognised in operating liabilities)	-19	-72	-62	-485	-	-	-80	-557	-80	-557
	56	-57	412	-115	-1 375	-985	-901	-1 151	-901	-1 151
<b>Total financial instruments</b>	<b>63</b>	<b>-58</b>	<b>432</b>	<b>-93</b>	<b>-6 350</b>	<b>-4 154</b>	<b>-5 855</b>	<b>-4 311</b>	<b>-5 894</b>	<b>-4 338</b>

\*Refers to instruments that must be measured at fair value in accordance with IFRS 9.

## Parent company

Financial instruments included in net financial debt	Recognised at fair value through profit/loss*		Hedging instruments		Recognised at amortised cost		Total book value		Fair value	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Non-current financial receivables</b>										
Derivatives	-	-	14	34	-	-	14	34	14	34
Receivables in respect of Group companies	-	-	-	-	4 151	4 321	4 151	4 321	4 151	4 321
Other financial receivables	-	-	-	-	20	10	20	10	20	10
	-	-	14	34	4 172	4 331	4 186	4 365	4 186	4 365
<b>Current financial receivables</b>										
Accrued interest	-	-	-	-	1	-	1	-	1	-
Derivatives	14	5	-	5	-	-	14	10	14	10
Other financial receivables	-	-	-	-	9	6	9	6	9	6
	14	5	-	5	10	6	24	16	24	16
<b>Cash and cash equivalents</b>										
Cash and cash equivalents	-	-	-	-	307	180	307	180	307	180
	-	-	-	-	307	180	307	180	307	180
<b>Non-current liabilities</b>										
Bonds	-	-	-	-	-3 500	-2 500	-3 500	-2 500	-3 535	-2 534
Liabilities in respect of Group companies	-	-	-	-	-925	-741	-925	741	-925	-741
Derivatives	-	-	0	-	-	-	0	-	0	-
	-	-	0	-	-4 425	-3 241	-4 425	-3 241	-4 461	-3 275
<b>Current liabilities</b>										
Commercial paper programme	-	-	-	-	-1 370	-	-1 370	-	-1 370	-
Derivatives	-1	-21	-	-	-	-	-1	-21	-1	-21
Accrued interest	-	-	-	-	-32	-22	-32	-22	-32	-22
Other current liabilities	-	-	-	-	-501	-911	-501	-911	-503	-904
	-1	-21	-	-	-1 902	-932	-1 903	-953	-1 906	-947
<b>Financial instruments not included in net financial debt</b>										
Other shares and participations	-	-	-	-	5	5	5	5	5	5
Trade receivables	-	-	-	-	2 026	2 336	2 026	2 336	2 026	2 336
Derivatives (recognised in operating receivables)	74	15	475	371	-	-	549	385	549	385
Trade payables	-	-	-	-	-3 673	-3 586	-3 673	-3 586	-3 673	-3 586
Derivatives (recognised in operating liabilities)	-20	-80	-63	-486	-	-	-82	-566	-82	-566
	55	-65	411	-115	-1 643	-1 245	-1 176	-1 426	-1 176	-1 426
<b>Total financial instruments</b>	<b>68</b>	<b>-81</b>	<b>426</b>	<b>-77</b>	<b>-3 481</b>	<b>-901</b>	<b>-2 988</b>	<b>-1 059</b>	<b>-3 026</b>	<b>-1 087</b>

\*Refers to instruments that must be measured at fair value in accordance with IFRS 9.

**Note 15. Inventories**

	Group		Parent company	
	2025	2024	2025	2024
Felling rights	1 550	1 298	1 550	1 298
Logs and pulpwood	676	576	652	530
Raw materials and consumables	977	1 198	667	833
Finished products and work in progress	2 449	2 625	1 998	2 059
<b>Total</b>	<b>5 651</b>	<b>5 697</b>	<b>4 867</b>	<b>4 720</b>

During the year, impairment losses and reversals of previous impairment losses for finished stock had an effect of SEK -32 million (+6) on Group profit, while impairment losses on other stock had an effect of SEK -170 million (-3). Impairment losses and reversals of previous impairment losses for finished stock had an effect of SEK -48 million (+24) on the parent company's accounts, with impairment losses on other stock of SEK -168 million (-2).

**Note 16. Operating receivables**

	Group		Parent company	
	2025	2024	2025	2024
Trade receivables				
Group companies	-	-	33	45
Associates	95	55	95	55
Other	2 303	2 768	1 897	2 235
<b>Total trade receivables</b>	<b>2 398</b>	<b>2 823</b>	<b>2 026</b>	<b>2 336</b>
Current receivables	262	349	194	251
Derivatives	548	384	549	385
Prepayments and accrued income	399	353	221	158
<b>Total other operating receivables</b>	<b>1 209</b>	<b>1 085</b>	<b>963</b>	<b>795</b>
<b>Total operating receivables</b>	<b>3 607</b>	<b>3 909</b>	<b>2 989</b>	<b>3 131</b>

Trade receivables are recognised at the amount expected to be received, based on an individual assessment of each customer. The Group's trade receivables mainly consist of receivables relating to European customers. Trade receivables denominated in foreign currencies were valued at the balance sheet date. Contract assets attributable to goods delivered but not yet invoiced that are not included in the item 'Trade receivables' amounted to SEK 0 million (0). The provision for expected credit losses was SEK 27 million (30). During the year, the provision decreased by SEK -12 million (-4) as a result of actual credit losses, and increased by SEK 10 million (5) as a result of changes in the provision for anticipated or expected credit losses. At 31 December 2025, SEK 29 million (75) of trade receivables were past due for more than 30 days. The credit quality of trade receivables that are neither past due nor impaired is deemed to be good and on a par with previous years.

The fair values of derivatives relate to hedges of future cash flows.

**Note 17. Equity, parent company**

	31 Dec 2025		
	Number of shares	Quotient value	SEKm
<b>Registered share capital</b>			
Class A	45 246 468	26	1 180
Class B	117 265 856	26	3 058
Total no. of shares	162 512 324		4 238
Holding of repurchased class B shares	-9 077 790		
<b>Total number of outstanding shares</b>	<b>153 434 534</b>		

	31 Dec 2024		
	Number of shares	Quotient value	SEKm
<b>Registered share capital</b>			
Class A	45 246 468	26	1 180
Class B	117 265 856	26	3 058
Total no. of shares	162 512 324		4 238
Holding of repurchased class B shares	-4 844 132		
<b>Total number of outstanding shares</b>	<b>157 668 192</b>		

The company's share capital consists of shares issued in two classes: class A, each of which carries 10 votes, and class B, each of which carries 1 vote. Otherwise, there are no restrictions between classes of shares.

At 31 December 2025, the Group's own shareholding was 9 077 790 shares (4 844 132). 66 342 shares were transferred during the year to participants in share savings programmes. 4 300 000 shares were bought back for SEK 1 649 million during the year, corresponding to an average price of SEK 383 per share. The buy-backs amount to 2.65 per cent of the total number of shares. The company already owned 3.0 per cent of its own shares, meaning that at 31 December 2025 Holmen held 5.59 per cent of the total number of shares.

Assets and liabilities measured at fair value in accordance with Chapter 4, §14a of the Swedish Annual Accounts Act had an impact of SEK 494 million (-153) on the parent company's equity. In the consolidated accounts, the valuation of derivatives and other financial instruments had an impact of SEK 495 million (-144) on equity.

Decisions on dividends are based on an appraisal of the Group's profitability, future investment plans and financial position. The objective is to maintain a strong financial position and for the Group's net financial debt as a percentage of equity not to exceed 25 per cent.

The AGM has at its disposal the company's earnings amounting to SEK 7 334 258 575. The Board proposes to the AGM, to be held on 30 March 2026, that it approve a total dividend of SEK 9.5 per share. The proposed dividend totals SEK 1 458 million. The Board also proposes that the remaining amount of SEK 5 876 630 502 be carried forward.

The preceding year, the dividend declared was a total of SEK 12.00 per share (SEK 1 888 million).

Consolidated net financial debt as a percentage of equity was 9 per cent (6).

Neither the parent company nor any of the subsidiaries are subject to external capital requirements. For further details about the Group's capital management and risk management, see pages 49–53.

**Note 18. Pension obligations**

Holmen provides defined benefit pension plans to some office-based employees in Sweden. Most of these obligations are secured by means of insurance policies with Alecta. As Alecta cannot provide sufficient information to permit the ITP plan to be recognised in the accounts as a defined benefit plan, it is recognised in accordance with statement UFR 10 of the Swedish Financial Reporting Board as a defined contribution plan. There are some defined benefit obligations in addition to the ITP plan for three members of the Group management, which are secured through a pension fund. The occupational pensions for other office-based employees and all employees covered by collective agreements in Sweden are all defined contribution plans. There are two defined benefit plans in the UK that have been closed to new pension accruals since 2015. These obligations are recognised in the consolidated accounts as defined benefit plans in accordance with IAS 19.

	Group		Parent company	
	2025	2024	2025	2024
<b>Cost recognised in profit/loss for the year</b>				
Defined benefit plans				
Personnel costs	-5	-6	-9	-12
Financial income and costs	12	12	0	0
<b>Total defined benefit plans recognised in profit/loss for the year</b>	<b>7</b>	<b>6</b>	<b>-9</b>	<b>-12</b>
Defined contribution plans				
Personnel costs	-222	-210	-185	-173
<b>Total recognised in profit/loss for the year</b>	<b>-215</b>	<b>-204</b>	<b>-194</b>	<b>-184</b>

	Group	
	2025	2024
<b>Revaluation of the net pension obligation in other comprehensive income</b>		
Return on plan assets excl. interest income	-31	-134
Demographic adjustments to defined benefit obligations	0	19
Financial adjustments to defined benefit obligations	24	131
Experiential adjustments to defined benefit obligations	-2	-23
Payroll tax	1	-2
Effect of asset ceiling excl. effect in net interest	211	4
<b>Total</b>	<b>203</b>	<b>-5</b>

	Group		Parent company	
	2025	2024	2025	2024
<b>Present value of pension obligations</b>				
Obligations at beginning of year	-1 539	-1 581	-185	-179
Current service cost	-5	-6	-26	-20
Payroll tax	0	0	0	-
Interest expenses	-73	-70	0	0
Actuarial gains/losses	22	128	-	-
Benefits paid	102	105	9	12
Exchange differences	141	-114	-	-
<b>Obligations at end of year</b>	<b>-1 352</b>	<b>-1 539</b>	<b>-202</b>	<b>-185</b>
<b>Plan assets</b>				
Plan assets at beginning of year	1 782	1 809	185	175
Interest income	85	82	0	0
Return on plan assets excl. interest income	-31	-134	-	-
Real return (parent company)	-	-	17	10
Administrative expenses	-2	-15	-	-
Amounts paid in and paid out by employer	9	12	0	0
Benefits paid	-102	-105	-	-
Exchange differences	-165	133	-	-
<b>Plan assets at end of year</b>	<b>1 576</b>	<b>1 782</b>	<b>202</b>	<b>185</b>
<b>Effect of asset ceiling</b>				
Value at beginning of year	-252	-237	-	-
Change in asset ceiling	203	3	-	-
Exchange differences	25	-18	-	-
<b>Value at end of year</b>	<b>-25</b>	<b>-252</b>	<b>-</b>	<b>-</b>
<b>Pension obligations, net</b>	<b>200</b>	<b>-9</b>	<b>0</b>	<b>0</b>

The change in defined benefit obligations and the change in plan assets are set out in the table above. 87 per cent of the obligations relate to defined benefit plans in the UK. The obligations arising out of the two defined benefit plans in the UK have been placed in a trust, divided into two sections, with beneficiaries having separate liabilities and assets. The trust is governed by a board consisting of representatives of Holmen and the beneficiaries. Holmen's UK subsidiaries are obligated to cover any shortfalls. In 2022, the trust entered into an agreement with a life insurance company according to which, in exchange for a one-time payment, the trust will be compensated for all their future pension payments and the life insurance company therefore assumes the risk of future changes in pension payments as a result of changes in inflation, mortality rates, and so on. At the end of the financial year, the trust's plan assets exceeded its obligations. In 2025, a new section was opened in the trust, for defined contribution pension obligations for existing employees. The surplus will be utilised against future pension payments, which means that the previous application of asset ceilings is no longer deemed necessary. Revaluations are recognised in other comprehensive income. Of the net pension obligation of SEK 200 million, SEK 207 million (-) relates to funded pension plans and SEK -7 million (-9) to unfunded pension obligations.

The weighted average duration is 10 years.

Of the parent company's obligations, SEK 0 million (0) were secured in accordance with the Swedish Pension Obligations Vesting Act.

The plan assets by type are as shown below:

	Group		Parent company	
	2025	2024	2025	2024
<b>Plan assets</b>				
Equities	96	80	96	80
Bonds and bank account balances	376	420	106	105
Assets held by insurance company	1 104	1 282	-	-
	<b>1 576</b>	<b>1 782</b>	<b>202</b>	<b>185</b>

The plan assets do not include any financial instruments issued by Group companies or assets used by the Group. Most of the UK trustees' assets are receivables relating to the life insurance agreement. Of the equities, 100 per cent are Swedish equities, and of the bonds, 54 per cent are government bonds and 46 per cent corporate bonds.

	UK	
	31 Dec 2025	31 Dec 2024
<b>Key actuarial assumptions, Group (weighted average)</b>		
Discount rate, %	5.5	5.5
Rate of salary increase, %	-	-
Rate of price inflation, %	2.4	2.7
Life expectancy after 65 for men/women, years	21/24	21/24
Life expectancy table	SAPS S3PA	SAPS S3PA

	Sweden	
	31 Dec 2025	31 Dec 2024
<b>Key actuarial assumptions, Group</b>		
Discount rate	3.1	3.3
Rate of salary increase	3.0	3.0
Rate of price inflation	2.0	2.0
Life expectancy after 65 for men/women, years	23/25	22/24
Life expectancy table	DUS23	DUS23

The discount rate for pension obligations was determined based on high-quality corporate bonds in the currency and country of the obligations, i.e. mainly the UK. A discount rate of 0.8 per cent (0.5) and salary levels at the balance sheet date were used to calculate the amount of the parent company's pension obligations.

The table below shows how the obligations would be affected in the event of a change in key actuarial assumptions (- reduces liability, + increases liability).

	Group	
	31 Dec 2025	31 Dec 2024
<b>Sensitivity analysis</b>		
Discount rate (+0.5%)	-58	-69
Rate of salary increase (+0.5%)	1	1
Rate of price inflation (+0.5%)	48	53
Mortality (+1 year of life expectancy)	64	71

The Group's payments into the funded defined benefit plans in 2026 are expected to amount to SEK 0 million.

#### Multi-employer plans

The premiums for the year for pension insurance policies taken out under Alecta's ITP 2 plan amounted to SEK 35 million (26) and are included in personnel costs in the income statement. The active members of the plan at Holmen correspond to 0.17 per cent of the plan's active members. Alecta's surplus may be allocated to policyholders and/or the people insured. If Alecta's collective consolidation level falls below 125 per cent or exceeds 150 per cent, measures will be taken to create the conditions to ensure that the consolidation level returns to a normal range. In the event of low consolidation, one measure may be to raise the agreed price for new policy subscriptions and an increase in existing benefits. In the event of high consolidation, one measure may be to introduce reductions in premiums. At the end of 2025, Alecta's provisional collective consolidation level was 167 per cent (162) and Alecta has decided to introduce a premium reduction for 2026. The expected premiums payable to Alecta in 2026 amount to SEK 30 million, taking the premium reduction into account.

**Note 19. Provisions**

Group	2025		2024	
Book value at beginning of year	433		449	
Provisions during the year	33		32	
Amount utilised during the year	-23		-46	
Unutilised amount reversed during the year	-1		-1	
Translation differences	0		0	
<b>Book value at end of year</b>	<b>442</b>		<b>433</b>	
Of which total non-current portion of the provisions	402		389	
Of which total current portion of the provisions	40		45	
<b>Parent company</b>				
Book value at beginning of year	630		623	
Provisions during the year	152		179	
Amount utilised during the year	-176		-173	
Unutilised amount reversed during the year	-1		-	
<b>Book value at end of year</b>	<b>605</b>		<b>630</b>	
Of which total non-current portion of the provisions	449		460	
Of which total current portion of the provisions	156		170	

Provisions mainly relate to obligations to restore the environment at discontinued material sites. SEK 70 million of these provisions are expected to be settled within three years, while the remainder is expected to be settled over a longer time horizon.

**Note 20. Operating liabilities**

	Group		Parent company	
	2025	2024	2025	2024
Trade payables				
Group companies	-	-	100	49
Other	3 773	3 808	3 573	3 537
<b>Total trade payables</b>	<b>3 773</b>	<b>3 808</b>	<b>3 673</b>	<b>3 586</b>
Current liabilities				
Associates	14	11	14	11
Other	244	345	214	263
Derivatives	80	557	82	566
Accruals and deferred income	925	982	747	769
<b>Total other operating liabilities</b>	<b>1 262</b>	<b>1 895</b>	<b>1 057</b>	<b>1 609</b>
<b>Total operating liabilities</b>	<b>5 035</b>	<b>5 703</b>	<b>4 730</b>	<b>5 195</b>

All trade payables are due for payment within one year.

Accruals and deferred income in the parent company's accounts principally consist of personnel costs of SEK 391 million (391), discounts of SEK 85 million (92) and goods and services delivered but not yet invoiced of SEK 45 million (50).

The fair values of derivatives relate to hedges of future cash flows. See Note 14.

**Note 21. Related parties**

Of the parent company's net sales of SEK 19 945 million (20 393), SEK 337 million (370) relate to deliveries of goods to Group companies. The parent company's purchases of goods from Group companies amounted to SEK 137 million (236). Parent company net sales also include income from the sale of silviculture services to subsidiaries for an amount of SEK 619 million (570). SEK 2 889 million (2 746) of expenses for the leasing of non-current assets from subsidiaries are recognised in the parent company's accounts.

There are significant financial receivables and liabilities between the parent company and its Swedish subsidiaries. The parent company has a related party relationship with its subsidiaries. See Note 22.

L E Lundbergföretagen AB is Holmen's largest shareholder (see pages 54–55). Holmen rents office premises for SEK 9 million (9) from Fastighets AB L E Lundberg,

which is a Group company within L E Lundbergföretagen AB. In 2025, Fredrik Lundberg, who is CEO of and principal shareholder in L E Lundbergföretagen, received a fee of SEK 910 000 (860 000) as Chairman of Holmen's Board. Louise Lindh, who is Chairwoman of the Board of Fastighets AB L E Lundberg and who is also a party related to Fredrik Lundberg, received a Board fee of SEK 455 000 (430 000).

Transactions with related parties are priced on market terms. The equity holdings in associates that produce hydro and wind power entitle the Group to buy the electricity produced at cost price in line with the shareholding, which means that the associate only earns a limited profit. Purchased electricity is sold to external customers at market price, and the earnings are recognised in the consolidated accounts within the Renewable Energy business area.

**Transactions with related parties**

Group	Sale of goods to related parties		Purchase of goods from related parties		Other (e.g. interest, dividend)		Liabilities in respect of related parties		Receivables in respect of related parties	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Associates	759	565	58	60	1	2	14	11	105	65
<b>Parent company</b>										
Subsidiaries	337	370	137	236	3 096	496	1 029	797	4 186	4 368
Associates	759	565	58	60	1	2	14	11	105	65

See Note 4 for remuneration paid to members of the Board.

**Note 22. Investments in Group companies**

Accumulated acquisition costs	Parent company	
	2025	2024
Value at beginning of year	13 154	13 155
Shareholder contributions and investments	2 700	0
Disposals	-	-
Liquidations	-	-1
<b>Total</b>	<b>15 854</b>	<b>13 154</b>
<b>Accumulated impairment losses</b>		
Value at beginning of year	1 357	1 357
Impairment losses for the year	-	-
<b>Total</b>	<b>1 357</b>	<b>1 357</b>
<b>Book value at end of year</b>	<b>14 497</b>	<b>11 797</b>

The parent company's impairment losses on investments in Group companies are recognised in the income statement in 'Profit from investments in Group companies'.

	Corporate ID No.	Registered office	No. of shares	Holding % <sup>1)</sup>	Book value in the parent company's accounts	Holding % <sup>1)</sup>	Book value in the parent company's accounts
				2025	2024		
<b>Parent company's direct holdings of investments in subsidiaries</b>							
Holmen Skog AB	556220-0658	Örnsköldsvik	1 000	100	0	100	0
Holmen Wood Products AB	556099-0672	Hudiksvall	1 000	100	0	100	0
Holmen Paper AB <sup>3)</sup>	556005-6383	Norrköping	-	-	-	100	0
Holmen Board and Paper AB <sup>3)</sup>	556088-5294	Hudiksvall	1 000	100	0	100	0
Holmen Energi AB	556524-8456	Örnsköldsvik	1 000	100	0	100	0
Holmen Skog Mitt AB	559165-6623	Stockholm	1 000	100	4 556	100	2 856
Holmen Skog Syd AB	559165-6631	Stockholm	1 000	100	2 527	100	1 527
Martinsons Skogsfastigheter AB	556738-2154	Stockholm	1 000	100	70	100	70
Terminalen i Bastuträsk AB	556591-5898	Stockholm	1 000	100	18	100	18
Holmen Sågverk AB	559165-6672	Stockholm	1 000	100	422	100	422
Martinsons Såg AB	556218-2856	Skellefteå	50 000	100	831	100	831
Holmens Bruk AB	559165-6615	Stockholm	1 000	100	383	100	383
Iggesunds Bruk AB	559165-6656	Stockholm	1 000	100	740	100	740
Holmen Vattenkraft AB	559165-6664	Stockholm	1 000	100	2 663	100	2 663
Ljusnan Vattenkraft AB	559165-6680	Stockholm	1 000	100	276	100	276
Blåbergsliden Vind AB	559138-5181	Stockholm	500	100	200	100	200
Varsvik AB	556914-9833	Stockholm	500	100	263	100	263
Other Swedish Group companies					2		2
<b>Total Swedish holdings</b>					<b>12 953</b>		<b>10 253</b>
Holmen UK Ltd, UK		Workington	1 197 100	100	1 519	100	1 519
Holmen Paper Ltd <sup>2)</sup>		London	-	100	-	100	-
Holmen Board and Paper Ltd <sup>2)</sup>		Workington	-	100	-	100	-
Holmen France S.A.S., France		Paris	10 000	100	0	100	0
Holmen GmbH, Germany		Hamburg	-	100	1	100	1
Holmen Paper S.A., Spain		Madrid	60 000	100	1	100	1
Holmen Singapore Pte Ltd, Singapore		Singapore	800 000	100	4	100	4
Holmen Inc, USA		Lyndhurst	1 000	100	7	100	7
Holmen Hongkong Ltd, China		Hong Kong	4 000 000	100	5	100	5
Holmen B.V., Netherlands		Amsterdam	35	100	7	100	7
AS Holmen Mets, Estonia		Tallinn	500	100	0	100	0
Other non-Swedish Group companies					1		1
<b>Total non-Swedish holdings</b>					<b>1 544</b>		<b>1 544</b>
<b>Total</b>					<b>14 497</b>		<b>11 797</b>

1) The holdings correspond to the percentage of votes for the total number of shares held. 2) Indirect holdings. 3) As of 2025, Holmen Paper AB has been absorbed by Holmen Board and Paper AB, formerly Iggesund Paperboard AB, through a merger.

## Note 23. Untaxed reserves

Parent company	31 Dec 2024		31 Dec 2025	
Untaxed reserves	Appropriations			
<b>Accumulated depreciation and amortisation in excess of plan</b>				
Property, plant and equipment	12	-3	10	
	<b>12</b>	<b>-3</b>	<b>10</b>	
<b>Tax allocation reserves</b>				
2019 fiscal year	700	-700	-	
2020 fiscal year	700	-	700	
2021 fiscal year	680	-	680	
2022 fiscal year	1 488	-	1 488	
2023 fiscal year	900	-	900	
2024 fiscal year	470	-	470	
2025 fiscal year	-	460	460	
	<b>4 938</b>	<b>-240</b>	<b>4 698</b>	
<b>Total</b>	<b>4 950</b>	<b>-243</b>	<b>4 708</b>	

Group contributions received amounted to SEK 1 009 million (921) and Group contributions paid amounted to SEK -803 million (-89). Total appropriations amounted to SEK 449 million (366).

## Note 24. Collateral and contingent liabilities

Contingent liabilities	Group		Parent company	
	2025	2024	2025	2024
Guarantees on behalf of Group companies	-	-	167	158
Other contingent liabilities	90	68	90	68
<b>Total</b>	<b>90</b>	<b>68</b>	<b>258</b>	<b>227</b>

Other contingent liabilities for the Group largely comprise guarantee undertakings for third parties. Holmen has environment-related contingent liabilities that cannot currently be quantified but could result in future costs. Under Swedish law, Holmen has strictly unlimited liability for harm caused to third parties by dam failures. Holmen has liability insurance for such harm.

## Note 25. Cash flow statement

	Group		Parent company	
	2025	2024	2025	2024
<b>Interest paid and dividends received</b>				
Dividends received	1	-	2 993	344
Interest received	33	37	167	217
Interest paid	-164	-104	-199	-139
<b>Total</b>	<b>-129</b>	<b>-67</b>	<b>2 960</b>	<b>422</b>

In 2025, the Group redeemed bonds totalling SEK 900 million (1 000) and issued new bonds totalling SEK 1 500 million. See Note 14 for a breakdown of cash and cash equivalents.

Group	2024	New leases	Cash flow	Currency and market revaluation	2025
Bonds	3 400	-	600	-	<b>4 000</b>
Commercial paper	-	-	1 370	-	<b>1 370</b>
Other financial liabilities	55	-	-30	10	<b>35</b>
Liabilities relating to right-of-use assets	228	132	-134	-	<b>225</b>
Pension obligations	9	-	7	-9	<b>7</b>
<b>Financial liabilities*</b>	<b>3 692</b>	<b>132</b>	<b>1 813</b>	<b>1</b>	<b>5 637</b>

\*Including liabilities relating to right-of-use assets and pension obligations.

Group	2023	New leases	Cash flow	Currency and market revaluation	2024
Bonds	2 900	-	500	-	<b>3 400</b>
Commercial paper	-	-	-	-	-
Other financial liabilities	23	-	-10	43	<b>55</b>
Liabilities relating to right-of-use assets	250	105	-127	-	<b>228</b>
Pension obligations	9	-	-4	3	<b>9</b>
<b>Financial liabilities*</b>	<b>3 182</b>	<b>105</b>	<b>359</b>	<b>46</b>	<b>3 692</b>

\*Including liabilities relating to right-of-use assets and pension obligations.

Parent company	2024	Cash flow	Currency and market revaluation	2025
Bonds	3 400	600	-	<b>4 000</b>
Commercial paper	-	1 370	-	<b>1 370</b>
Liabilities in respect of Group companies	741	182	1	<b>925</b>
Other financial liabilities	53	-30	10	<b>34</b>
Pension obligations	0	0	0	<b>0</b>
<b>Financial liabilities*</b>	<b>4 195</b>	<b>2 122</b>	<b>12</b>	<b>6 328</b>

\*Including pension obligations.

Parent company	2023	Cash flow	Currency and market revaluation	2024
Bonds	2 900	500	-	<b>3 400</b>
Commercial paper	-	-	-	-
Liabilities in respect of Group companies	784	-43	0	<b>741</b>
Other financial liabilities	21	-10	43	<b>53</b>
Pension obligations	1	-	-1	<b>0</b>
<b>Financial liabilities*</b>	<b>3 706</b>	<b>447</b>	<b>42</b>	<b>4 195</b>

\*Including pension obligations.

## Note 26. Critical accounting estimates and judgements

When preparing financial statements the company's management is required to make estimates and judgements that have an effect on the amounts recognised. The estimates and judgements that, in the view of the company's management, are of importance for the amounts recognised in the annual accounts, and that are at significant risk of being altered by future events and new information, mainly include the following:

### Forest land and biological assets

The Group's forest land is recognised at a fair value of SEK 24 049 million (26 243) based on transactions in forest properties less the fair value of standing trees, which are recognised as biological assets with a fair value of SEK 32 663 million (31 600). The valuation based on transactions in forest properties draws on detailed data about transactions and price statistics published by different market operators. To obtain a sufficiently large population, three years of aggregated transactions are used. The valuation takes account of where in the country the forest land is located and differences in the forests in terms of the volume of standing timber and site quality. Valuations are primarily dependent on price statistics and transaction data collected from external parties, and on how large the volume of standing timber is estimated to be. As the valuation of forest properties is based on transaction prices, it includes the value of all the risks and opportunities that market participants consider when valuing forest properties, including climate-related risks. The value of standing trees is determined by calculating the present value of the expected future cash flows based on estimates of future harvest volumes, changes in prices and costs and discount rates. Environmental and climate factors were taken into account when preparing both the forest management programme and the harvesting plan, which forms the basis for the forecasting of future harvest volumes. A deferred tax liability of SEK 4 907 million (5 360) has been recognised in respect of forest land and SEK 6 728 million (6 510) in respect of biological assets. See Note 7 and Note 9 for further information.

### Impairment testing of goodwill and non-current assets

Goodwill is tested for impairment annually, and non-current assets are tested when there is an indication that an impairment loss needs to be recognised. Value in use is calculated by discounting expected future cash flows to present value based on estimates of future volumes, changes in prices and costs and discount rates. Changes in conditions may have an effect on the estimated recoverable amount applied in connection with future impairment tests.

### Pension obligations

The Group has defined benefit pension obligations measured at SEK 1 352 million (1 539) and SEK 1 576 million (1 782) of plan assets set aside to cover such obligations. The value of pension obligations is estimated on the basis of assumptions regarding discount rates, inflation and demographic factors. These assumptions are usually updated annually, which affects the Group's comprehensive income and the net assets/provision recognised. See Note 18.

### Provisions

Obligations that may result in costs for Holmen are evaluated on an ongoing basis to assess the need for a provision. Uncertainty in the assessment mainly relates to the date and size of the future cost. The Group has mainly recognised provisions for uncertainties related to obligations to restore the environment at discontinued material sites where its operations have created pollutants. See Note 19.

### Taxes

The Administrative Court in Stockholm granted Holmen the right to utilise tax deductions linked to previous operations in Spain. The deduction corresponds to SEK 386 million in tax, which had a positive impact on recognised tax. The Swedish Tax Agency has appealed against the Administrative Court's judgment. No provision has been recognised for if the appeal has a negative outcome.

## Note 27. Events after the balance sheet date

No significant events have occurred since the end of the reporting period.

# PROPOSED APPROPRIATION OF PROFITS

	SEK
The following earnings of the parent company are at the disposal of the AGM:	
Net profit for the 2025 financial year	4 398 512 701
Retained earnings	2 935 745 874
	<b>7 334 258 575</b>
The Board proposes that the following be allocated to the shareholders	
SEK 9.5 per share (153 434 534 shares)	1 457 628 073
and that the remaining amount be carried forward	
	5 876 630 502

The Board of Holmen AB has proposed that the 2026 AGM resolve in favour of paying an ordinary dividend of SEK 9.5 per share, totalling SEK 1 457 628 073. The previous year, an ordinary dividend of SEK 9.0 per share and an extra dividend of SEK 3.0 per share were declared. The proposal complies with the Board's policy, in that decisions on dividends are to be based on an appraisal of the Group's profitability, future investment plans and financial position.

The proposed dividend corresponds to 51 per cent of net profit for 2025 for the Group and means that 2.6 per cent of the equity in the Group at 31 December 2025 will be paid out.

The Board has established that the Group should have a strong financial position, with net financial debt not exceeding 25 per cent of equity. At 31 December 2025, it amounted to 9 per cent. The proposed dividend would increase the net debt in relation to equity by 3 percentage points.

Holmen AB's equity at 31 December 2025 amounted to SEK 13 249 million, of which non-restricted equity was SEK 2 936 million. Assets and liabilities measured at fair value in accordance with Chapter 4, §14a of the Swedish Annual Accounts Act had an impact of SEK 494 million on equity. The Group's equity at 31 December 2025 amounted to SEK 55 405 million. In accordance with IFRS, no distinction is made at Group level between restricted and non-restricted equity.

The Board considers that the payment of dividends of the amount proposed is justifiable in view of the demands made on the company and the Group by the nature, extent and risks associated with the business in terms of the amount of equity required, and taking into account the need for consolidation, liquidity and the Group's financial position in other respects. Its financial position will remain strong after payment of the proposed dividend and is considered to be entirely adequate to enable the company to fulfil its obligations in both the short and the long term, as well as to finance such investments as may be necessary.

The Board and CEO declare that the annual accounts were prepared in accordance with generally accepted accounting principles in Sweden, and the Group's consolidated accounts were 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. The annual accounts and the consolidated accounts provide a true and fair view of the performance and financial position of the parent company and the Group. The administration report for the parent company and the Group provides a true and fair view of the development of the operations, financial position and performance of the Group and the parent company and also describes the material risks and uncertainties to which the parent company and the other companies in the Group are exposed.

## Signatures

The annual accounts and the consolidated accounts were approved for publication by the Board in its decision of 23 February 2026. The Group's consolidated income statement and balance sheet and the parent company's income statement and balance sheet will be presented for adoption at the AGM to be held on 30 March 2026.

Stockholm, 23 February 2026

**Fredrik Lundberg**  
Chairman

**Alice Kempe**  
Board member

**Louise Lindh**  
Board member

**Ulf Lundahl**  
Board member

**Fredrik Persson**  
Board member

**Stefan Widing**  
Board member

**Henriette Zeuchner**  
Board member

**Carina Åkerström**  
Board member

**Henrik Sjölund**  
Board member and  
Chief Executive Officer

**Ari Aula**  
Board member,  
employee representative

**John Nyberg**  
Board member,  
employee representative

**Tommy Åsenbrygg**  
Board member,  
employee representative

Our audit report was submitted on 24 February 2026.  
Our auditor's report on the statutory sustainability report has been submitted on 24 February 2026.  
PricewaterhouseCoopers AB

**Magnus Svensson Henryson**  
Authorised Public Accountant  
Principal Auditor

# AUDITOR'S REPORT

To the general meeting of shareholders of Holmen AB, corp. id 556001-3301

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Holmen AB (publ) for the year 2025 except for the corporate governance statement and sustainability report on pages 44–48 and 98–132. The annual accounts and consolidated accounts of the company are included on pages 2, 6–9, 14–15, 42, 44–94, 98–132 and 135 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 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 corporate governance statement and the statutory sustainability report on pages 44–48 and 98–132, respectively. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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 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/EU) Article 11.

### Basis for 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/EU) 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.

### Our audit approach

#### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

#### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They 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 consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

### 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.

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>Net sales amount to SEK 22 056 million and is a material item in the income statement.</p> <p>The Group has various types of revenue, which largely consist of goods such as paper, paperboard, timber, wood products and pulpwood that are sold to customers. Sales of goods are transaction-rich, put requirements on bookkeeping, monitoring and internal controls.</p> <p>The services provided are limited and primarily relate to forest management services and within construction, such as installation work.</p> <p>The various revenue streams have different characteristics, leading to separate processes for revenue recognition, which have been examined individually.</p> <p>A description of the area is presented in Note 2. Accounting and valuation principles are presented in Note 1.</p>	<p>Our audit procedures have included, but were not limited to, the activities listed below.</p> <p>We have:</p> <ul style="list-style-type: none"><li>• Evaluated the Group's processes for the recognition of the various revenue streams.</li><li>• Performed tests of a sample of controls in the processes for revenue recognition.</li><li>• Tested a selection of transactions against supporting underlying agreements and payments, as well as performed accounts receivable confirmation.</li><li>• Tested a sample of transactions to assess whether revenue has been recognised in the appropriate period.</li><li>• Reviewed the information presented in the annual accounts and assessed whether it provides sufficient information according to the regulatory requirements.</li></ul>
<p><b>Valuation of forest assets</b></p> <p>The Group's forest assets amount to SEK 56 711 million and constitute a significant item in the consolidated balance sheet.</p> <p>The assets are divided into biological assets that are recognised in accordance with IAS 41 Agriculture, and properties that are recognised in accordance with IAS 16 Property, Plant and Equipment.</p> <p>In the balance sheet, forest assets are recognized at fair value and the description of the measurement of value and important assumptions is presented in Note 9.</p> <p>The measurement process is complex since it requires assessments and assumptions in respect of, inter alia, market statistics, and the breakdown of the total value of land and biological assets.</p> <p>Significant areas of judgment include the scope and completeness of market statistics, local market prices and discount rates as well as timber prices and felling costs. The measurement is classified as a Level 3 measurement in accordance with IFRS 13. In view of the material nature of the item and the inherent complexity, the valuation of the group's forest assets is considered key audit matter in our audit.</p>	<p>Our audit procedures have included, but were not limited to, the procedures listed below.</p> <p>We have:</p> <ul style="list-style-type: none"><li>• Evaluated the process and the method used for valuation of forest assets as well as the company's process for collecting input data, performed through validation against supporting documents and interviews with Holmen staff.</li><li>• Tested the allocation of value between biological assets and land assets.</li><li>• Evaluated the reasonableness of material assumptions that form the basis for the Group's valuation including discount rate, timber prices.</li><li>• We have reviewed portions of the input data used in the valuation of forest assets, as well as assessed the controls in place to ensure the accurate transfer of this input data.</li><li>• Our valuation specialists have reviewed the assumptions and documentation utilized to determine the discount rate, placing particular emphasis on the sensitivity of the calculations.</li><li>• Evaluated outcome of the internal valuation model used compared to external valuations.</li><li>• Examined that the disclosed information in Note 9 of the annual report meets the requirements and provides a fair presentation of the company's valuation.</li></ul>

### **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 3–5, 10–13, 16–41, 43, 98–134 and 136–140. 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.

### **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.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Swedish Inspectorate of Auditors' website: [www.revisorsinspektionen.se/revisorsansvar](http://www.revisorsinspektionen.se/revisorsansvar). This description is part of the auditor's report.

## Report on other legal and regulatory requirements

### **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 Holmen 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 for 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' 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.

A further description of our responsibility for the audit of the administration is available on Swedish Inspectorate of Auditors' website: [www.revisorsinspektionen.se/revisorsansvar](http://www.revisorsinspektionen.se/revisorsansvar). This description is part of the auditor's report.

## 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 Holmen AB (publ) for the financial 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 Holmen 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 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 audit 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 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.

## The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 44–48 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act/ the Annual Accounts Act for Credit Institutions and Securities Companies/ the Annual Accounts Act for Insurance Companies.

PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm,  
was appointed auditor of Holmen AB by the general meeting of the shareholders on 31 March 2025  
and has been the company's auditor since 22 April 2021.

Stockholm, 24 February 2026  
PricewaterhouseCoopers AB

**Magnus Svensson Henryson**  
Authorised Public Accountant  
Auditor in Charge

# SUSTAINABILITY REPORT

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## ESRS 2 GENERAL DISCLOSURES

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

The sustainability report is Holmen's statutory sustainability report in accordance with the Swedish Annual Accounts Act (1995:1554) and can be found on pages 98–132. Those aspects that are material to the Group have been identified by double materiality assessment and form the basis of the information presented. The sustainability report has undergone a review by Holmen's auditors as required by national legislation, see the separate assurance report on page 133. Holmen's sustainability report also includes reporting in line with the EU Taxonomy Regulation (EU 2020/852). More information on the basis for EU taxonomy reporting can be found on pages 116–118.

The sustainability report has been prepared on the same consolidated basis as the financial reports, and therefore the consolidated sustainability report covers the parent company Holmen AB and all subsidiaries in the Group. Companies in which Holmen is a minority owner are not included, apart from the proportion of electricity generated from hydro power plants in which Holmen is a minority owner. All data is collected, quality-assured and evaluated.

Holmen's double materiality assessment and sustainability report cover activities that take place throughout the value chain, including upstream and downstream. The sustainability report provides relevant information for the value chain where this is necessary to understand the Group's material impacts, risks and opportunities.

Holmen has not utilised the option of omitting information related to intellectual property, know-how and results of innovation.

### BP-2 Disclosures in relation to specific circumstances

#### Time horizons

In the sustainability report, material sustainability matters have been identified and assessed as to whether they arise in the short, medium and long term.

#### Definition of time horizons

<b>Short term</b>	The period Holmen has adopted as the reporting period in the financial reports.
<b>Medium term</b>	Up to five years from the end of the reporting period (as above).
<b>Long term</b>	More than five years.

### Value chain estimation and sources of estimation and outcome uncertainty

Some of the reported metrics for greenhouse gas emissions in Scope 3, calculations of Holmen's climate benefit and Holmen's biodiversity indicators are based on indirect sources, or estimates and general assumptions.

Calculations of Holmen's climate benefit follow the global standard ISO 13391, which is a framework for value chain calculations for wood and wood-based products. Information on the calculation is provided on page 116.

Holmen uses a global standard, the Greenhouse Gas Protocol (GHG Protocol), to calculate and report emissions of greenhouse gases in Scopes 1, 2 and 3. Information on the calculation is provided on page 115.

Holmen's biodiversity indicators are based on inventory data from the National Forest Inventory at SLU and sample areas in Holmen's own holdings of productive forest land. See page 123 for further information.

Value chain estimation and outcome uncertainties have been commented on in conjunction with the information concerned.

### Changes in preparation or presentation of sustainability information

Holmen's sustainability report 2025 has been prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the ESRS. In the previous year, the information was presented in line with the Global Reporting Initiative's GRI Standards 2021, taking inspiration from the CSRD. The implementation of the CSRD means that the structure of the sustainability information has been reworked somewhat compared with the previous year, in order to comply with the way sustainability information is structured under the ESRS.

In 2025, the method for calculating emissions in Scope 3 Category 1 *Purchased goods and services* has been updated and an estimate of emissions from transport to and from Holmen's material sites has been added in cases where these are not included in the supplier's reported climate data. The changes have been made to better reflect the actual emissions related to Holmen's purchasing and to reduce the risk of underestimating Holmen's climate impact calculations. These changes mean that Holmen's Scope 3 emissions for this category are more comprehensive than previously, which may affect comparability with previous years. The data for previous years has not been recalculated. The adjustment has a marginal impact on fulfilment of Holmen's target of reduced transport emissions. See page 115 for more information.

In 2025, Holmen has recalculated the base year for the Group's emission targets. This adjustment reflects the updated method for calculating emissions in Scopes 1–3, and has some impact on meeting targets. See page 113 for more information.

Key figures related to Holmen's employees have been revised in the transition to reporting in line with the ESRS.

#### Reporting errors in prior periods

During the reporting period, no corrections of a material impact were carried out.

#### Incorporation by reference

The *Incorporation by reference* table on page 109 shows information incorporated by reference to other parts of the management report. Phased-in disclosure requirements are shown in the *Content index* table on page 106.

### GOV-1 / GOV-2 Governance

In recent years, the Board and Group management have reformulated Holmen's business concept and strategy. As part of this process, sustainability matters have been integrated into the operations and governance of Holmen. This means that governance and monitoring of these issues follow the same structure as other operations within Holmen. *The corporate governance report* describes the governance and monitoring of Holmen's operations.

The Board's work aims to optimise the company's profitability by taking a long-term approach to the company's management and ensuring that the company's objectives and strategy contribute to sustainable and lasting value growth. The Board's activities follow a plan intended, among other things, to ensure that the Board receives all the information it requires and that it is kept up to date on issues that are strategically important for the company. The *Board meetings* section of the *corporate governance report* on page 44 summarises the issues addressed during the year.

The governance of Holmen's operations, including sustainability work, is handled through Group policies, guidelines and Group instructions that are intended to help fulfil Holmen's strategy and targets and clarify how employees should act in fundamental and critical areas where significant risks and opportunities may arise for the business. Holmen's sustainability reporting guidelines set out a framework for reporting sustainability work. The Group's environmental and energy policy sets out the framework for work on the environment and energy. Holmen's Code of Conduct and Supplier Code of Conduct set out principles for employees and suppliers regarding business conduct, including anti-corruption, human rights and the environment. The Codes of Conduct are complemented by Holmen's internal governance documents such as the HR policy, health and safety policy, procurement policy and business ethics policy, which address relevant processes for the Group's own workforce. See *Internal management processes* on pages 46–47 of the *corporate governance report*, for more information on policy work.

For disclosure requirements GOV-1 and GOV-2, please refer to the relevant sections of the *corporate governance report*: *Board meetings* on page 44, *Nomination committee* on page 45, *Composition of the Board* on pages 45–46, *The Board's activities* on page 46, *Audit committee* on page 46, *Group management* on pages 46–47, *Internal management processes* on pages 47–48, and *Internal control of reporting* on page 48.

### GOV-3 Integration of sustainability-related performance in incentive schemes

Holmen's short and long-term incentive programmes for Group management are linked to sustainability-related matters. In the criteria for Holmen's short-term incentive programme for key individuals, 10 per cent is based on whether the accident rate at Holmen's workplaces has decreased compared to the previous year. Holmen's long-term incentive programme for Group management contains performance conditions linked to increased climate benefit compared with the reference period. Climate benefit includes greenhouse gas emissions, where a reduction in GHG emissions can produce a greater climate benefit. See *Note 4* on page 73 and *E1-4 Targets related to climate change mitigation and adaptation* on page 112.

### GOV-4 Statement on due diligence

Holmen's due diligence process, which involves systematically identifying, analysing and managing negative impacts on human rights, the environment and anti-corruption, is described in Holmen's steering documents. Holmen's Code of Conduct and Supplier Code of Conduct set out principles for employees and suppliers regarding business conduct, including anti-corruption, human rights and the environment. The Codes of Conduct are complemented by Holmen's internal governance documents such as the HR policy, health and safety policy, purchasing policy and business ethics policy, as well as Holmen's whistleblower function. A basic principle of Holmen's Code of Conduct and Supplier Code of Conduct is that Holmen does not tolerate any form of corruption or human rights violations.

Holmen conducts risk assessments both in its own operations and in the supply chain to assess any negative impact on business conduct, human rights and the environment. Holmen's supplier assessment process enables sustainability risks to be identified and appropriate action is taken where necessary. Holmen runs regular training programmes on the Code of Conduct for employees and works continuously to provide information on the content of the Code. Holmen has no convictions for human rights violations in 2025. Holmen has not been subject to any final convictions for breaches of competition law or corruption offences in 2025.

A more detailed description of how the due diligence process is applied across the organisation and in the context of each relevant area – environmental information, social information and governance – is included in the appropriate sections of the sustainability report. References to these sections are provided in the table below.

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

For many years, Holmen has prepared sustainability reports in accordance with the GRI standards and has developed an organisation with defined roles and responsibilities, as well as processes and internal controls that are deemed necessary to prepare the sustainability report without material misstatement. Risk assessment regarding risks in sustainability reporting and monitoring and evaluation has been included in Holmen's work on internal control in financial reporting. Holmen's main sustainability reporting risks primarily relate to definitions

## Due diligence process

Core elements of due diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2 Governance (page 99) ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes (99) ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model (102) and in the topical standards: E1 (110), E2 (119), E4 (121), S1 (126), S2 (128), S3 (130).
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2 (page 99) ESRS 2 SBM-2 (101) ESRS 2 IRO-1 (103)
c) Identifying and assessing negative impacts	ESRS 2 IRO-1 (page 103) ESRS 2 SBM-3 (103) and in the topical standards: E1 (110), E2 (119), E4 (121), S1 (126), S2 (128), S3 (130).
d) Taking actions to address those adverse impacts	ESRS 2 MDR-A Actions and resources in relation to material sustainability matters in the topical standards: E1 (111), E2 (119), E4 (122), E5 (124), S1 (127), S2 (129), S3 (130)
e) Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-M / ESRS 2 MDR-T Metrics in relation to material sustainability matters and tracking effectiveness of policies and actions through targets. In topical standards: E1 (112), E2 (119), E4 (123), E5 (124), S1 (127), S2 (129), S3 (130), G1 (132)

and dependence on individuals for data generation. During the year, activities were carried out in these areas to reduce the risk of errors in reporting, including a review of reporting instructions and procedure descriptions.

For information on the Group's work on internal control and risk management, see the *corporate governance report* on pages 44–48.

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

Holmen's strategy revolves around its land holdings. Holmen's business concept is to own and add value to the forest. Using Holmen's own industrial installations, the growing trees are refined into everything from wood for climate-smart building to renewable packaging, magazines and books, while at the same time hydro and wind power are generated on Holmen's own land.

Holmen's strategy contributes to the sustainable use of energy and materials to limit global warming. With access to renewable raw material, fossil-free electricity and resource-efficient production, Holmen is able to offer products with a low carbon footprint.

Holmen has long combined active forestry with preservation of biodiversity, and this has resulted in a steadily increasing volume of standing timber and larger harvests from healthy ecosystems. An increasing volume of standing timber and sustainable building in wood contribute to a better climate by binding and storing carbon, but the greatest benefit is created when the production of renewable electricity, wood products, paperboard and paper replaces fossil alternatives.

Buildings account for considerable emissions of greenhouse gases, in construction and during the building's lifecycle, and the construction industry is working to reduce its carbon footprint. As a building material, wood is benefitting from the ongoing green transition, which is expected to boost demand for wood products. In recent years, acquisitions and investments have seen Holmen expanding its wood products business by increasing capacity and broadening its range of goods and services. With a strong position in the wood market and well-invested sawmills, Holmen is excellently placed to continue to expand the wood products business.

Holmen grows houses. This means that the forest is managed in a way that generates as much timber as possible. When the wood is sawn, residual products are produced, which are used in the Group's paper and paperboard mills, where wood chips and shavings from the sawmills are topped up with the trees that are too narrow to become construction material. A desire to reduce climate impact and avoid plastic packaging is helping to increase demand for wood-based fibre products, while the low carbon footprint of the products has increasingly become a competitive advantage.

Over the past 50 years, the world's energy consumption has tripled, and this increasing demand has almost exclusively been met using fossil fuels. To reduce fossil dependence, Europe needs to transform its energy supply while simultaneously electrifying significant elements of industrial production, heating, and transport. Holmen's controllable hydro power contributes renewable electricity when it is most needed, while helping to stabilise an increasingly weather-dependent electricity system. Holmen's extensive land holdings also create an opportunity to add renewable energy in the form of wind power. Developing wind power is a natural complement to controllable hydro power and a good way to derive added value from forest ownership.

### **Business model and value chain**

The forest ecocycle gives the business wood. The wood is refined at Holmen's own industrial installations and made into products which customers can then

refine further in their turn. As the lifecycle draws to a close, the products can be reused, recycled or put to use as bioenergy. The greatest value added governs what is manufactured from the different parts of the tree, with the resulting residual products collected for use in other processes. Holmen also uses its large land holdings to produce renewable energy from both water and wind.

The Holmen Group has 3 851 employees, 3 295 of whom are in Sweden and about 412 in the UK. See the section *S1 Own workforce* on page 127 for the geographical distribution of Holmen's employees.

The Group is divided into four business areas which together create added value from the forest and land Holmen owns: Forest, Wood Products, Board and Paper and Renewable Energy.

**Forest:** Holmen carries out active and sustainable forestry on over a million hectares of its own productive forest land. Large land holdings and partnerships with approximately 15 000 private forest owners create considerable economies of scale, which give Holmen a strong position in the wood market. Alongside extensive wood procurement, Holmen's industries are provided with raw material that is distributed via efficient logistics solutions. In addition to logs and pulpwood, bark, treetops and branches have their own uses and are sold on for bioenergy production.

**Wood Products:** The five sawmills play a key role in Holmen's circular business. This is where the wood is split and the processing of the harvested forest begins. Developing the wood products business is a natural extension of forestry and an important dimension in Holmen's strategy of owning and adding value to the forest. Having production of wood products near Holmen's own forest holdings means Holmen is able to process its own forest at its own industrial sites. Holmen offers a wide range of wood and timber products for construction and joinery.

Two of the Group's sawmills, Braviken and Iggesund, form energy-efficient units with their neighbouring paper and paperboard mills. This means that every aspect of the wood raw material is made use of in a cycle in which chips from the sawmills act as raw material in pulp production and the final residual products are used as biofuel to produce energy and district heating. Steam from the mills is also used in the drying processes at the sawmills.

**Board and Paper:** Holmen develops premium paperboard and innovative paper products for everything from cosmetics, electronics, pharmaceuticals and food to books, magazines, advertising and transport packaging. Holmen's paperboard and paper products are manufactured entirely from fresh fibre. With renewable raw material, in principle fossil-free electricity, and resource-efficient production at a total of four production facilities in Sweden and the UK, Holmen is able to offer products with a low carbon footprint.

**Renewable Energy:** Holmen produces renewable energy from hydro and wind power. The majority of energy production is hydro power from 21 wholly or partly owned power plants. With a large land holding, developing large-scale wind power is a natural complement to controllable hydro power, and today Holmen has three wholly owned power plants: Varsvik, Blåbergsliden and Blisterliden.

### **Income per sector**

Sector, SEKm	2025	2024
Forestry (AFO)	3 188	2 991
Power generation and energy (EPU)	430	634
Paper and wood products (MPW)	18 438	19 132

## **Products and market**

Business area	Products	Customer segment	Primary markets	Competitors (selected)
Forest	Logs, pulpwood and biofuel.	Sawmills, pulp mills, board and paper mills.	Sweden.	SCA, Sveaskog and a number of large forest owner associations.
Wood Products	Construction and joinery timber, CLT and glulam, plus wood for pallets and packaging.	Construction and joinery industry, builders' merchants, and packaging industry.	Europe, Middle East, North Africa and North America.	Moelven, SCA, Setra, Södra, Vida and a large number of foreign companies.
Board and Paper	Premium paperboard for consumer packaging and paper products for books, magazines, advertising and transport packaging.	Brand owners, converters, wholesalers, publishers, printers and retailers.	Europe, Asia and North America.	Metsä Board, Stora Enso, Mayr-Melnhof, Norske Skog, Smurfit Westrock, UPM.
Renewable Energy	Renewable energy from hydro and wind power.	Nordic electricity market.		Fortum, Statkraft, Vattenfall, Uniper.

## Interests and views of stakeholders

Stakeholder group	Priority topics	Forum for addressing topics	How views are taken on board
<b>Investors</b>	Financial performance, market outlook, risk management, governance, growth areas, climate, sustainable forestry, renewable energy, forest valuation.	Investor meetings, forest excursions, engagement with ESG specialists, quarterly reports, AGM, risk reports, ESG rankings, surveys. Dialogue includes financial development, risk management and governance. Discussions on climate, sustainable forestry, renewable energy and growth opportunities.	Development of strategy, governance and reporting.
<b>Customers</b>	New legislation, sustainable forestry, climate and environmental impact, traceability, resource efficiency, workers' rights and human rights, business conduct, product performance.	Customer visits, surveys, industry meetings, interviews, seminars and conferences, and digital channels such as website and social media. Dialogue seeks to develop products, services and processes. Topics include product safety, climate, responsible forestry and traceability.	Development of strategy, products and offering.
<b>Suppliers</b>	Health and safety, business conduct, energy consumption, resource efficiency, climate impact.	Supplier meetings, procurements and commitments according to Holmen's Supplier Code of Conduct. Audits, supplier checks and follow-up meetings, continuous collaboration and training. Monitoring and control processes (due diligence) and complaint handling.	Joint development of products and offering.
<b>Employees</b>	Health and safety, competence development, working conditions, business conduct.	Employee surveys, appraisal talks, competence development, business management systems, trade union cooperation, whistleblowing channels, leadership training, internships.	Business area-specific development areas as needed.
<b>Workers in the value chain</b>	Health and safety, resource efficiency, human rights, nature conservation, business conduct.	Supplier audits with a focus on social topics, including workers' rights. Field visits and assessments are carried out to ensure compliance with requirements and to address any shortcomings.	Development of governance and, where necessary, development of action plans with the supplier.
<b>Affected communities</b>	Sustainable forestry, climate, circularity, renewable energy, traceability, reindeer husbandry, health and safety, business conduct, outdoor recreation, hunting.	Consultation, dialogue with local representatives, complaint handling channels.	Development in the context of authorisation and development of steering documents.
<b>Politics and society</b>	Sustainable forestry, climate, circularity, renewable energy, traceability, reindeer husbandry, health and safety, business conduct, outdoor recreation, hunting.	Knowledge sharing, consultation, information sharing via annual and sustainability reports, participation in expert panels, workshops and roundtables.	Development of strategy, governance and reporting.
<b>Civil society organisations (NGOs)</b>	Sustainable forestry, climate, biodiversity, traceability, business ethics.	Knowledge sharing, information sharing via annual and sustainability reports, participation in expert panels, workshops and roundtables.	Development of strategy, governance and reporting.
<b>Nature</b>			Holmen takes the interests of nature into account in permit processes and research.

Holmen runs operations that require environmental permits. The permits specify conditions regarding permitted production volumes, noise levels and permitted emissions to air and water, among others. At year-end 2025, Holmen was operating industrial production at nine installations which require environmental permits. Eight of the installations are located in Sweden and one is in Workington in the UK. Additionally, the converting plant in Strömsbruk is a notifiable activity. Holmen also has four environmental permits for wind power and 18 environmental permits for commercial quarries. Furthermore, the six wholly owned and 15 partly owned hydro power plants have environmental permits for the production facility, reservoirs and water regulation. See section *E2 Pollution* on page 119 for a summary of Holmen's environmental permits and certifications per material site.

In addition to the activities conducted within the Group, Holmen's value chain includes the following upstream and downstream activities:

The most important raw materials for Holmen's operations are wood and electricity. Approximately half of the wood raw material is harvested from Holmen's own forests. The remaining amounts are bought in, mainly from private forest owners in Sweden. Only a small proportion is imported. Holmen managing the harvesting of its wood procurement from its own forests and private forest owners enables good control of the supply chain while reducing potential risks in the supply chain. Besides raw materials, the largest areas for purchasing are input goods, production materials and transport. Holmen is also a major purchaser of contracted forestry services.

Holmen's downstream value chain consists of outbound transport of products to customers from the production units. Holmen's wood products are sold to customers in the construction and joinery industry, builders' merchants, and the packaging industry. The paperboard and paper business sells products to converters, wholesalers, publishers, printers and retailers. Holmen's customers, or customers' customers, sell wood products and processed products to consumers and end users. Electricity produced in Holmen's hydro and wind power plants is sold on the Nordic electricity market.

Holmen's business creates value, current and anticipated, for customers who gain access to renewable products with a low carbon footprint originating from sustainably managed forests. For investors, value is created by disciplined use of capital and stable profits that allow for recurring dividends. Value is created for local communities by Holmen's operations creating jobs.

### **SBM-2** Interests and views of stakeholders

Holmen's stakeholders have been identified based on the operation carried out, how it affects the world around us, and the actors that affect Holmen. Some of these stakeholders, such as employees, customers, suppliers, the local community, financiers and public authorities are important for day-to-day operation. Others, such as future employees, owners, analysts, decision-makers, industry organisations and the media, are important for long-term development.

Holmen seeks to increase internal understanding of stakeholders' perspectives on operations through continuous and open dialogue, which provides valuable

## Material sustainability matters

Sustainability matter	Sub-topic	Page
Capture and storage of carbon dioxide in the volume of standing timber and products	Climate change mitigation	110
Greenhouse gas emissions in the value chain (in production and transport)	Climate change mitigation	110
Production of renewable energy	Energy	110
Electricity-intensive paper production	Energy	110
Production gives rise to pollution to water and air	Pollution of air, Pollution of water, Pollution of soil	119
Forestry impacts on the local environment and water	Impacts on the state of species, Impacts and dependencies on ecosystem services	121
Hydro power generation impacts on the landscape and aquatic environments	Land-use change, fresh water-use change and sea-use change, Impacts on the state of species	121
Production of renewable products	Resource outflows related to products and services, Resource inflows including resource use	124
Industrial production generates waste	Waste	124
Industrial production involves a risk of accidents	Health and safety	126
Need for skilled workers	Diversity, Training and skills development	126
Forestry is dependent on contractors	Security of employment, Working time, Adequate wages, Social dialogue, Freedom of association, existence of works councils and the information, consultation and participation rights of workers, Collective bargaining, including rate of workers covered by collective agreements, Health and safety, Adequate housing	128
Operations impact on local residents and local businesses	Land-related impacts, Security-related impacts, Free, prior and informed consent	130
Exposure to business conduct risks	Corporate culture, Whistleblower protection, Political engagement and lobbying, Corruption and bribery	131

insights that can be used to identify business opportunities and prioritise actions. This dialogue is tailored to each stakeholder group and is conducted in various forums such as meetings, surveys, consultations and partnerships.

Working with industry organisations, discussions are held with politicians and stakeholder organisations on how the ground rules of the future will be designed, with a focus on forestry and energy supply, and taking climate and biodiversity as key parameters. Customers and suppliers are involved through regular evaluations and quality dialogues, while meetings are held with investors and analysts to discuss Holmen's development.

Thanks to good union relations, the views of employees are effectively heard, supplemented by employee surveys and one-to-one dialogues at all levels of the company. Dialogues with local decision-makers, local residents and other businesses enable Holmen to pick up on signals about how the local community is affected and how this may affect Holmen's operations. The silent stakeholder, nature, is taken into account in the permit process and by research projects.

Holmen conducts operations that require environmental permits, and forestry is regulated by the Swedish Forestry Act, which sets up rules for how the forest may be managed, with regard to different interests. Today, all of Holmen's forestry is also voluntarily certified.

Information on the impact Holmen's operations have on the environment has been obtained and is constantly monitored in the business, partly via the requirements laid down for operations in environmental permits, the Forestry Act and voluntary certifications. Holmen also conducts its own research projects and contributes to the development of forestry through work in collaborative bodies, direct research grants and hosting other researchers on its land.

Dialogue with customers and suppliers fosters an understanding of how they may act to deal with a changing world. This is supplemented by targeted studies bringing in external consultants to understand how areas outside the immediate industry may develop. Group management and the Board are kept informed by the heads of the business areas, who report on the business situation, including stakeholder perspectives on a wide range of issues, such as climate and other ESG factors.

No material changes in strategy or business model have been made as a direct consequence of this stakeholder dialogue.

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

A summary of material impacts, risks and opportunities identified from an environmental and society perspective is provided in the table above. Impacts, risks and opportunities are described in more detail under the respective standard, see the page references at the end of this datapoint. The areas identified are closely linked to Holmen's strategy, which is founded on Holmen's large land holdings and the sustainable products that can be manufactured using the forest as their base. In order to implement the strategy, the impacts and risks linked to Holmen's operations need to be taken into account. This is primarily done by means of steering documents in the form of policies, guidelines and Group instructions, which are part of Holmen's internal governance processes, as described in more detail in the *corporate governance report* on pages 47–48.

Overall, Holmen's strategy is judged to be robust and resilient to sustainability-related impacts, risks and opportunities in the long term. Holmen's strategy is well positioned to capitalise on the transition to a low-carbon economy, which strengthens competitiveness and is in line with Holmen's goal of increasing climate benefit through renewable products from sustainably managed forests.

Sustainability is about balancing several perspectives – economic, environmental and social – and succeeding in doing so over time. For Holmen, successful business and a sustainable future go hand in hand. Holmen contributes towards the transition to a sustainable and circular society and focuses work on the areas where operations have the greatest opportunity to make a difference.

- Holmen's climate benefit is to increase by growing the business.
- Holmen's forestry fosters biodiversity.
- Holmen develops the business within the framework of environmental permits and certifications.
- Holmen's employees develop and thrive.
- Holmen builds long-term relationships based on responsible business conduct.

Indicators are linked to these five material areas to measure development and progress. See also the respective section for material sustainability matters.

Material impacts, risks and opportunities and their relationship to strategy and business model are further described in each relevant section, see sections *E1 Climate change* on page 110, *E4 Biodiversity* on page 121, *S1 Own workforce* on page 126, *S2 Workers in the value chain* on page 128, *S3 Affected communities* on page 130 and *G1 Business conduct* on page 131.

### **IRO-1** The processes to identify and assess material impacts, risks and opportunities

Holmen has prepared the materiality assessment in line with the requirements of the CSRD, based on the principle of double materiality.

The work on Holmen's materiality assessment was led by a central project team with expertise in the environment, sustainability, finance, legal and communication. Where necessary, the project team brought in relevant expertise in specific areas. The project team regularly reported to a steering group comprising representatives of Group management. The outcome of the materiality assessment has been embedded and discussed with the steering group in order to ensure the calibration of material topics against Holmen's strategy. Holmen's materiality assessment has been presented to Group management, the audit committee and the Board.

Work on the double materiality assessment has followed a structured process that has been incorporated into steering documents at Group level. Holmen's process for identifying and assessing material impacts, risks and opportunities included conducting a survey of its own operations and the value chain. This survey identified external and internal aspects that may impact on the environment and people. Work on the survey was coordinated centrally at Holmen and was carried out with representatives of the respective business areas.

Alongside the survey of the value chain, an inventory was conducted of actual and potential impacts, risks and opportunities, taking into account where in the value chain these arise and whether they arise in the short, medium or long term. Based on this, relevant sustainability matters for Holmen were identified. This was followed by an assessment of the materiality of each impact, risk or opportunity.

The materiality assessment is based on Holmen's strategy, which stems from Holmen's extensive land holdings and the sustainable products that can be manufactured with the forest as a foundation. The strategy is constantly revised with the help of business intelligence and strategic foresight, involving business area management. This information is then used to identify the Group's sustainability matters together with knowledge from Holmen's ongoing dialogue with stakeholders, environmental permits and permit processes, certifications and reporting of environmental work. An assessment of the severity of the sustainability matters and their financial impact is then also conducted.

Furthermore, research and work on the development of forestry has been taken into account, in part to identify and assess the impact of forestry on biodiversity. In other parts of Holmen's operations too, research is a key resource in determining how the production facilities affect their surroundings; knowledge that is used as the basis for the materiality assessment. Additionally, other risk assessment carried out within the Group has been taken into account; for example, the business areas' surveys of supply chain risks have been used to identify and assess sustainability matters linked to workers in the value chain and business conduct. The interests of external stakeholders have been addressed through the dialogue forums shown in the table on page 101.

#### **Thresholds for assessing impact**

Holmen's negative impacts on people and the environment have been evaluated based on an assessment of scale, scope and irremediable character. The likelihood of potential negative impacts occurring has also been assessed. Positive impacts have been assessed on the basis of the scale and the scope, and the likelihood of such positive impacts occurring.

To assess the severity of an impact, the parameters of scale, scope and remediation, and likelihood were assessed separately and rated low, medium or high. The assessment of these parameters was then appraised collectively to determine the severity of each impact.

Human rights-related impacts (defined according to the UN Universal Declaration of Human Rights) have been taken into account by giving precedence to the parameter of scale in the assessment of severity.

#### **Thresholds for assessing financial risks and opportunities**

The risks and opportunities linked to environmental and social requirements identified in the value chain have been assessed based on the likelihood of them occurring and the potential financial impact for Holmen – in other words how Holmen's development, results and position may be affected. To assess the financial impact, financial materiality and likelihood have been assessed and

rated low, medium or high. The assessment of financial impact and likelihood was then appraised collectively to determine the financial impact for Holmen.

The assessment has been calibrated jointly with the steering group to ensure that sustainability matters have been assessed equally. Sustainability matters with a final rating of high or medium in terms of their impact perspective and/or financial perspective have been judged to be material sustainability matters for Holmen.

#### **E1 Climate change**

Holmen works systematically to assess transition-related risks and opportunities linked to the EU's climate and environmental legislation. In identifying transition events, Holmen has not used any specific climate scenario analysis, but has instead chosen to use the climate targets and policy frameworks set by the EU and Sweden. This means that Holmen continuously monitors and analyses new and changing regulations, such as LULUCF, the EU Deforestation Regulation (EUDR) and other legislative initiatives aimed at achieving climate neutrality by 2050 and net zero emissions in Sweden by 2045. Transition-related risks and opportunities are assessed in the short, medium and long term.

Holmen reviews how these transition events might affect assets and business operations, for example by requiring changes in forestry practices, investment in traceability systems, adaptation of production processes and changes to land conditions for wood-based products and energy. For each regulation and initiative, the extent to which Holmen's assets and operations are sensitive to transition events is assessed in terms of likelihood, scale and duration. For example, analysis is conducted of how new requirements on carbon sinks, biodiversity or packaging recycling might affect forest assets, production facilities and supply chains. Holmen actively participates in industry dialogues and consultation processes to understand and influence the design of regulatory frameworks. Holmen has not identified any activities that are not compatible with a climate-neutral economy.

The basis for the materiality assessment's analysis of physical climate-related risks is the climate adaptation plans developed by each business area. The climate adaptation plans follow Group-wide instructions to systematically assess how operations, products and services are affected by a changing climate. The instructions include a requirement that each business area assesses which climate-related events have an impact on its critical processes. The plans describe the relevant climate risks, their potential impacts on the business and the activities that can be carried out to seize opportunities and reduce risks.

The business areas assess how their operations may be affected by climate-related risks, for example through damage to assets, changes in production costs, reduced productivity of seedlings, changes in the cost of capital and disruptions to supply chains. The climate adaptation plans are not based on what Holmen has to do to reduce emissions. However, emission reductions may have an impact as a result of expected transition events. Potential climate adaptation needs in the value chain, which are beyond Holmen's direct control, have not yet been analysed.

The climate adaptation plans are based on scenario analyses, where the work of each business area is based on relevant scenarios and reference periods. Environmental and climate factors are also taken into account when preparing both the forest management programme and the harvesting plan, which forms the basis for the forecasting of future harvest volumes. For more information, see the lines *Biological assets* and *Forest land* in the *Balance sheet* on page 61 and *Note 9* on page 78.

- In forestry, Holmen has used the IPCC's forecast of a global temperature increase of 2.7°C by 2050. Accordingly, an average of the Swedish Meteorological and Hydrological Institute's (SMHI) climate change scenarios as per RCP 6 was used. The forest rotation period, assumed to be 100 years, has been used as a reference period in assessing long-term effects.
- In industry, Holmen has applied SMHI's climate change scenario RCP 8.5. The reference period 1971–2000 has been chosen to assess the impact of climate change scenarios.
- For wind and hydro power production, Holmen has applied the IPCC forecast of a 2.7°C temperature increase by 2050, combined with SMHI's scenarios regarding RCP 2.6, RCP 4.5 and RCP 8.5. The reference period for the analysis is 1971–2000, which enables comparison with historical climate data.

Analysis of physical climate-related risks is carried out at installation level, in a site-based risk assessment, which means that the scenarios have been applied taking into account the geographical location and local climate conditions of each site. The scenarios have been selected in order to cover the most relevant and probable climate-related risks and uncertainties for Holmen's operations. Using both the IPCC's global scenarios and SMHI's national climate change scenarios (RCP 2.6, 4.5, 6 and 8.5) ensures that the analysis covers a broad spectrum of potential future climate change outcomes, from scenarios with

a rapid reduction in emissions to more unfavourable development. Including several RCP scenarios means that Holmen can assess both lower and higher risk levels, providing a good basis for identifying and managing both gradual changes and more extreme outcomes. The assessment has taken into account likelihood, scale and duration.

The business areas assess the potential financial impact of each identified climate-related risk, measured in millions of SEK per year. Additionally, the business areas identify and prioritise potential activities to reduce the impact of the identified climate-related risks. Climate change adaptation plans are reviewed regularly within each business area. The management of each business area participates in the process and prioritises any activities, taking the costs and risks of the actions and the other needs of the business into account.

## E2 Pollution

Holmen's operations give rise to emissions to air and water. In order to run industrial production, an environmental permit is required for each material site. Among other things, the environmental permits specify permitted emission levels of different substances, as well as noise and production volumes. The total environmental impact of the operations is regulated in the individual permit process under the Swedish Environmental Code, which covers all operations, even in the event of production disruption, and the Industrial Emissions Ordinance, which states that the Best Available Techniques (BAT) must be used in normal operating conditions. The environmental permit process works in a similar way in Sweden and the UK.

Holmen's impact on the environment and human health is established and assessed in a regulated environmental permit process. When an operation applies for an environmental permit, the material site must identify its actual and potential environmental pollution-related impacts. This is done in a statutory process with a specific supervisory authority. In Sweden, this is the responsibility of the County Administrative Board. Where operations are carried out which may have a negative environmental impact, consultation documentation is produced describing at an overarching level how changes in the operations might impact on affected communities and the environment. Information in the consultation documentation forms the basis for a delimitation consultation where authorities concerned and the general public are given an opportunity to voice opinions and ask questions about the operations. Once the consultation is complete, a consultation report is written and the operation applying for a permit is given the opportunity to adapt its application in response to the concerns of the various parties. The next step in the permit process is for the applicant to produce a technical description and an environmental impact assessment. These two documents form the basis of the application for an environmental permit.

When applying for a new environmental permit, the technical description must contain a detailed description of the planned operations or account for how the applicant plans to make changes at the material site. The environmental impact assessment is extensive and requires investigations of the expected impact on air, water and soil, noise impacts, waste management and risk assessments. Biological studies may be required to investigate environmental pollution-related impacts in aquatic areas at the material site, and permit requirements may include demands for follow-up studies. The permit application is then sent to the Land and Environment Court, where the applicant requests the desired conditions for its operations. When the Land and Environment Court considers that the application is complete, the application is circulated to a large number of government agencies, affected municipalities and other stakeholders for consultation. There may be several rounds of consultation in which statements on the application can be made, as the parties may have different views on which conditions should be imposed on the operations. Next there is a negotiation in the Land and Environment Court with all parties present, before a decision is made on the case. The parties involved in the process are also able to appeal against the decision to the Land and Environment Court.

Holmen's material risks of pollution to air, water and soil are linked to political actions and legislation. Production disruptions can cause breaches of the emission conditions set for the material site, which can lead to environmental impacts. Breaches of the conditions may, if they occur repeatedly, lead to the supervisory authority deciding that the environmental permit must be reassessed. Changes in the assessment of what constitutes Best Available Techniques (BAT) under the Industrial Emissions Ordinance can require investments to be made. Under Swedish legislation, Holmen also has potential obligations related to discontinued sites whose operations caused pollution that may need to be remediated.

Neighbouring communities are affected by Holmen's operations and where the community has concerns, there are processes in place for every material site to receive and handle questions. For more information about contact channels, see the section *S3 Affected communities* on page 130.

## E3 Water and marine resources

The topic-specific ESRS standard *E3 Water and marine resources* has not been identified as material following the materiality assessment. Environmental permits stipulate how much water can be used by each material site. Consultations are carried out in line with permit processes.

Holmen uses surface water from lakes and watercourses to transport and wash fibres at the Group's paperboard and paper mills. The water is also used for purposes including cooling and steam production. The same water is often used several times and is treated in several stages before it is returned to the sea. Holmen's total water use amounted to 67 million m<sup>3</sup> in 2025. Of the water used, approximately three per cent of the raw water intake is consumed by vaporisation or captured in products. The amount of water used in production has steadily decreased due to increasingly efficient processes and equipment. Use of groundwater is negligible and no seawater, produced water or water from stressed sources is used at all. What are known as water-rights court rulings stipulate how much water can be used by each material site. The risk of exceedance is judged to be low. New directives, laws and permits could make it more difficult for Holmen to source the water required for production and lead to a need for investment, but they are judged not to have a material financial impact on Holmen. The economic impact of needing to limit production in the event of drought, for example, is estimated to be small. Access to surface water at Holmen's production facilities is good and amounts of precipitation are high as a rule, keeping watercourses topped up all year round. Risks associated with the production's use of water and potential impacts on aquatic environments are described in the sections on pollution and biodiversity.

## E4 Biodiversity

The assessment of the impacts, risks and opportunities regarding biodiversity and ecosystems is based on Holmen's stakeholder dialogue and takes into account affected communities through consultation with Sami reindeer herding associations, for example, to identify risks and adapt forest management actions at an early stage. Holmen also works with other landowners and authorities on actions that improve biodiversity, and engages in dialogue with customers on supply chains, responsible forestry and climate matters related to biodiversity. The whole value chain has been surveyed systematically to identify the impact, risks, opportunities and dependencies associated with biodiversity. The assessment covers physical risks, transition risks and systemic risks related to biodiversity and ecosystems. The work on biodiversity is carried out in line with relevant legislation. Holmen works continuously to monitor proposed new legislation and ordinances in order to identify, assess and manage potential risks linked to biodiversity. At the same time, identifying and developing opportunities is integrated in the Group's strategy work.

Holmen operates adjacent to biodiversity-sensitive areas, which have been identified as Natura 2000 areas and constitute nature with special protection and conservation values from an EU perspective. Areas adjoining biodiversity-sensitive areas are delimited to a distance of 10 kilometres. On Holmen's land, most of the protected areas are watercourses that are protected during forestry operations. For particularly biodiversity-sensitive areas, Holmen has identified areas of high conservation value. Five areas are of national interest with a high density of red-listed threatened species and six have large concentrations of key habitats, mainly set aside to develop freely. In addition, there are mountain coniferous forests with long continuity, high conservation value and strong cultural-historical links. Holmen's land also contains extensive water protection areas and areas with concentrations of threatened, rare and protected species.

The assessment further takes into account how changes in ecosystems can affect ecosystem services linked to biodiversity, such as natural regeneration and pollination. Several of the actions relating to environmental considerations in managed forests, management conservation and voluntary set-asides also protect the ecosystem services in the forest landscape. The forest roads that Holmen builds and maintains also facilitate access to other ecosystem services, such as recreation, outdoor pursuits, hunting and berry picking.

The Biodiversity Intactness Index developed by independent researchers at the UK's Natural History Museum is based on the world's largest database of changes in ecological communities in response to human pressures and is used to track biodiversity in different regions. Sweden's Biodiversity Intactness Index is at just over 95 per cent, which can be compared with the global average of 77 per cent and the threshold value of 90 per cent, that biodiversity should not fall below. The index shows that conditions for biodiversity in Sweden are good and have improved in the past 50 years.

Forestry's impact and dependence on viable ecosystems is established largely through ecological landscape planning and nature conservation assessments.

When working on ecological landscape planning, Holmen's forest holdings are divided into what are termed natural geographic regions, known in planning as landscapes. A strategic plan is prepared for each landscape, based on an analysis and survey of forest types, lacking biotopes, existing species and forests with high conservation value. The plan describes the most important conservation values in the landscape, identified high-value landscapes, other geographical focus areas and current shortcomings from an ecological perspectives. Based on this, a strategy is prepared for how voluntary set-asides, management conservation and nature conservation are to be prioritised in the landscape in question. The landscape plans are also anchored in the County Administrative Board's designated high-value landscapes, which can be seen as larger ecologically coherent systems with increased opportunities for long-term functional conservation of species and habitats of a prioritised type. The plan is constantly updated, providing a tool for understanding the impact of forestry over time.

Nature conservation assessments supplement landscape planning by providing a detailed picture of the conditions in specific forest areas. Nature conservation assessments identify environments and structures that are important to biodiversity such as old forest and dead wood. The assessment criteria help Holmen to make informed decisions on how the forests are to be managed over the long term in order to protect existing natural assets and create new ones.

The Species Information Centre at the Swedish University of Agricultural Sciences (SLU) gathers knowledge about Sweden's species and nature. The Red List, produced by the Species Information Centre, shows which species risk dying out in Sweden and is one of several data sources underpinning Holmen's assessment of conservation values. For guidance and when prioritising environmental considerations, Holmen uses the forest sector's common objectives for good environmental considerations produced by the Swedish Forest Agency, working jointly with the forest industry, government agencies, researchers and nature conservation organisations. These objectives highlight suitable approaches for taking into account different biotopes that require consideration, as well as watercourses and lakes, and valuable trees and bushes. These environments and substrates are home to many threatened species. When prioritising voluntary set-asides, an assessment is made at stand level, which is a combined assessment of history, physical environment, structures and species.

Holmen's Knowledge Forests promote research on the dynamics of the ecosystems and the impacts of forestry. These forests are carefully selected based on their unique biological conditions, with the aim of gathering and spreading knowledge about the forest.

Hydro power is regulated by extensive permit processes which determine the impact on biodiversity. Environmental impact assessments are conducted as part of the process to obtain permits and involve investigating the impact of hydro power generation on aquatic ecosystems, including fish migration routes and water quality. Self-inspection programmes describe the process of monitoring watercourses and ecosystems.

Holmen's work to avoid biodiversity loss is carried out in line with relevant EU directives, such as the Birds Directive (2009/147/EC) and the Habitats Directive (92/43/EEC), plus national requirements which ensure that actions taken are compatible with applicable legislation and international standards.

### **E5 Resource use and circular economy**

The framework of Holmen's certified environmental management system requires analysis of important environmental aspects linked to material inflows, resource use and waste management. The analysis seeks to determine which environmental aspects have a significant or long-term impact and to identify the risks and opportunities. Analysis covers the products' lifecycles to assess reuse opportunities, and whether and how the material can be recovered or reworked in production.

#### *Resource inflows*

Holmen's products are largely produced from renewable raw material and by-products are utilised in Holmen's own processes. The forest cycle provides a renewable raw material and the whole harvest is put to good use, guided by the highest possible value added. In the first instance, planks and boards are sawn from the harvested tree. Residual products from the sawmills in the form of wood chips and the narrower parts of the tree, as well as wood from thinning, are used to manufacture paperboard and paper. The remainder comprises branches, tops and bark, which are used to produce bioenergy.

Two of Holmen's mills are integrated with neighbouring sawmills, creating a circular production process. Wood chips from the sawmills are used as raw material in pulp production, bark and wood shavings become biofuel, and surplus heat from the mills is used to dry the wood products in the sawmills.

The paperboard business produces almost all the electricity needed in Holmen's own mills.

Holmen uses non-renewable resources in its production, for example in the form of chemicals and fuel for transport. Chemicals are necessary to give the products their specific characteristics. Continuous work is carried out to monitor chemicals hazardous to the environment and health. Chemical handling is reviewed regularly by an external partner conducting periodic inspections, supervisory visits and audits. Use of chemicals is reported to the supervisory authority annually. Addressing transport to and from material sites by reducing the use of non-renewable resources is a challenge shared with other manufacturing industries.

#### *Resource outflows*

Holmen produces products that can be reused and recycled, contributing to a circular economy and a functioning recycled paper system. Where downgraded material arises in the production process, other potential areas of use are identified. For example, materials that do not meet the quality requirements for the surface layer in paperboard production can instead be used in the middle layer. Additionally, certain downgraded material can be recovered and used as an input in other production flows.

Holmen's material opportunity for resource outflows related to products is linked to political actions and legislation. New legislation and a major focus on environmental issues have created a changing society, and market ambitions to combat climate change are increasing demand for renewable products to replace fossil-based products. Demand for Holmen's products, particularly wood products, may increase as fossil alternatives such as steel and concrete start to bear their climate cost.

#### *Waste*

Chemicals that are classified as hazardous waste after use can pose environmental risks. In production, chemicals are handled in a closed system and reused to reduce resource inputs. After use, chemicals finally become waste, which is managed in accordance with legislation and environmental certification. Waste sent to landfill can also have a potential impact on the environment. By-products and waste that cannot be dealt with in Holmen's own processes are sold to external partners where they gain new life in other industrial applications. For example, sediment fibre becomes a fibre input material for paperboard production and the dewatered sludge from Holmen's mechanical pulp mills is converted into fibre mulch that can be used as a soil conditioner.

### **S4 Consumers and end-users**

The topic-specific ESRS standard *S4 Consumers and end-users* has not been judged to be relevant to the Group, as Holmen's products are not sold directly to end consumers and Holmen's responsibility and possibility to influence are low.

### **G1 Business conduct**

Holmen operates in a global market and sells products to several countries with exposure to political risks, corruption risks and risks in the value chain, for example. Nationally and internationally, customers and partners require Holmen to be a stable and reliable supplier that stands for good business conduct and clear sustainability principles. Deviations from principles and policies could have a negative impact on the Group's reputation and business relationships.

A good reputation as a responsible and trustworthy company is fundamental to Holmen's business. The collaborations that Holmen enters into must be in line with the Group's fundamental values on sound business ethics and follow internal steering documents on business conduct. New legislation may change external requirements governing Holmen's responsibility for the value chain. Changes in laws and regulations may affect conditions for Holmen's operations and lead to increased costs for regulatory compliance.

## **IRO-2 Sustainability matters covered by the company's sustainability statement**

The *Content index* table on pages 106–109 provides an index of the disclosure requirements contained in the sustainability report, including datapoints derived from other EU legislation. The material information presented in the sustainability report has been determined based on significant impacts, risks and opportunities in Holmen's double materiality assessment. After identifying the material topical standards, the materiality of each disclosure requirement and datapoint was assessed. The assessment of material information follows ESRS 1 section 3.2 *Material matters and materiality of information*, Annex E, and available guidance from EFRAG.

## Content index

Disclosure requirement and related datapoint	Page	Reference in			
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<b>General information</b>					
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ESRS 2 BP-2	Disclosures in relation to specific circumstances	98			
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	99			
ESRS 2 GOV-1	Board's gender diversity paragraph 21 (d)	99	X		X
ESRS 2 GOV-1	Percentage of board members who are independent paragraph 21 (e)	99			X
ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	99			
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	99			
ESRS 2 GOV-4	Statement on due diligence	99			
ESRS 2 GOV-4	Statement on due diligence paragraph 30		X		
ESRS 2 GOV-5	Risk management and internal controls over sustainability reporting	99			
ESRS 2 SBM-1	Strategy, business model and value chain	100			
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities paragraph 40 (d)(i)	Not material	X	X	X
ESRS 2 SBM-1	Involvement in activities related to chemical production paragraph 40 (d)(ii)	Not material	X		X
ESRS 2 SBM-1	Involvement in activities related to controversial weapons paragraph 40 (d)(iii)	Not material	X		X
ESRS 2 SBM-1	Involvement in activities related to cultivation and production of tobacco paragraph 40 (d)(iv)	Not material			X
ESRS 2 SBM-2	Interests and views of stakeholders	101			
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	102			
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ESRS E1-1	Transition plan for climate change mitigation	111			
ESRS E1-1	Transition plan to reach climate neutrality by 2050 paragraph 14	111			X
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ESRS E1-4	GHG emission reduction targets paragraph 34	112	X	X	X
ESRS E1-5	Energy consumption and mix	113			
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	113	X		
ESRS E1-5	Energy consumption and mix paragraph 37	113	X		
ESRS E1-5	Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	113	X		
ESRS E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions*	114			
ESRS E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions paragraph 44	114	X	X	X
ESRS E1-6	Gross GHG emissions intensity paragraphs 53 to 55	114	X	X	X
ESRS E1-7	GHG removals and GHG mitigation projects financed through carbon credits	114			
ESRS E1-7	GHG removals and carbon credits paragraph 56	114			X
ESRS E1-8	Internal carbon pricing	Not material			
ESRS E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phasing in			
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Phasing in			X
ESRS E1-9	Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)	Phasing in		X	
ESRS E1-9	Location of significant assets at material physical risk paragraph 66 (c)	Phasing in		X	

Disclosure requirement and related datapoint	Page	Reference in			
		SFDR	Third pillar	Benchmark Regulation	EU Climate Law
<b>Environmental information</b>					
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ESRS E1-9	Degree of exposure of the portfolio to climate-related opportunities paragraph 69	Phasing in			X
ESRS E2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	104			
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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	120	X		
ESRS E2-5	Substances of concern and substances of very high concern	Not material			
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ESRS E4 SBM-3	paragraph 16 (b) Indicator no. 10 table 2 of Annex I	Not material	X		
ESRS E4 SBM-3	paragraph 16 (c) Indicator no. 14 table 2 of Annex I	121	X		
ESRS E4 IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities	104			
ESRS E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	121			
ESRS E4-2	Policies related to biodiversity and ecosystems	122			
ESRS E4-2	Sustainable land/agriculture practices or policies paragraph 24 (b)	Not material	X		
ESRS E4-2	Sustainable oceans/seas practices or policies paragraph 24 (c) Indicator no. 12 table 2 of Annex I	Not material	X		
ESRS E4-2	Policies to address deforestation paragraph 24 (d)	122	X		
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ESRS E4-4	Targets related to biodiversity and ecosystems	123			
ESRS E4-5	Impact metrics related to biodiversity and ecosystems change	123			
ESRS E4-5	If the undertaking has concluded that it directly contributes to the impact drivers of land-use change, freshwater-use change and/or sea-use change, it shall report relevant metrics, paragraph 38	Phasing in			
ESRS E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	Phasing in			
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ESRS E5-5	Non-recycled waste paragraph 37 (d)	125	X		
ESRS E5-5	Hazardous waste and radioactive waste paragraph 39	125	X		
ESRS E5-6	Anticipated financial effects from material resource use and circular economy-related risks and opportunities	Phasing in			
<b>Social information</b>					
ESRS S1 SBM-2	Interests and views of stakeholders	101			
ESRS S1 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	126			
ESRS S1 SBM3	Risk of incidents of forced labour paragraph 14 (f)	126	X		
ESRS S1 SBM3	Risk of incidents of child labour paragraph 14 (g)	Not material	X		
ESRS S1-1	Policies related to own workforce	126			
ESRS S1-1	Human rights policy commitments paragraph 20	126	X		

Disclosure requirement and related datapoint	Page	Reference in			
		SFDR	Third pillar	Benchmark Regulation	EU Climate Law
<b>Social information</b>					
ESRS S1-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation (ILO) Conventions 1 to 8, paragraph 21	126		X	
ESRS S1-1	Processes and measures for preventing trafficking in human beings paragraph 22	Not material	X		
ESRS S1-1	Workplace accident prevention policy or management system paragraph 23	126	X		
ESRS S1-2	Processes for engaging with own workforce and workers' representatives about impacts	126			
ESRS S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	126			
ESRS S1-3	Grievance/complaints handling mechanisms paragraph 32 (c)	127	X		
ESRS S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	127			
ESRS S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	127			
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ESRS S1-7	Characteristics of non-employees in the undertaking's own workforce	Not material			
ESRS S1-8	Collective bargaining coverage and social dialogue	Not material			
ESRS S1-9	Diversity indicators	128			
ESRS S1-10	Adequate wages	Not material			
ESRS S1-11	Social protection	Not material			
ESRS S1-12	Persons with disabilities	Not material			
ESRS S1-13	Training and skills development metrics	128			
ESRS S1-14	Health and safety metrics	128			
ESRS S1-14	Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	128	X		X
ESRS S1-14	Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	128	X		
ESRS S1-15	Work-life balance metrics	Not material			
ESRS S1-16	Remuneration metrics (pay gap and total remuneration)	Not material			
ESRS S1-16	Unadjusted gender pay gap paragraph 97 (a)	Not material	X		X
ESRS S1-16	Excessive CEO pay ratio paragraph 97 (b)	Not material	X		
ESRS S1-17	Incidents, complaints and severe human rights impacts	Not material			
ESRS S1-17	Incidents of discrimination paragraph 103 (a)	Not material	X		
ESRS S1-17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 104 (a)	Not material	X		X
ESRS S2 SBM-2	Interests and views of stakeholders	101			
ESRS S2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	128			
ESRS S2 SBM-3	Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Not material	X		
ESRS S2-1	Policies related to value chain workers	129			
ESRS S2-1	Human rights policy commitments paragraph 17	129	X		
ESRS S2-1	Policies related to value chain workers paragraph 18	129	X		
ESRS S2-1	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19		X		X
ESRS S2-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	129			X
ESRS S2-2	Processes for engaging with value chain workers about impacts	129			
ESRS S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	129			
ESRS S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	129			
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	129	X		
ESRS S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	129			
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ESRS S3-1	Policies related to affected communities	130			

Disclosure requirement and related datapoint	Page	Reference in			
		SFDR	Third pillar	Benchmark Regulation	EU Climate Law
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ESRS S3-1	Human rights policy commitments paragraph 16		X		
ESRS S3-1	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Not material	X	X	
ESRS S3-2	Processes for engaging with affected communities about impacts	130			
ESRS S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	130			
ESRS S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	130			
ESRS S3-4	Human rights issues and incidents paragraph 36	Not material	X		
ESRS S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	130			
ESRS S3 MDR-M	The undertaking shall disclose any metrics that it uses to evaluate performance and effectiveness, in relation to a material impact, risk or opportunity paragraph 75	Phasing in			
ESRS S4	Consumers and end-users	Not material			
<b>Governance information</b>					
ESRS G1 GOV-1	The role of the administrative, management and supervisory bodies	99			
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ESRS G1-1	United Nations Convention against Corruption paragraph 10 (b)	131	X		
ESRS G1-1	Protection of whistle-blowers paragraph 10 (d)	131	X		
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ESRS G1-4	Confirmed incidents of corruption and bribery	132			
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	132	X	X	
ESRS G1-4	Standards of anti-corruption and anti-bribery paragraph 24 (b)	132	X		
ESRS G1-5	Political influence and lobbying activities	132			
ESRS G1-6	Payment practices	Not material			

## Incorporation by reference

Disclosure requirement	Requirement	Section of the report	Page
GOV-1/2	The role of the administrative, management and supervisory bodies	Corporate governance report, section: Board meetings, Nomination committee, Composition of the Board, The Board's activities, Audit committee, Group management, Internal management processes, Internal control of reporting	44–48
GOV-3	Sustainability-related performance in incentive schemes	Note 4 Employees, personnel costs and remuneration of senior management	73–74
GOV-5	Risk management and internal controls over sustainability reporting	Corporate governance report, section: Internal control of reporting	48
ESRS S1-6	Personnel costs	Note 4 Employees, personnel costs and remuneration of senior management	73
ESRS S1-9	Gender distribution at top management level	Note 4 Employees, personnel costs and remuneration of senior management	74

## E1 CLIMATE CHANGE

### Material impacts, risks and opportunities

Description	Impact, risk, opportunity	Time horizon	Where in the value chain	Transition event
<b>Capture and storage of carbon dioxide in the volume of standing timber and products</b>				
Growing forests bind carbon dioxide, which is stored in wood products after harvesting. Holmen's wood-based products can replace fossil-based and carbon-intensive products.	Actual positive impact	Short – Long	Own operations, Downstream	N/A
Requirements to increase the carbon sink from forests would have financial impacts on industry and forestry.	Risk	Short – Long	Own operations	Yes
Carbon credit market could generate revenue in the event of stricter regulation of forestry.	Opportunity	Medium – Long	Own operations	Yes
Demand and price of wood products may increase if the price of carbon emissions increases.	Opportunity	Short – Long	Own operations	Yes
<b>Greenhouse gas emissions in the value chain (in production and transport)</b>				
The majority of GHG emissions are attributable to input goods and transport.	Actual negative impact	Short – Long	Upstream, Own operations, Downstream	N/A
Changing business environment requirements may create a need to address fossil emissions in the value chain (Scope 3), which may involve greater investments/costs.	Risk	Short – Long	Upstream, Own operations, Downstream	Yes
Phasing out of free allocation in EU ETS means lost revenue.	Risk	Short – Long	Own operations	Yes
<b>Production of renewable energy</b>				
Holmen contributes fossil-free energy through hydro and wind power, as well as bioenergy produced using by-products from the forest.	Actual positive impact	Short – Long	Own operations, Downstream	N/A
Increased demand for renewable energy offers good potential to develop wind power on own land. The contribution of fossil-free energy may increase.	Potential positive impact, Opportunity	Medium – Long	Own operations, Downstream	Yes
Holmen's electricity production and development of renewable energy mean that the company is affected by regulations in the energy sector.	Risk	Short – Long	Own operations	Yes
<b>Electricity-intensive paper production</b>				
Production of paper and paperboard consumes significant amounts of electricity. Holmen is therefore affected by regulation in the field of energy.	Actual negative impact, Risk	Short – Long	Own operations	Yes
Holmen contributes to stability of the electricity grid through flexibility in its electricity-intensive production.	Opportunity	Short – Long	Own operations	Yes

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

Overall, Holmen's strategy is judged to be robust and resilient to physical climate-related risks and transition risks in the long term. Holmen's strategy is well positioned to capitalise on the transition to a low-carbon economy, which strengthens competitiveness and is in line with Holmen's goal of increasing climate benefit through renewable products from sustainably managed forests.

#### Capture and storage of carbon dioxide in standing timber and products

Over the years, Holmen has developed long-term, rational management of its land holdings, which has contributed towards a growing volume of standing timber and increased harvests. Growing forests capture and store carbon dioxide. After harvest, the forest raw material continues to create benefit by storing carbon dioxide in products with a long lifetime. In addition, Holmen's products can contribute to a better climate by replacing fossil-based alternatives.

Producing products from forest raw materials, such as wood products, paperboard and paper, reduces the need for fossil materials, and raw materials such as coal, oil and gas are able to remain underground. The forest has a key role to play in the climate transition and demand for forest raw material is expected to increase. Although the forest is a renewable resource and Holmen's large forest holdings give Holmen a strong position in the wood market, the supply of raw material is limited. Forest and land management are strictly regulated both nationally and at EU level. Requirements for increased use of the forest as a carbon sink or requirements to change forestry methods could thus lead to reduced growth and lower harvests.

The property sector is responsible for more than a third of Europe's carbon emissions. It is both expensive and difficult to make the manufacture of the dominant building materials cement and steel sustainable. Wood is a renewable alternative

which, in contrast to cement and steel, is energy-efficient to produce, while also storing carbon in buildings. This means that the market outlook for wood products is good in the long term. Not least, when fossil-intensive construction materials start to have to bear their true climate cost as free allocation of emission allowances is phased out and the EU's Carbon Border Adjustment Mechanism (CBAM) is phased in. On the other hand, greater competition for logs may affect Holmen's opportunities to grow in balance with access to wood raw material.

#### Greenhouse gas emissions in the value chain

The market's ambitions to combat climate change have been integrated into Holmen's strategy for some considerable time, as part of which Holmen has long worked to reduce the fossil emissions of its own operations. Holmen assesses the climate impact of the value chain by annually surveying and monitoring greenhouse gas emissions in Scopes 1, 2 and 3. Emissions from Holmen's own operations, Scope 1, have reduced by 85 per cent since 2005 and are today low as a result of energy efficiency actions and investments in fossil-free technology. The majority of Holmen's emissions occur in Scope 3, mainly in the categories of purchased goods and upstream and downstream transport.

The phasing out of the emission allowance trading system will have a financial effect on Holmen due to lost revenue. Holmen currently receives a free allocation of emission allowances under EU ETS and UK ETS. Approximately 10 per cent of these are used to cover the emissions of Holmen's own operations and the remainder is sold to external parties. In 2026, Holmen will lose its allocation of emission allowances to Iggesund Mill due to a change in the regulations, whereby installations are excluded if more than 95 per cent of their greenhouse gas emissions originate from biomass.

#### Production of renewable energy

There is a great need for more fossil-free electricity and Holmen is contributing by producing renewable energy in the form of hydro power, wind power and bioenergy.

Expanding existing hydro power is not judged to be possible, while future environmental permit applications involve a risk that existing production may be restricted. On the other hand, Holmen has significant potential to build wind power on its own land. The length of the permit processes poses a challenge, as does the fact that wind power construction often comes up against local opposition.

Holmen's electricity production and expansion of renewable energy means that the Group is affected by regulations in the energy sector, which can impact on profitability. Good production planning is therefore required, along with the ability to keep electricity production flexible. Regulation in the energy sector affecting electricity prices can also have an impact on investment decisions regarding wind power development.

#### **Electricity-intensive production**

The electricity used in production at Holmen's material sites is fossil-free and largely comes from self-generated renewable energy production. Adapting electricity-intensive paper production also gives Holmen an opportunity to help stabilise an increasingly weather-dependent electricity system.

Holmen's significant electricity consumption in the production of paper and paperboard means that the Group is affected by regulation in the energy sector. Regulation affecting energy prices and the availability of fossil-free energy can have financial and operational impacts on the business. Good flexibility in electricity-intensive production means Holmen is able to lower its own energy costs.

#### **Climate-related physical risks and transition events**

Holmen has implemented climate adaptation plans for all operations and analysed transition events, see also *IRO-1 The processes to identify and assess material impacts, risks and opportunities* on page 103. Holmen has not conducted a resilience analysis in the specific sense provided by ESRS. Instead, the assessment of the company's resilience to climate change is conducted in the context of the climate adaptation plans.

These plans show that climate change could affect the business, but the impacts of physical risks are not judged to be material. Forestry is the part of the business that has the greatest potential impact. A warmer climate could increase growth in the forests, with longer growth periods, more precipitation and higher carbon dioxide content, aiding photosynthesis. At the same time, changing temperature and precipitation patterns can create favourable conditions for pests such as fungi and insects, with a risk of reducing timber volume and quality. Long periods of drought and high temperatures may limit opportunities to manage the forest as a result of shorter periods with frozen ground or standstills due to high fire risk.

Holmen's mills and sawmills may need to invest in more capacity to handle sudden, large volumes of water. In the event of drought, there is a risk that production at a unit might have to be limited so as not to cause negative impacts on the environment. However, the investments or impacts on production are not judged to be material.

### **E1-1 Transition plan for climate change mitigation**

Holmen's strategy revolves around the global ambition to transition to sustainable use of energy and materials in order to limit global warming in line with the Paris Agreement. The strategy is based on forests delivering the greatest climate benefit when they are actively managed. Holmen has a positive impact on climate change mitigation as Holmen's forest holdings bind large amounts of carbon dioxide through active forest management. In addition, Holmen's renewable products and renewable energy production create opportunities to phase out fossil-based alternatives. Holmen's transition plan is thus an integral part of the Group's strategy, as established by Group management with a view to increasing climate benefit throughout the value chain.

Holmen has already made significant progress in implementing a transition, as the Group recognised early on that low greenhouse gas emissions are a competitive advantage, and has long worked to reduce the negative climate impact of its operations. Back in 2005, a target was set to reduce the use of fossil fuels at the Group's material sites by 90 per cent by 2020. Energy efficiency actions and investments in fossil-free technology have seen fossil emissions from production reduced by 85 per cent since 2005.

The drivers behind phasing out fossil fuel have been a strategic focus on long-term resilience and cost efficiency. The phase-out has also been fuelled by growing demand from customers and investors, who are increasingly requiring climate-neutral production, as well as increased legislation at EU level.

To continue reducing fossil emissions in line with the Paris Agreement, Holmen has set targets for Scopes 1–3 in line with the Science Based Targets initiative (SBTi), based on the ambition level "below 2°C". For a detailed description of the targets, see section *E1-4 Targets related to climate change mitigation and adaptation*. See also the section *E1-3 Actions and resources in relation to climate change policies*

for a description of actions to reduce greenhouse gas (GHG) emissions.

Of Holmen's total fossil emissions, 88 per cent occur in Scope 3, mainly in the categories of purchased goods and upstream and downstream transport. This means that most of Holmen's climate impact occurs outside its own operations, in the supply chain and transport chain.

GHG emissions from transport are judged to be difficult to influence in the short and medium term as they depend on existing infrastructure, long-term logistics solutions and the technical capacity of suppliers. Locked-in emissions from the transport sector pose a challenge to reaching Holmen's target of reducing Scope 3 emissions. To reduce these emissions, Holmen is dependent on technological development increasing the availability of competitive fossil-free fuels and transport. The transport sector needs to switch to electric power, biofuels or other fossil-free alternatives, which in turn requires investments and collaboration throughout the value chain.

No significant resources have been allocated to maintain low emission levels. This is done within the regular budget process of the material site. See section *E1-3 – Actions and resources in relation to climate change policies* for more information.

Regarding purchased goods, such as chemicals, packaging materials and machinery, Holmen engages in active dialogue with suppliers to increase transparency regarding their climate impact. Holmen follows up on suppliers' climate targets and encourages them to set science-based targets in line with the Paris Agreement.

Holmen's operations are not covered by Article 12 of Commission Delegated Regulation (EU) 2020/1818. Operations are therefore not excluded from EU Paris-aligned benchmarks.

### **E1-2 / MDR-P Policies related to climate change mitigation and adaptation**

Holmen's environmental and energy policy states that Holmen's forestry is to be conducted with the aim of achieving high-volume, sustainable production of raw material, so that the growing forest and products make a positive contribution to the climate. The long-term productive capacity of the soil must be safeguarded, aquatic environments protected and historically valuable heritage environments preserved.

Holmen's sawmills, paperboard and paper mills must comply with applicable standards and be certified in order to identify, prioritise and tackle the environmental impact of its operations. Energy is to be recovered and used for internal and external purposes with the aim of minimising environmental impact and reducing the need for purchased energy. Purchased electricity is to come from fossil-free generation. Furthermore, due diligence is to be applied, to ensure that Holmen's raw materials and products are deforestation-free, and that all timber can be traced to its origin.

Holmen is also to contribute to the transition of the energy system by increasing renewable energy production. The climate and system benefit must be protected and the installations must be environmentally adapted in line with the national plan for modern environmental conditions for hydro power.

All material sites and forest operations must prepare a climate adaptation plan. The plan must describe the relevant climate-related risks, their potential impacts on operations and the actions that can be taken. It must also cover proposed actions that seize opportunities. Implementation of the plan must be integrated in the material site's management system and comply with standards laid down.

The President and CEO has overarching responsibility for the issues covered by the environmental and energy policy. This responsibility is delegated in writing in one or more steps. The policy applies to the whole Group and each business area is responsible for ensuring that the rules are reflected in the internal regulations. Work on developing, implementing and monitoring the Group's policies is described in more detail in the *corporate governance report* on pages 44–48.

### **E1-3 / MDR-A Actions and resources in relation to climate change policies**

Each individual material site takes its own environmental responsibility and is responsible for its certified energy and environmental management systems. The management system sets the framework for constant improvement efforts and requires analysis of key environmental aspects. The analysis results in an environmental aspects register which addresses the most important environmental matters. Based on this register, every material site must set up environmental targets, which may require actions to achieve. Actions are seen as part of day-to-day operations, with no end date, and are instead viewed as continuous transition efforts. Financing of the material site's actions is included within the

regular investment process, which means that planned climate-related actions are addressed in the ongoing budget and investment plan. Results of major investments are monitored and reported to the Board. Holmen's capacity to implement climate-related measures is partly dependent on the availability of financial and operational resources, where competitive capital costs are crucial for major investments and actions.

## Climate benefit

Combined with active and sustainable forestry and conserving biodiversity, action is taken to create a growing volume of standing timber with thriving ecosystems and larger harvests. Forest management and nature conservation ensure that seedlings have good conditions for growth. The growing volume of standing timber and sustainable building in wood contribute to a better climate by capturing and storing carbon dioxide. After harvest, new trees that can bind carbon are replanted.

As part of developing Holmen's energy business, Holmen has around 30 wind power projects in different stages of development, from in-depth analysis to managing permit applications. The work is in line with the strategy to create long-term value and at the same time enable the green transition by increasing electrification. In 2024, the decision was taken to build Blisterliden Wind Farm, marking an investment of SEK 1.5 billion. The wind farm was fully commissioned at the end of 2025. The investment will increase Holmen's annual deliveries of renewable energy from water and wind by around 20 per cent to 2.2 TWh. See the *Taxonomy* section on page 116 for information about the capital expenditure plan.

## Reduction of fossil emissions

Holmen realised early on that low GHG emissions are a competitive advantage and has therefore long worked to reduce the negative climate impact of its operations. Back in 2005, a target was set to reduce the use of fossil fuels at the Group's material sites by 90 per cent by 2020. Energy efficiency actions and investments in fossil-free technology have seen fossil emissions from the material sites reduced by 85 per cent since 2005 and the material sites are today almost fossil-free.

Transport is the largest source of fossil emissions in Holmen's value chain, accounting for around 40 per cent of total emissions. To reduce these emissions, Holmen works to choose modes of transport with a low environmental impact, optimise transport flows and implement technologies that reduce fuel consumption. Actions to reduce fossil emissions from transport are part of Holmen's strategy to increase climate benefits and are driven by the need to reduce fossil emissions.

In 2025, Holmen took a further step towards phasing out fossil fuels by commissioning its first electric truck for wood chip transport. The vehicle is part of the national TREE research and innovation project, which aims to facilitate the electrification of heavy transport in the forest industry. The electric truck is estimated to reduce emissions by around 50 tonnes of CO<sub>2</sub>e a year compared to a diesel truck.

As a result of investment in water treatment in Workington, in order to ensure that limit values for discharges to water are met, Holmen has also installed a biogas boiler that produces low-pressure steam to use the biogas generated in the anoxic treatment process, reducing the need to burn fossil natural gas. At optimal production, this means an annual emission saving of around 1 000 tonnes of CO<sub>2</sub>e per year. The investment in installation of the biogas boiler amounted to approximately SEK 3.7 million.

Investments that contributed to savings of fossil carbon emissions in the reporting period are recognised under property, plant and equipment in the consolidated balance sheet. Most of the year's investments are not included in taxonomy-aligned activities.

Upon reaching the emission reduction targets stated under *E1-4 Targets related to climate change mitigation and adaptation*, the total reduction in fossil greenhouse gas emissions is expected to amount to approximately 72 500 tonnes CO<sub>2</sub>e.

## Improving energy efficiency

Holmen works actively to improve the energy efficiency of its operations, and a number of investments were made during the reporting year that, in combination, have reduced energy needs. Actions taken include two new wash presses in the bleaching works, the introduction of a more efficient sootblowing system, and removal and optimisation of water temperature in production. Through these investments, Holmen is expected to achieve a total energy saving of 136 GWh per year.

The activities carried out have been made possible by investments totalling around SEK 32 million and are reported under property, plant and equipment in the consolidated balance sheet. These efforts contribute both to reduced energy consumption and to more stable and resource-efficient operations, strengthening Holmen's long-term efforts to reduce climate impact and optimise the use of energy throughout the business.

## E1-4 / MDR-T Targets related to climate change mitigation and adaptation

Holmen's target is that climate benefit is to increase by growing the business. This means that Holmen will contribute to a better climate through higher growth and harvesting of forests and higher sales of renewable products that store carbon dioxide and replace fossil-based alternatives. Deliveries of renewable energy will increase by complementing our existing hydro power with wind power on our own land. Additionally, fossil emissions in Holmen's value chain are to be reduced. Climate benefit describes Holmen's total climate impact and is calculated based on ISO 13391. The targets cover all the Group's operations and significant parts of Holmen's value chain. This target is relative, not quantitative. The following key activities have been identified to achieve Holmen's goal of increasing climate benefit through a growing business:

- Increased growth and harvest in Holmen's own forests through growth promotion actions.
- Increased production and refining of wood raw material into wood products for sustainable building.
- Increased production of renewable energy by developing wind power on Holmen's own land.
- Resource- and energy-efficiency improvements within the framework of environmental permits and management systems.
- Reduced emissions in Holmen's value chain.

To continue reducing fossil emissions in line with the Paris Agreement, Holmen has set targets for Scopes 1–3 in line with the Science Based Targets initiative (SBTi), based on the ambition level "below 2°C". Validation of the targets by SBTi ensures that the targets are consistent with the GHG inventory boundaries. Comparison is with the base year of 2019. The targets mean that Holmen will:

- Reduce CO<sub>2</sub>e emissions from production per tonne of pulp and paper by 15 per cent by 2030 (Scope 1 and market-based Scope 2).
- Reduce CO<sub>2</sub>e emissions from transport per tonne kilometre by 22 per cent by 2030 (Scope 3).
- Reduce CO<sub>2</sub>e emissions from forest machinery per tonne wood raw material by 22 per cent by 2030 (Scope 3).
- Suppliers accounting for 35 per cent of emissions from purchased goods and services are to have climate targets in line with Science Based Targets by 2025.

The target for reduced emissions from production refers to all emissions in Scope 1 and market-based emissions in Scope 2. The delimitation does not differ from reported emissions under *E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions*.

If the targets are met in 2030, the total absolute reduction in fossil emissions will amount to 72 500 tonnes CO<sub>2</sub>e, of which 13 600 tonnes CO<sub>2</sub>e from Scope 1 and approximately 58 900 tonnes CO<sub>2</sub>e from Scope 3. No reduction will have occurred in market-based emissions in Scope 2 as these emissions are already so low. The calculation of absolute values is based on production volumes and transport from the base year and assumes that these remain unchanged.

Holmen's climate-related targets have mainly been set internally within the Group, starting out from the Group's overarching strategy to increase climate benefit and reduce emissions. Group management have been involved in the target setting process together with relevant business areas and support functions. The target applies science-based methods and has been endorsed by the Science Based Targets initiative (SBTi). Although external stakeholders have not been directly involved in setting the targets, Holmen has taken into account the expectations of customers, investors, industry organisations and regulatory requirements.

Drivers identified for reducing fossil emissions are mainly fuel switching, where fossil fuels are gradually replaced by renewable alternatives, and the transport sector switching to electric power, biofuels or other fossil-free solutions. This transition requires significant investment in vehicles, infrastructure and technology, and close collaboration throughout the value chain. Energy efficiency is also an important driver; emissions can be further reduced by optimising processes and reducing energy consumption. Holmen has not assumed a low-emissions scenario when identifying drivers.

## Outcomes Climate benefit

Storage in the forest has reduced as the net uptake of carbon is lower than in previous years. This is partly due to a lower sink, i.e. lower growth and thus less new storage, and partly due to a higher source in the form of greater natural removals, such as larger amounts of dead wood, damage or other losses that reduce the net balance. Overall, this means that the forest's climate contribution in the form of carbon uptake will be lower than in previous years.

Climate benefit, million tonnes CO <sub>2</sub> e <sup>1)</sup>	2025	2024
Storage in Holmen's forests	-1.86	-2.13
Storage in wood and fibre products	-0.40	-0.44
Wood and fibre products that potentially avoid fossil emissions	-4.36	-4.44
Renewable electricity production that potentially avoids fossil emissions	-1.09	-1.24
Bioenergy production that potentially avoids fossil emissions	-0.88	-0.84
Holmen's fossil emissions in Scopes 1–3	0.72	0.77

1) See page 116 for accounting policies.

### Outcomes energy production

During the reporting period, Holmen produced less electricity from wind power, as low prices were not covering the costs. Hydro power produced slightly more electricity compared with the previous year and Blisterliden Wind Farm produced electricity in connection with its start-up in the fourth quarter of 2025.

Deliveries, MWh	2025	2024
Hydro and wind power	1 634 113	1 728 217

### Outcomes emission reduction targets

Since the base year 2019, Holmen has gradually reduced fossil emissions within Scope 1 and 2. Through reduced use of fossil gas and lower carbon intensity of purchased electricity, Holmen has, since 2022, remained below the targeted emission level for 2030. In 2025, the trend deviates due to the fire that occurred in Braviken in December 2024, which temporarily increased emissions. The fire resulted in the solid-fuel boiler normally used in production being taken out of operation for repairs and replaced with an oil-fired boiler. This has led to a 42 per cent increase in carbon dioxide emissions in Scope 1 compared with a normal year. Holmen's increased greenhouse gas emissions in Scope 1 are therefore attributable to temporary operating conditions and not to structural changes in the business or any deviation from Holmen's strategy to enhance climate benefits and reduce fossil emissions throughout the value chain.

Good progress has been made on buying in from suppliers with climate targets and the target for 2025 has thus been met. However, emissions from transport and forest machinery have not reduced compared to the base year. The abolition of the reduction obligation in Sweden, which governs the inclusion of biofuels, has had a negative impact. Additionally, emissions from forest machinery have been affected by the fact that more work is being carried out in difficult terrain, which requires heavier machinery with higher fuel consumption to ensure safe and efficient harvesting and timber transport.

In 2024, Holmen updated the calculation method for market-based greenhouse gas emissions. To ensure consistency, the base year for the emission targets has been recalculated in 2025, which has some impact on meeting targets.

Outcomes emission reduction targets <sup>1)</sup>	Base year 2019	2025	Targets 2030
Emissions per tonne of pulp and paper, kg CO <sub>2</sub> e/tonne pulp & paper	57	1%	-15%
Emissions from transport, g CO <sub>2</sub> e/tonne km	23.6	10%	-22%
Emissions from forest machinery, kg CO <sub>2</sub> e/tonne wood raw material	3.5	68%	-22%
Proportion of emissions from suppliers with climate targets <sup>2)</sup>	N/A <sup>3)</sup>	42%	35%

1) See page 116 for accounting policies.

2) The target for the proportion of emissions from suppliers with climate targets ran to 2025 and is thus considered to have been met.

3) A baseline value is not relevant for Holmen's Scope 3 supplier targets as SBTi's supplier targets are not based on emission reductions, but on a certain percentage of suppliers having science-based climate targets. Therefore, unlike absolute or intensity-based emission targets, there is no quantitative baseline value.

## E1-5 Energy consumption and mix

Much of the energy consumed comes from Holmen's own value chain. Holmen uses large amounts of energy and the vast majority of the energy purchased and

acquired is fossil-free. Only 5 per cent is fossil based, mainly from use of oil and diesel, while 95 per cent comes from fossil-free sources. Holmen does not use coal or coal products as fuel. During the reporting period, Holmen purchased or acquired 7 326 (7 600) GWh of energy in total. Paperboard production produces the majority of the energy needed in Holmen's own mills. Manufacturing thermo-mechanical pulp at Holmen's two paper mills is electricity intensive and the majority of the electrical energy used is bought in. During the reporting period, total electricity purchased or acquired amounted to 3 160 (3 200) GWh. Holmen buys just under 200 GWh a year from a wind farm on Holmen's land at a price that is fixed until 2032.

Fuel consumption, MWh	2025	2024
Fuel from coal and coal products	-	-
Fuel from crude oil and petroleum products	277 989	160 180
Fuel from fossil gas	51 650	38 139
Fuel from other fossil sources <sup>1)</sup>	1 122	942
Fuel from renewable energy sources <sup>2)</sup>	3 835 454	4 259 113
<b>Total fuel consumption</b>	<b>4 166 215</b>	<b>4 458 374</b>

### Purchased electricity and heat, MWh

Electricity from fossil sources <sup>3)</sup>	-	-
Electricity from renewable sources	1 106 812	1 219 838
Electricity from nuclear power	2 048 458	1 954 453
Heat from renewable sources	4 161	4 776
Heat from fossil sources	131	90
<b>Total consumption of purchased electricity and heat</b>	<b>3 159 562</b>	<b>3 179 157</b>

### Total energy consumption, MWh

Fossil energy purchased or acquired	330 892	199 351
Renewable energy purchased or acquired <sup>4)</sup>	4 946 427	5 483 727
Nuclear power purchased or acquired	2 048 458	1 954 453
<b>Total energy consumption</b>	<b>7 325 777</b>	<b>7 637 531</b>

### Proportion of energy and energy mix, %

Fossil sources	5	3
Renewable sources	68	72
Nuclear energy	28	26

### Energy intensity, MWh per SEK<sup>5)</sup>

Energy intensity	307	308
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1) Includes fuel acquired from fossil sources to produce self-generated back pressure electricity.

2) Includes fuel acquired from renewable sources to produce self-generated back pressure electricity.

3) Holmen does not purchase steam or cooling from fossil sources.

4) Of total self-generated electricity, Holmen uses 443 GWh. To ensure that all electricity consumed is fossil-free, Holmen has cancelled guarantees of origin corresponding to its own electricity consumption.

5) Holmen's total operations are classified as high climate impact sectors in line with the NACE codes laid down in the EU regulatory framework and prescribed by ESRS (Forestry A02, Sawmills C16, Paperboard mills C17, Paper mills C17, Wind and hydro power D35). The energy intensity is calculated based on IFRS 15 income presented in the income statement (net sales and other operating income), adjusting for items within other operating income not covered by IFRS 15. For more information, see the Taxonomy section on page 116.

### Externally supplied energy

Holmen produces bioenergy in the form of solid biofuels, mainly comprising wood shavings, bark and branches and tree tops. In 2025, Holmen delivered a total of 2 225 (2 311) GWh of solid biofuels. In addition, the mill in Workington contributed 116 (144 GWh) of surplus electricity to the grid. Holmen also supplied 148 (138) GWh of tall oil and 27 (29) GWh of district heating to neighbouring communities, which strengthens the local energy supply and helps to reduce the use of fossil fuels.

Hydro power provides a secure energy supply and contributes major benefit to society in the transition towards more renewable energy sources, as hydro power production can be controlled by adjusting the water level in the reservoirs. The establishment of large-scale wind power provides a logical complement to controllable hydro power.

The table refers to delivered energy. District heating refers to supplied heat

energy from Hallsta Paper Mill and Iggesund Mill. Externally supplied electricity refers to electricity supplied by Workington Mill.

Energy sold, MWh <sup>1)</sup>	2025	2024
Hydro and wind power	1 634 113	1 728 217
Solid biofuels	2 225 167	2 311 161
Tall oil	148 290	138 140
District heating	27 216	28 879
Externally supplied energy from mills <sup>2)</sup>	115 864	143 836

1) Of the self-generated electricity sold by Holmen, 629 MWh is fossil based. See page 115 for accounting policies.

2) The reduction is due to a maintenance shutdown during the reporting period.

## E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Scope 1 emissions increased from 61 000 to 87 000 tonnes of CO<sub>2</sub>e in 2025. The main reason for the increase is the operation of the oil boiler in Braviken, which was used as a temporary solution during the year while the solid fuel boiler was being renovated. The solid fuel boiler has been back in operation since the end of 2025. Thus the increase in emissions is mainly associated with temporary operating conditions rather than structural changes in the business or deviation from Holmen's strategy to increase climate benefits and reduce fossil emissions in the value chain.

In 2025, the method for calculating emissions in Scope 3 Category 1 Purchased goods and services has been updated to provide a more comprehensive and transparent picture of Holmen's indirect emissions. In addition, an estimate of emissions from transport to and from Holmen's material sites has been added in cases where they are not included in the supplier's reported climate data. The data for previous years has not been recalculated. The adjustment of the calculation contributes to an increase in emissions in this category.

The method for calculating Scope 3, Category 2 has also been updated during the reporting year. This has led to a recalculation of the base year and the previous year's reported values. The increase in emissions is mainly due to investments linked to wind power expansion. Read more about the calculation method under Accounting policies on page 115.

In the event of major changes in circumstances, e.g. acquisitions, disposal or changed operations, or where significant events take place, this is commented on in the report.

## E1-7 GHG removals and GHG mitigation projects financed through carbon credits

Holmen does not finance any external carbon capture or storage projects and does not use any carbon credits. All GHG uptake and storage occurs in Holmen's own operations and is a result of the natural growth in Holmen's forests and the carbon storage that takes place in wood and fibre products. Holmen has thus not initiated or financed any designed uptake project; instead, uptake and storage are an effect of the forest's normal growth process as part of long-term and

GHG emissions, thousand tonnes CO <sub>2</sub> e	Retrospective				Milestones and target years			
	Base year 2019	2024	2025	2024/2025, %	2025	2030	2050	Annual % target / base year
<b>Scope 1</b>								
Gross Scope 1 GHG emissions <sup>1)</sup>	90	61	87	42	-	-	-	-
Proportion of Scope 1 GHG emissions from regulated emission trading schemes (%)	-	57	72	27	-	-	-	-
<b>Scope 2</b>								
Gross location-based GHG emissions	42	20	23	17	-	-	-	-
Gross market-based GHG emissions	0.53	0.46	0.48	4	-	-	-	-
<b>Significant Scope 3 GHG emissions</b>								
Total gross indirect (Scope 3) GHG emissions	437	594	635	7	-	-	-	-
1) Purchased goods and services	101	227	262	15	-	-	-	-
2) Capital goods	19	36	44	22	-	-	-	-
3) Fuel and energy-related activities (not included in Scope 1 or Scope 2)	76	58	56	-4	-	-	-	-
4) Upstream transportation and distribution	57	72	67	-7	-	-	-	-
5) Waste generated in operations	-	-	-	-	-	-	-	-
6) Business travelling	1	1	1	0	-	-	-	-
7) Employee commuting	3	3	3	0	-	-	-	-
8) Upstream leased assets	-	-	-	-	-	-	-	-
9) Downstream transportation	180	197	189	-4	-	-	-	-
10) Processing of sold products	-	-	-	-	-	-	-	-
11) Use of sold products	-	-	12	-	-	-	-	-
12) End-of-life treatment of sold products	-	-	-	-	-	-	-	-
13) Downstream leased assets	-	-	-	-	-	-	-	-
14) Franchises	-	-	-	-	-	-	-	-
15) Investments	-	-	-	-	-	-	-	-
<b>Total GHG emissions</b>								
Location-based	569	675	745	10	-	-	-	-
Market-based	527	655	722	-6	-	455 <sup>2)</sup>	-	-1.4%
<b>GHG intensity<sup>3)</sup></b>								
Location-based, tonnes CO <sub>2</sub> e per SEKm	-	27.3	31.3	15	-	-	-	-
Market-based, tonnes CO <sub>2</sub> e per SEKm	-	26.5	30.3	-2	-	-	-	-

1) Emissions of methane and nitrous oxide at installations amount to 10 ktonnes CO<sub>2</sub>e in the reporting period.

2) The calculation of absolute values is based on production volumes and transport from the base year and assumes that these remain unchanged.

3) GHG intensity is calculated based on income according to IFRS 15. For more information, see the Taxonomy section on page 116.

responsible forestry, where growth exceeds extraction and the forest's carbon stock has increased over time.

In 2025, net uptake in Holmen's forests amounted to 1.86 (2.1) million tonnes of CO<sub>2</sub> with an additional 0.4 (0.4) million tonnes of CO<sub>2</sub> stored in products. The calculations for net uptake and storage in wood products follow ISO 13391 and IPCC methodology, including half-lives for wood and fibre products, which ensures that the accounting reflects actual lifecycles and gradual carbon losses. Uptake and storage are classified as a nature-based solution because they rely on natural processes in sustainable forestry. No part of the uptake or storage has been transferred or sold to an external party.

Holmen judges that the risk of shortcomings in the duration of the Group's carbon uptake and storage is low. Uptake takes place in the Group's own forests and storage is in wood and fibre products that are in use. Forest stands are monitored in regular company inventories, which enable monitoring of growth and identification of potential reversal events such as storm damage, fire or disease. For storage in products, the IPCC methodology of assumed half-lives is applied, which takes into account gradual carbon loss over time. This method takes recycling into account. No reversal or leakage events have been identified during the year.

## Accounting policies

### Energy consumption and mix

There are certain limitations when calculating energy consumption and mix. Recovered energy is excluded to avoid double counting, which means that parts of internal energy flows are not included in the reported total. The energy mix is based on data from electricity and heat suppliers, including guarantees of origin, which may affect accuracy as data sources vary in timeliness and method. Data is collected from internal systems and manual records.

### Greenhouse gas emissions '000 tonnes CO<sub>2</sub>e

Holmen's greenhouse gas emissions are calculated for Scopes 1, 2 and 3, in line with the global standard, the Greenhouse Gas Protocol (GHG Protocol). Other than the statutory audit carried out by the company's auditor, there has been no external review of the reported metrics.

#### Method for calculating Scope 1 emissions.

Direct GHG emissions (Scope 1) are calculated based on emissions of carbon dioxide (CO<sub>2</sub>) from incineration of fossil fuel, emissions of methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) and refrigerants (HFCs), and emissions of fossil carbon dioxide in conjunction with preparation and handling of biofuels. The calculations are based on actual consumption of the respective fuel type, with the amount of fuel taken from the installations' operating and purchasing data. All reported greenhouse gas emissions have been converted to carbon dioxide equivalents (CO<sub>2</sub>e) according to the global warming potential (GWP) values provided by the Intergovernmental Panel on Climate Change (IPCC) in its Sixth Assessment Report (AR6).

For Scope 1, emission factors for CO<sub>2</sub> from fossil fuel combustion have been obtained from the Swedish Environmental Protection Agency. Emission factors for methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) are based on IPCC AR6. For refrigerants (HFC), emission data from the respective supplier is used. Biogenic emissions amounted to 1.5 million tonnes of CO<sub>2</sub> in 2025.

Holmen calculates the percentage of Scope 1 GHG emissions covered by regulated emissions trading schemes by comparing the fossil carbon dioxide emissions included in the EU ETS or UK ETS with Holmen's total Scope 1 emissions. The calculation includes emissions from production units regulated by these systems, while the total amount includes all direct emissions from the activities.

#### Method for calculating Scope 2 emissions

Holmen calculates Scope 2 GHG emissions according to the GHG Protocol's market-based and location-based methods and includes all purchased electricity and heat used in its activities. Biogenic carbon dioxide emissions from purchased district heating not accounted for in Scope 2 GHG emissions amounted to 1 573 tonnes in 2025.

Holmen purchases electricity exclusively through supplier-specific electricity contracts. When calculating market-based Scope 2 emissions, 93 per cent of the electricity purchased is covered by contracts where the origin labelling is directly included in the electricity contract. The remaining 7 per cent of purchased electricity is linked to guarantees of origin that are purchased separately from the physical electricity.

Location-based Scope 2 emissions are based on the average emission intensity in the electricity grid where the energy is consumed, independent of the contractual instruments or energy attributes that Holmen has purchased. The calculation uses emission factors from the Association of Issuing Bodies (AIB), which ensures that the emissions data reflects the actual electricity mix in the respective geographical area. The calculation has been done by multiplying energy consumed by the average emission factor from the AIB (7.52 kg CO<sub>2</sub>e/MWh for Sweden and 363.34 kg CO<sub>2</sub>e/MWh for the UK).

#### Method for calculating Scope 3 emissions

Holmen has conducted a screening of indirect GHG emissions (Scope 3) in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The purpose of the screening is to identify the most significant emission categories in the value chain and create a basis for target setting and reporting. To assess materiality, Holmen has applied a threshold of 1 per cent, which means that emissions that are not included in Scope 3 reporting must together not exceed 1 per cent of the total emissions.

The categories of waste generation in operations and end-of-life treatment of sold products are considered not material. Furthermore, the categories of upstream leased assets, downstream leased assets, franchises and investments have been deemed not applicable to Holmen's operations.

The proportion of emissions calculated using primary data obtained from suppliers includes only those cases where supplier-specific emission factors have been used.

At present, Holmen has not calculated biogenic emissions in Scope 3, as reliable data is lacking and estimates are considered to be uncertain. However, biogenic emissions can occur in several parts of the Scope 3 categories, mainly in transport where biofuels are used, and in the production of purchased goods, services and capital goods where biofuels are included in the suppliers' energy use.

3.1 Purchased goods and services includes all materials purchased directly and indirectly during the year, as well as harvesting carried out by contractors. Data is collected from internal systems or provided by external parties.

Emissions for purchased direct and indirect materials are calculated using emission factors based on primary data from suppliers, models developed by IVL Swedish Environmental Research Institute and emission factors based on cost data from the Environmental Protection Agency. For forest management services, emissions are calculated using a model based on the amount of fuel per cubic metre of harvested wood. The models are produced internally using data from own harvesting groups. A standardised emission factor for CO<sub>2</sub> emissions per litre of diesel, taken from the Swedish Environmental Protection Agency, is then applied. The percentage of emissions calculated using primary data obtained from suppliers is 82 per cent. No specific calculation tool was used to calculate the emissions.

3.2 Capital goods refers to the acquisition of property, plant and equipment, such as machinery, buildings and large production equipment. In 2025, Holmen updated the calculation method for emissions from capital goods, switching from the Scope 3 Evaluator Tool, Quantis, to calculating emissions using the average-spend method in line with the GHG Protocol. Emission factors are taken from the Environmental Protection Agency (EPA). This has led to a recalculation of the base year and the previous year's reported value. The increase in emissions is mainly due to investments linked to wind power expansion.

3.3 Fuel and energy-related activities include emissions in the value chain linked to the production of purchased electricity. Data is taken from internal energy consumption systems. Emissions are calculated using emission factors based on Vattenfall's Environmental Product Declarations (EPD). The percentage of emissions calculated using primary data obtained from suppliers is 0 per cent. No specific calculation tool was used to calculate the emissions.

3.4 For upstream transport, emissions are calculated on the basis of transport work, which is defined as tonne-kilometres (amount transported multiplied by distance transported). Next, emission factors are applied per mode of transport, based on data from the Network for Transport Measures (NTM). Data is obtained from internal systems or provided by external parties. The percentage of emissions calculated using primary data obtained from suppliers is 0 per cent. No specific calculation tool was used to calculate the emissions.

3.6 and 3.7 Business travel and employee commuting are calculated based on the results of an internal travel survey conducted in 2019. The survey covered data on mode of transport, length of journey and frequency for business travel and daily commuting. Data is used to estimate the total distance travelled per person and mode of transport, after which emission factors are applied for each mode according to established standards. The percentage of emissions calculated using primary data obtained from suppliers is 0 per cent. No specific calculation tool was used to calculate the emissions.

3.9 Emissions from downstream transport are calculated with the help of an external party, where calculations are based on actual transport flows, distance, transport modes and associated emission factors. The percentage of emissions calculated using primary data obtained from suppliers is 0 per cent.

3.11 Emissions from use of sold products refers to methane and nitrous oxide emissions resulting from the combustion of biofuels sold. The calculation is based on emission factors developed by the Swedish Forest Industries' water and research body SSVL. The percentage of emissions calculated using primary data obtained from suppliers is 0 per cent. No specific calculation tool was used to calculate the emissions. Because category 11 was not added until 2025, there is no reported data for 2024.

## Climate benefit, million tonnes CO<sub>2</sub>e

Calculations of climate benefit follow the global standard ISO 13391, which is a framework for value chain calculations for wood and wood-based products.

Carbon storage in Holmen's forests is based on growth of the volume of standing timber in line with harvesting calculations. Net storage in land is calculated in line with Sweden's official climate reporting to the UN, conducted by the Environmental Protection Agency using the IPCC's methodology, which is based on an inventory of 30 000 test areas over a 5-year cycle. Net storage in wood and fibre products is based on the IPCC's methodology. According to the IPCC, fibre products have a half-life of 2 years and wood products 30 years. The methodology takes into account the fact that a certain amount of old wood and fibre products rotted or was incinerated during the year and thus stopped binding carbon dioxide.

The calculation factor for potentially avoided emissions from wood and fibre products is taken from Skogforsk's database of calculation factors. This value is an estimate of the potentially prevented/avoided GHG emissions that could arise from placing wood-based products on the market and replacing emissions from alternative products. It does not refer to a measured change in GHG emissions in the atmosphere. The market dynamics resulting from the introduction of wood-based products on the market are not assessed within calculations based on ISO 13391-3.

Bioenergy from branches and treetops and by-products from Holmen's operations replace other, fossil, fuels. The calculation factor is based on data in the Renewable Energy Directive. Calculation of renewable electricity production

from wind and hydro power that replaces fossil energy is not included in the climate benefit calculation model in line with ISO 13391. Therefore, a separate calculation has been made, in which hydro and wind power are assumed to substitute for coal and gas power via electricity exports to Europe. The substitution factor for wind power is based on data from the wind power climate benefit network, Nätverket Vindkraftens klimatnytta, and the calculation factor for hydro power is based on data from the Association of Issuing Bodies (AIB).

## Outcomes emission reduction targets

Holmen has followed the Science Based Targets initiative's (SBTi) methodology and guidance to ensure that the baseline value is representative. This means that the baseline is set on the basis of a year with a normal level of activity and no abnormal external factors that could affect energy use or emissions, such as extreme weather conditions or temporary production shutdowns.

Emissions per tonne of paper and pulp are calculated by dividing the total amount of GHG emissions in Scopes 1 and 2 (market-based) by the total amount of paperboard, paper and pulp produced. The transport target includes emissions from the following categories in Scope 3: Fuel and energy-related activities, Upstream transport and distribution, and Downstream transportation and distribution. Transport-related emissions are calculated based on transport work by mode, expressed in tonne-kilometres, multiplied by emission factors and energy content for each transport mode and fuel type. The proportion of emissions from suppliers with climate targets is calculated based on the amount of purchased goods that come from suppliers with climate targets. Data is primarily based on contact with suppliers.

# TAXONOMY

The EU Taxonomy Regulation provides guidance to financial operators on the identification of economic activities that significantly contribute to the EU complying with its environmental objectives and green growth strategy.

Companies must report the proportion of KPIs (turnover, capital expenditure and operating expenditure) for activities covered by the Taxonomy Regulation (taxonomy-eligible activities), and the proportion that meets the requirements to be considered sustainable (taxonomy-aligned activities). Each activity is tested against the technical criteria in the regulation to determine the extent to which it makes a substantial contribution to the environmental targets and does no significant harm. Sustainable activities must also comply with minimum social safeguards. In addition, fundamental human rights must be respected and good business practices followed.

For the 2025 financial year, Holmen has chosen to apply the new delegated acts adopted during the year.

The economic activities identified as taxonomy-eligible relate to the harvesting of own forests and the production of electricity from wind, hydro and bioenergy. All the activities have been judged to contribute to environmental objective 1, Climate change mitigation. For 2025, no activities have been identified as enabling activities or transitional activities.

The key figures have been calculated in accordance with the definitions in the Taxonomy Disclosures Delegated Act. Taxonomy-aligned activities within Holmen are able to be separately identified in the company's financial reporting, which prevents any double counting of turnover, capital expenditure and operating expenditure.

For the 2025 reporting period, the taxonomy-aligned proportion of turnover remained unchanged at 9 (9) per cent. Lower turnover for electricity production is offset by increased turnover from harvesting own forests. The taxonomy-aligned proportion of capital expenditure increased to 58 (34) per cent, which mainly relates to investments in property, plant and equipment for the construction of Blisterliden Wind Farm. The proportion of operating expenditure increased to 31 (27) per cent, which is due to higher silviculture costs but also higher costs for repairs and maintenance for electricity generation from wind and water.

## Accounting policies

### Denominator

Total turnover as defined in the taxonomy must be defined in accordance with IFRS 15. This corresponds to the Group's turnover as shown in the income statement. The majority of the Group's other operating income presented in Note 3,

which relates to external sales of goods and services, is included in the denominator as defined in the Taxonomy Regulation. Turnover in accordance with IFRS 15 totalled SEK 23 832 (24 759) million. Internal sales from activities covered by the taxonomy are not factored in.

Total capital expenditure relates to investments and acquisitions for the current year in line with Note 9 Forest assets, Note 10 Intangible assets, Note 11 Property, plant and equipment, and Note 12 Right-of-use assets (leases). The total operating expenditure that is applicable to Holmen under the Taxonomy Regulation relates to repairs and maintenance and research and development, which includes personnel costs linked to non-current assets. For the financial year, operating expenditure totalled SEK 1 576 (1 747) million.

### Numerator

Turnover from the harvesting of our own forests above all consists of external sales of logs and pulpwood, but that processed by Holmen's own industrial facilities has been excluded. Capital expenditure includes purchases of forest machinery, the construction of forest roads and acquisitions of forest properties. Capital expenditure, known as c-investments, is included for Holmen's taxonomy-aligned activity. The capital expenditure plan for the construction of Blisterliden Wind Farm was capitalised in the balance sheet as property, plant and equipment during the financial year. The wind farm was commissioned at the end of the year. The final capitalised amount for 2025 is approximately SEK 983 million. No new capital expenditure plans have been adopted. The investment increases Holmen's ability to contribute fossil-free electricity. Activity 6.5 Transport by motorbikes, passenger cars and light commercial vehicles, refers to Holmen's leased cars, and is applicable but not taxonomy-aligned.

Operating expenditure includes the development and maintenance of Holmen's own forests in the form of thinning, road maintenance, cleaning and applying fertiliser.

Turnover derived from electricity production consists primarily of external sales of electricity, support services for the stabilisation of the electricity grid, guarantees of origin and green electricity certificate revenue. Capital expenditure includes upgrades, new installations and acquisitions. Operating expenditure consists of minor renovations and the maintenance of equipment for electricity production, and various forms of development work, such as the designing of new wind farms.

## Evaluation of compliance with criteria

Holmen annually evaluates the technical screening criteria to determine whether the economic activities are considered to significantly contribute to

climate change mitigation and not cause significant harm to any of the other environmental objectives under the Climate Delegated Act.

Holmen's forest management plan, coupled with growth-enhancing actions, positively offsets the emissions its operations give rise to. National legislation ensures the continued use of land for forestry and a reforestation obligation guarantees that the land remains as forest. This fulfils the requirements for a significant contribution to forest management. Forest management is carried out in accordance with the Group's certified management system, which ensures compliance with legislative requirements. Last year, a third-party audit was conducted to ascertain that the technical audit criteria were met. For wind, hydro power and bioenergy, Holmen's significant contribution to the environmental objective is assessed by analysing the effects of each power plant on electricity

production. Not causing significant harm is taken into consideration via the environmental impact assessment for the environmental permit obtained.

Human rights and environmental due diligence processes are integrated into internal policies and steering documents. Holmen's Code of Conduct and Supplier Code of Conduct set out principles for employees and suppliers regarding business conduct, including anti-corruption, tax and healthy competition, human rights and the environment. To supplement the Codes of Conduct, Holmen has internal systems and governance documents such as the HR policy, health and safety policy and business ethics policy, as well as a whistleblower function. A basic principle of Holmen's Code of Conduct and Supplier Code of Conduct is that Holmen does not tolerate any form of human rights violations, corruption or fraud, and that applicable competition law must be followed.

## Financial year 2025

KPI	Total	Proportion of Taxonomy-eligible activities	Taxonomy-aligned activities	Proportion of Taxonomy-aligned activities	Breakdown by environmental objectives of Taxonomy-aligned activities									Taxonomy-aligned activities in previous financial year (2024)	Proportion of Taxonomy-aligned activities in previous financial year (2024)
					Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	SEKm	%	SEKm	%	%	%	%	%	%	%	%	%	%	SEKm	%
Turnover	23 832	9	2 099	9	9	-	-	-	-	-	-	-	-	2 218	9
Capital expenditure	2 219	59	1 303	59	59	-	-	-	-	-	-	-	2	791	34
Operating expenditure	1 576	31	494	31	31	-	-	-	-	-	-	-	-	469	27

## Turnover for 2025

Economic activities	Code	Taxonomy-eligible turnover (proportion of taxonomy-eligible turnover)	Taxonomy-aligned turnover (monetary value of turnover)	Taxonomy-aligned turnover (proportions of taxonomy-aligned turnover)	Environmental objectives of Taxonomy-aligned activities									Proportion of Taxonomy-aligned in Taxonomy-eligible
					Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Enabling activities	Transitional activities		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
		%	SEKm	%	%	%	%	%	%	%	%	%	%	
Harvesting of own forest	CCM 1.3	4	966	4	4	-	-	-	-	-	-	-	100	
Wind power	CCM 4.3	1	115	1	1	-	-	-	-	-	-	-	100	
Hydro power	CCM 4.5	1	302	1	1	-	-	-	-	-	-	-	100	
Bioenergy	CCM 4.8	3	716	3	3	-	-	-	-	-	-	-	100	
<b>Sum of alignment per objective</b>				9	9	-	-	-	-	-	-	-		
<b>Taxonomy-aligned turnover</b>		9	2 099	9	9	-	-	-	-	-	-	-		

Taxonomy-aligned turnover amounts to SEK 2 099 million, most of which is attributable to the Group's turnover and is shown in the income statement on page 60. The taxonomy-aligned turnover from other operating income totals SEK 716 million and relates to bioenergy.

## Capital expenditure 2025

Economic activities	Code	Taxonomy-eligible capital expenditure (proportion of taxonomy-eligible capital expenditure)	Taxonomy-aligned capital expenditure (monetary value of capital expenditure)	Taxonomy-aligned capital expenditure (proportion of taxonomy-aligned capital expenditure)	Environmental objectives of Taxonomy-aligned activities								Proportion of Taxonomy-aligned in Taxonomy-eligible
					Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Enabling activities	Transitional activities	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		%	SEKm	%	%	%	%	%	%	%	%	%	%
Harvesting of own forest	CCM 1.3	11	249	11	11	-	-	-	-	-	-	-	100
Wind power	CCM 4.3	45	989	45	45	-	-	-	-	-	-	-	100
Hydro power	CCM 4.5	2	48	2	2	-	-	-	-	-	-	-	100
Bioenergy	CCM 4.8	1	17	1	1	-	-	-	-	-	-	-	100
<b>Sum of alignment per objective</b>				59	59	-	-	-	-	-	-	-	
<b>Taxonomy-aligned capital expenditure</b>		59	1 303	59	59	-	-	-	-	-	-	-	

Taxonomy-aligned capital expenditure amounts to SEK 1 303 million. For harvesting of own forests, SEK 177 million refers to investments in forest assets, SEK 67 million in property, plant and equipment and SEK 5 million in leases. Wind power includes investments in property, plant and equipment of SEK 989 million, where SEK 983 million refers to the capital expenditure plan for the construction of Blisterliden Wind Farm. Hydro power includes SEK 48 million of investments in property, plant and equipment. Bioenergy includes SEK 17 million of investments in property, plant and equipment. The percentage deriving from acquisitions in the financial year relates to purchases of forest properties to the amount of SEK 8 million.

## Operating expenditure 2025

Economic activities	Code	Taxonomy-eligible operating expenditure (proportion of taxonomy- eligible operating expenditure)	Taxonomy-aligned operating expenditure (monetary value of operating expenditure)	Taxonomy-aligned operating expenditure (proportion of taxonomy- aligned operating expenditure)	Environmental objectives of Taxonomy-aligned activities								Proportion of Taxonomy-aligned in Taxonomy-eligible
					Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Enabling activities	Transitional activities	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		%	SEKm	%	%	%	%	%	%	%	%	%	%
Harvesting of own forest	CCM 1.3	27	421	27	27	-	-	-	-	-	-	-	100
Wind power	CCM 4.3	1	20	1	1	-	-	-	-	-	-	-	100
Hydro power	CCM 4.5	2	31	2	2	-	-	-	-	-	-	-	100
Bioenergy	CCM 4.8	1	22	1	1	-	-	-	-	-	-	-	100
<b>Sum of alignment per objective</b>				31	31	-	-	-	-	-	-	-	
<b>Taxonomy-aligned operating expenditure</b>		31	494	31	31	-	-	-	-	-	-	-	

Taxonomy-aligned operating expenditure amounts to SEK 494 million. Mostly attributable to maintenance and repairs.

## E2 POLLUTION

### Material impacts, risks and opportunities

Description	Impact, risk, opportunity	Time horizon	Where in the value chain	Transition event
<b>Production gives rise to pollution to water and air</b>				
Production gives rise to emissions of pollutants to air and water. Production disruptions can cause exceedances of stipulated emission conditions.	Actual negative impact	Short – Long	Own operations	N/A
Changes in future emission conditions may require investments.	Risk	Short – Long	Own operations	Yes
The Group is committed to the remediation of discontinued material sites due to pollution in soil and water.	Actual negative impact	Short – Long	Own operations	N/A
Potential undertakings related to pollution at discontinued material sites that need to be tackled.	Risk	Short – Long	Own operations	Yes

#### E2-1 / MDR-P Policies related to pollution

The EU's Zero Pollution Action Plan for 2050 seeks to reduce pollution of air, soil and water as well as noise and plastics pollution to levels that are no longer considered harmful to health and natural ecosystems. Holmen contributes to the action plan by not exceeding the permitted emission levels according to the material site's environmental permit and the BAT conclusions.

Holmen's industrial installations are under strict environmental controls. Besides Holmen's environmental and energy policy, risks and pollutants are regulated by acts and ordinances that every material site with environmentally hazardous operations must comply with. A complete list of the acts and ordinances that affect operations must be available at each material site.

Holmen's environmental and energy policy describes how the material site is to follow applicable environmental permits and standards and be certified, with the aim of identifying, prioritising and tackling the environmental impact of its operations. In its operations, Holmen is to work in line with the precautionary principle, such that harm and detriment to human health and the environment are prevented, hindered or mitigated. In the event of process disruptions, the environment takes precedence over production. In ongoing and discontinued operations, the environmental impact must be acceptable to humans and the environment. Investment needs must be taken into account before changes to environmental permits. The policy also states that the use of water, chemicals and other input goods must be resource efficient. Use of fossil fuels must be minimised. Chemicals, fibres and water are recycled to minimise the environmental impact of production. The policy covers the whole Group. The President and CEO has overarching responsibility for the issues covered by the environmental and energy policy and these are delegated in writing in one or more steps.

All Holmen's material sites have certified environmental management systems. The purpose of certification is to aim to constantly improve the environmental situation at the material site. Certification differs from the environmental permit in that the permit seeks to ensure an acceptable level for health and the environment, while the environmental management system seeks to develop the work of the material site on environmental matters. Certification means that environmental work must be part of all processes, from policies and procedures on environmental work to management responsibility and risk analyses. Certification requires internal audits to check that the criteria of the standard are met. An audit is carried out regularly by external experts to check that the material site is complying with the certification.

The table on the next page shows Holmen's material sites which, besides conducting operations that require a permit, also comply with the Industrial Emissions Ordinance and its associated conditions. It is also at these installations that emissions of pollutants to air, water and soil occur. The years in the table on the next page denote the year in which the most recent environmental permit was obtained and when management system certificates were first issued.

Environmentally hazardous process chemicals are used at several of Holmen's material sites. To avoid incidents and emergencies, the Seveso legislation is in place setting out actions to prevent and limit the consequences of serious chemical accidents. The environmental permits for the material sites concerned contain conditions covering the management of such process chemicals. Regular exercises are organised to ensure that operations comply with legislation.

The policy does not specifically address the use of substances of very high concern.

#### E2-2 / MDR-A Actions and resources related to pollution

The environmental management system sets the framework for constant improvement efforts at every material site and requires analysis of key environmental aspects. The analysis results in an environmental aspects register which addresses the most important environmental matters. Based on this register, every material site must set up environmental targets, which may require actions to achieve. During the reporting period, continued actions regarding water treatment have been taken at the industrial installation in Workington. Actions regarding dust treatment at Lingham Sawmill were completed during the reporting period and measurements show that the conditions have been met.

Under Swedish legislation, Holmen also has obligations related to discontinued material sites whose operations have caused pollution that may need to be remediated. In consultation with the environmental authorities (County Administrative Board or municipality), Holmen investigates polluted industrial sites where Holmen previously conducted industrial operations. Remediation may involve future costs, and funds are earmarked for the costs judged to be incurred. In 2025, studies were in progress at different stages regarding the former sawmill in Stocka, the sulphite mills at Strömsbruk, Domsjö, Lodbj and Mariannelund, the paper mill at Silverdalen and the groundwood mill at Bureå. Work to cover the former industrial landfill site in Strömsbruk is proceeding according to plan. Remediation of the former sawmill area in Lännaholm was completed during the reporting period. The case was closed during the year as the authorities are satisfied with the action taken.

Noise levels are measured in accordance with the material site's self-inspection programme and exceedances are reported to the responsible authority. Conditional noise limits were exceeded at two material sites in the reporting period. Actions being taken and planned concern noise barriers, wall insulation, installing hoods on exhausts and speed restrictions and re-routing of truck routes.

#### E2-3 / MDR-T Targets related to pollution

Holmen's targets take into account the broader context of sustainable development via the EU Industrial Emissions Directive. Permitted emission levels place pressure on European companies to reduce pollution as technologies improve. Holmen's overarching objective is for operations to be run within the environmental permits awarded and developed within the management system framework. This ties in with the statement in the environment and energy policy that applicable permits and standards must be complied with. The common environmental objective for Holmen's material sites is to prevent and limit air pollution and emissions to water to levels set in environmental permit conditions and in line with Best Available Techniques (BAT). The binding limit values have specific key figures for each substance. The target covers material sites that comply with the Swedish Industrial Emissions Ordinance and is monitored through the site's self-inspection programme as described under the heading *E2-4 Pollution of air, water and soil*. Based on the analysis every site carries out regarding key environmental aspects in its operations, targets must also be set for prioritised environmental matters. No base year is noted, as the target of operating within the environmental permits granted is constant. There is no statutory requirement to set targets.

## Environmental permits and management system certification

Production facility <sup>1)</sup>	Environmental permits	Environment ISO 14001	Energy ISO 50001	Quality ISO 9001 <sup>2)</sup>	Occupational health and safety ISO 45001
Iggesund Mill	2018	2001	2005	1990	2016
Workington Mill	2022	2003	2015	1990	2005
Hallsta Paper Mill	2000	2001	2005	1993	2012
Braviken Paper Mill	2023	1999	2006	1996	2015
Iggesund Sawmill	2014	1999	2006	1997	2017
Braviken Sawmill	2010	2011	2011	2011	2017
Linghem Sawmill	2025	2023	2023		2020
Bygdsiljum Sawmill	2018	1999	2022		2023
Kroksjön Sawmill	2020	2005	2022		2023

1) Holmen Forest is certified under ISO 14001 and ISO 45001 and forest operations have forest management and chain-of-custody certification. All production facilities at which wood raw material is used have chain-of-custody certification.

2) Work is in progress to include Linghem, Bygdsiljum and Kroksjön in the business area Wood Products' ISO 9001 certificates.

### E2-4 Pollution of air, water and soil

Today the air in Europe is cleaner than it was half a century ago when the EU introduced stricter air quality controls in the form of preventive actions and measures to combat environmental pollution. Access to clean water is vital to human health and well-being. Actions at European, national and local level have helped to reduce pollution from the transport, industry and energy sectors. However, studies of real-time measurements show that air pollution still constitutes a risk to the environment and human health. Air quality in Sweden is good, also at regional level at Holmen's material sites, but pollution to air and water can spread a long way and therefore has not only regional impacts.

In 2006, a European pollutant emissions register was set up to demonstrate progress in reducing emissions and to provide the public with easily accessible information on environmental conditions and environmental trends in Europe. The register enables social, economic and health-related trends to be monitored and analysed in relation to emissions. The threshold for different pollutants is constantly updated to capture at least 90 per cent of emissions of every pollutant from operations with a duty to report. Holmen's operations are covered by this reporting obligation, which means that emissions to air, water and soil that are higher than the threshold for the pollutant must be reported to the register on an annual basis.

The table below shows emissions from Holmen's sites where emissions of different substances are covered by the reporting requirement during the reporting period. Reporting is based on consumption.

Emissions to air, tonnes	2025	2024
Nitrogen oxides	740	816
Nitrous oxide	23	24
Volatile organic compounds, except methane	3 819	3 692
Nickel	0.22	0.24
Zinc	0.24	0.25
Dioxins and furans	0.01	-
Emissions to water, tonnes	2025	2024
Chlorinated organic matter	29	34
Nitrogen	63	132
Phosphorus	15	10
Organic matter, '000 tonnes	15	17
Arsenic	0.01	0.01
Cadmium	0.01	0.01
Copper	0.26	0.24
Nickel	0.20	0.19
Lead	0.20	0.02
Zinc	3.45	4.31

For emissions to water for the substances nitrogen, phosphorus and organic matter, the limit values specified in the permit have been exceeded. This is linked to the water treatment in Workington in the UK. Holmen is continuing to rebuild the water treatment plant in Workington with the aim of stabilising emission

levels and ensuring long-term compliance with the conditional limit values. Of the six pollutants exceeding the threshold values for emissions to air, only nitrogen oxides are directly measured at the installations. Default values from SSVL are used for the other five pollutants.

The environmental permits contain conditions requiring self-inspection programmes at the installations. These describe what is to be measured, at what times and by what method. The self-inspection programme must be approved by the supervisory authority. Where the conditions require daily checks, these analyses are carried out by accredited laboratories at Holmen's material sites. There are also automatic measurement systems that are constantly calibrated, as well as external accredited laboratories used for certain analyses. What all the analyses that are to be conducted under the self-inspection programme have in common is that they are performed in line with internationally adopted standards. Additionally, there are pollutants that require periodic measurement. Finally, there are measurement methods calculated based on public pollution factors, which refer to emissions of metals to air from boiler thermal input.

Complying with conditions laid down in permits thus requires significant efforts in collecting and measuring data. Each material site has processes and procedures for measuring pollutants in line with the self-inspection programme set. Data collected is used for internal and external reporting.

Material sites with a permit to run operations that may have a negative environmental impact are checked regularly by the supervisory authority in the form of inspection visits. At the inspection, any incidents that have occurred which have been reported to the authority are discussed. In cases where incidents lead to non-compliance with permit conditions, the operator may be charged an environmental penalty.

Holmen's operations are covered by the Industrial Emissions Ordinance, which seeks to reduce pollutants by applying the Best Available Techniques, known as BAT conclusions. This applies to all industrial installations in the EU, and in the UK, which has implemented legislation on Best Available Techniques. In Sweden, Best Available Techniques apply in parallel with environmental permits.

BAT conclusions with emission levels, BAT Associated Emission Level (BAT-AEL), refer to emission levels and are stated as a range where the upper level for emissions is binding, unless special derogation has been granted, and the lower level shows emissions of the best installations in Europe. During the year, a total of 21 exceedances of applicable environmental conditions or BAT AELs were identified. These included two events related to noise, one event related to emissions of nitrogen oxides to air and 18 exceedances of emissions to water. All water-related exceedances occurred at the mill in Workington, UK.

For each event, corrective actions have been carried out and overall the exceedances are not considered to have caused a significant negative impact on the local environment or the receiving water. At Workington Mill, work is continuing to ensure that the binding limit values for the water treatment plant can be achieved. There is a continuous dialogue with the supervisory authority.

### E2-6 Anticipated financial effects from material pollution-related risks and opportunities

In 2025, 42 (46) environment-related incidents were reported to the supervisory authorities. All the incidents were addressed through corrective actions within the businesses' environmental management systems. There were no incidents that led to long-term consequences for the environment, production or human health. Environmental incidents that occurred during the reporting period are minor in nature and did not involve significant operational and capital expenditure.

## E4 BIODIVERSITY

### Material impacts, risks and opportunities

Description	Impact, risk, opportunity	Time horizon	Where in the value chain	Transition event
<b>Forestry impacts on the local environment and water</b>				
Forestry affects ecosystems and forest-dwelling species that are dependent on different habitats. Impacts mainly occur in conjunction with harvesting and road construction.	Potential negative impact	Short – Long	Own operations	N/A
New legislation could increase requirements to set land aside for purposes other than forestry, which may pose a business risk.	Risk	Medium – Long	Own operations	Yes
<b>Hydro power generation impacts on the landscape and aquatic environments</b>				
Hydro power production affects water flows, which can disrupt fish and other aquatic organisms. Water regulation can also affect the reproduction and migration of species dependent on free migration routes in watercourses.	Actual negative impact	Short – Long	Own operations	N/A
All hydro power stations in Sweden will have to renew their licences in the next 20 years, which entails costs and may affect production.	Risk	Short – Long	Own operations	Yes

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

##### *Forestry impacts on the local environment and water*

Managing the forest has a potential impact on ecosystems and forest-dwelling species which are dependent on different habitats for their survival. If consideration is not taken, shorter times from regeneration to harvesting, for example, could lead to a risk of fewer old and dead trees, which in turn could have a negative impact on habitats. Therefore, actions are taken both in active forestry and through management conservation in voluntary set-asides. Forestry can also affect the structure of the forest landscape by creating a more fragmented landscape with homogenous forest stands. In some cases, this can mean that species which are dependent on larger, connected and richly varied forests find it more difficult to spread and find suitable habitats. Modern forest management has also reduced natural fires, which affects fire-dependent species. Conservation burning is therefore carried out to benefit species and environments linked to burned wood.

Holmen operates adjacent to biodiversity-sensitive areas, which have been identified as Natura 2000 areas and constitute nature with special protection and conservation values from an EU perspective. Areas adjoining biodiversity-sensitive areas are delimited to a distance of 10 kilometres. On Holmen's land, most of the protected areas are watercourses that are protected during forestry operations. For particularly biodiversity-sensitive areas, Holmen has identified areas of high conservation value. Five areas are of national interest with a high density of red-listed threatened species and six have large concentrations of key habitats, mainly set aside to develop freely. In addition, there are mountain coniferous forests with long continuity, high conservation value and strong cultural-historical links. Holmen's land also contains extensive water protection areas and areas with concentrations of threatened, rare and protected species.

In the designated areas with concentrations of threatened, rare or protected species and concentrations of key habitats, the special values of the area are to be preserved or enhanced. Holmen's impact on biodiversity in these areas is considered low as they largely consist of watercourses, mountain forests and areas with high conservation value that are set aside to develop freely. These areas are often voluntary set-asides or are subject to special consideration, and decisions on actions are taken individually based on management plans. When forestry operations are carried out in areas designated as water protection areas, the requirements governing operations set by the respective municipality, County Administrative Board or Land and Environment Court must be complied with.

##### *Hydro power generation impacts on the landscape and aquatic environments*

Holmen's hydro power production affects water flows, which can disrupt natural habitats for fish and other aquatic organisms. Water regulation can also affect the reproduction and migration of species dependent on free migration routes in watercourses.

Certain environmental measures have been prescribed in the water-rights court rulings granting permits to expand hydro power. These measures may involve stocking fish, ensuring that minimum flows always run through dry channels,

building in routes for fish and banning fishing at certain distances from an installation. Many of the water-rights court rulings are old and environmental considerations have evolved in the time since. Therefore, in 2020, the Swedish Government decided on a national plan for hydro power (NAP), under which all hydro power plants must renew their licences in the next 20 years. The first applications for Holmen's wholly owned hydro power plants are to be submitted in 2027. Upcoming environmental licence processes may affect production and so entail investment costs, but it is uncertain how the authorities will weigh environmental benefits against the costs of action to be taken.

Seven hydro power plants have been identified within 10 kilometres of biodiversity-sensitive areas. The Natura 2000 sites consist of varied, species-rich natural environments, such as mountain slopes and scree. As none of these areas are aquatic, the impact of the hydro power plants is considered to be limited and is managed within each plant's environmental permit.

#### **E4-1** Transition plan and consideration of biodiversity and ecosystems in strategy and business model

##### *Transition plan for forestry*

Holmen owns 1.3 million hectares of land in Sweden, almost 1.2 million hectares of which is forest land. The large land holding is the basis of operations, where at Holmen's own industrial sites, the growing trees are refined into everything from wood for climate-smart building to renewable packaging, magazines and books, while at the same time hydro and wind power are generated on Holmen's own land. Approximately half of the wood needed by its industrial operations comes from Holmen's own forests, while other wood is bought in from private forest owners.

Holmen's business depends on the ability to pursue active forestry, which requires healthy ecosystems and biodiversity. As part of Holmen's business strategy, there is therefore an overall objective to ensure that the conditions are in place for the survival of natural species in the forest landscape. Efforts to promote healthy ecosystems and biodiversity are integrated into forest management through Holmen's nature conservation strategy. The strategy takes on board Swedish and European regulations, the common objectives of the forest industry and the voluntary forest certifications to which Holmen has signed up.

The nature conservation strategy is designed in line with the Swedish nature conservation model, which seeks to balance nature conservation with human activity and economic development. The common objectives of the forest sector are used as a guide so as to prioritise environmental considerations appropriately. The common objectives for good environmental conservation are produced jointly with the Swedish Forest Agency, based on current forest policy and industry knowledge and Sweden's forest and environmental policy objectives.

Consideration is taken at several levels – from ecological landscape planning to consideration of individual stands and trees. Ecological landscape planning and nature conservation assessments are used to identify and protect areas with high conservation value and in the managed forests, conservation is prioritised according to needs and the conditions of each stand. Holmen's nature conservation strategy thus encompasses both identifying and managing areas of high conservation value and incorporating nature conservation into active forestry.

Parts of Holmen's forest area are used for various types of nature conservation purposes. This includes voluntarily set-aside productive forest land, tree-bearing non-productive land, which is protected by law, and expanded environmental considerations in managed forests.

Holmen's business model is judged to be resilient to risks related to biodiversity and ecosystems. The business model is based on a strategy that combines active forestry, nature conservation and environmentally friendly energy production to preserve ecosystems and ecosystem services. A changing climate can affect both ecosystems and growth in Holmen's forests. Longer growing seasons and higher carbon dioxide levels may favour growth, but risks such as storms and droughts may have negative effects. For forestry, the choice of tree species in each specific location can be crucial to how the trees cope with climate stress and other environmental challenges. Political decisions may increase the demands for land to be set aside for biodiversity.

The assessment of the resilience of the business model and strategy of forestry operations is based on several balanced analyses and systematic assessments. This includes ecological landscape planning, local ecological landscape plans with nature conservation assessments in forestry, and risk assessments linked to wood procurement from private forest owners. In the resilience analysis, internal stakeholders contribute their expertise in the various processes. The analysis covers Holmen's forestry operations and takes into account direct and indirect risks to biodiversity and ecosystems, including climate change, legislation and systemic risks. The analysis also covers the downstream value chain, where Holmen offers forestry advice to private forest owners, including nature conservation assessments and recommendations for forest management measures. Climate scenario analyses are used to assess resilience and identify physical climate-related risks in forestry. Holmen has applied the IPCC's forecast of a 2.7°C increase in global temperature by 2050. Accordingly, an average value of the Swedish Meteorological and Hydrological Institute's (SMHI) climate scenarios, defined as Representative Concentration Pathways (RCP) 6, has been taken into account. To finally assess the impact of the climate scenarios, a reference period has been chosen based on the forest rotation period, which is assumed to be 100 years.

The analysis provides Holmen with a clear basis for ensuring a long-term sustainable and resilient strategy. Holmen's forest management programme is robust from a climate perspective for several reasons. Holmen's forests are very old organisms (approximately 500 million years old) and are inherently highly adaptable. Different populations of forest trees are being bred for a changing climate. Holmen adapts its stand locations and cleans and thins relatively early, plus the rotation period is being shortened. The actions taken help to reduce the risk of storm damage. From a biological perspective, the capabilities of both species and entire ecosystems to adapt to change vary. For forestry, this means, for example, that the choice of tree species in each specific location can affect how trees cope with the stresses of climate change.

Based on stakeholder input, the conclusion has been reached that resilience is best achieved through adaptive forest management that is continuously adapted in line with official recommendations and current research on climate change and biodiversity.

### **Transition plan for hydro power production**

Holmen's environmental considerations include renewable hydro power generation, which can also impact biodiversity and therefore requires specific assessment processes and action plans. Political decisions may require that larger amounts of land are earmarked for environmental investments in hydro power. Holmen has not assessed its resilience in this respect for this reporting period, as it is currently unclear what the outcome of the decisions will be.

## **E4-2 / MDR-P Policies related to biodiversity and ecosystems**

Holmen's environmental and energy policy states that Holmen's forests must be managed responsibly in a way that ensures the long-term survival of native plants and animals in the forest landscape. Similarly, the impact of hydro power on biodiversity is to be taken into account. The President and CEO has overarching responsibility for the issues covered by the environmental and energy policy and these are delegated in writing in one or more steps. The environmental and energy policy covers the entire Group and is publicly available on Holmen's website. The environmental and energy policy addresses societal impacts at an overarching level linked to biodiversity. Societal impacts related to biodiversity are also addressed through legislation, permits and certifications.

Forest operations have forestry and chain-of-custody certification. All of Holmen's production facilities at which wood raw material is used have chain-of-custody certification. Hydro power generation is regulated by water-rights court

rulings, which set threshold values for water levels and rivers. Holmen also has several internal guidelines and instructions for environmental considerations in managed forests, voluntary set-asides and management conservation that describe how biodiversity management, monitoring and reporting are carried out.

Due diligence is to ensure that Holmen's raw materials and products are deforestation free, in line with the EU's upcoming Deforestation Regulation (EUDR). Holmen applies third-party chain-of-custody certification covering raw material and products along the value chain. All wood raw material purchased by Holmen is subject to clear requirements on chain of custody and responsible origin. The wood raw material is subject to chain-of-custody rules that allow it to be traced through the value chain and ensure that it does not originate from the controversial sources below. Wood purchasing must also comply with rules and guidelines from the Swedish Forest Agency and the relevant certified management system where applicable. Environmental conservation objectives are observed in harvest contracting in Sweden unless otherwise agreed. The requirements of the Swedish Forestry Act are the minimum level of environmental conservation when buying wood. Before purchases are made from private forest owners in the form of felling rights in Sweden, the conservation value of the area must be assessed. If a site has high conservation value, further information should be obtained before a decision to purchase is made. Holmen does not buy wood from forests that:

- Are key habitats in Sweden according to the Swedish Forest Agency's definition and methodology.
- Are protected for nature conservation reasons.
- Are primary forests, that is to say layered natural forests of differing age with ample presence of old, large trees and ample dead wood in various stages of decomposition.
- Have been harvested illegally.
- Originate from genetically modified trees.
- Grow in areas in which human rights are actively impeded.
- Are High Conservation Value Forests.

## **E4-3 / MDR-A Actions and resources related to biodiversity and ecosystems**

Holmen's work for biodiversity is based on a mitigation hierarchy, which means seeking to avoid negative impacts on biodiversity, ecosystems and ecosystem services. When this is not possible, actions are taken to minimise impact, not least by creating or improving habitats. When actions are planned, the views of local stakeholders are taken into account. Holmen does not currently apply biodiversity compensatory actions. Instead, the focus is on avoiding, minimising and remedying impacts within Holmen's own operations through comprehensive nature conservation work. Holmen spends approximately SEK 200 million annually on forest management. The costs are reported in the income statement in the line Raw materials and consumables. In operations day to day, Holmen works on constant improvement, from seedlings to nature conservation, through research, development and training. No forward-looking key actions with associated major costs have therefore been identified.

Holmen's nature conservation work is founded on four elements: environmental considerations in managed forests, management conservation, voluntary set-asides and actions in hydro power production.

### **Environmental considerations in managed forests**

Several actions are carried out as part of active forestry to preserve and strengthen biodiversity. High stumps and dead wood are saved to provide habitats for wood-living insects and fungi. Buffer zones along watercourses are preserved to protect aquatic species and improve water quality. During harvesting, biotopes that require consideration are also left with trees and bushes intact to protect biodiversity. Large trees, both living and dead, are left as important nesting and feeding sites for birds and insects. These measures also favour natural regeneration and pollination, i.e. ecosystem services that support both biodiversity and forestry.

### **Management conservation**

As a natural part of forestry, Holmen also carries out actions to develop or strengthen nature conservation, for example by conservation burning or removing invasive spruce trees to benefit broadleaves. Conservation burning is carried out to create the fire-affected substrates and environments that have historically shaped our forests, on which many threatened species depend. Holmen also works to restore wetlands and create richly varied forest landscapes. Every year, Holmen carries out management conservation on approximately 400 hectares to improve biodiversity and help create healthy, resilient ecosystems.

### Voluntary set-asides

Holmen works to increase biodiversity and strengthen ecosystems by performing actions in formally protected forest and voluntary set-asides. In formally protected areas, such as nature reserves, natural processes are allowed to run without interference, favouring species that require untouched forests. Management conservation is carried out in those habitats that require it to maintain their conservation value even in formally protected forests.

Holmen has identified more than 9 000 areas that have been voluntarily chosen not to be harvested due to their high conservation value. These voluntary set-asides differ in terms of how they are managed. Some forests are left completely untouched so that natural processes are able to develop freely, while others require regular management to maintain their nature conservation value. The set-aside forests are spread across all of Holmen's forest holdings.

### Actions in hydro power production

When generating hydro power, aquatic ecosystems are to be preserved by adapting water flows and protecting fish migration routes. Hydro power generation complies with strict environmental permits, known as water-rights court rulings, to ensure that impacts on ecosystems are minimised. Environmental impact assessments are carried out to assess the impact on aquatic species, and inspection programmes monitor water quality and ecosystem health.

## E4-4 / MDR-T Targets related to biodiversity and ecosystems

### Targets for forestry

Holmen's target is for the Group's forestry to foster biodiversity. This means that forestry must be conducted in a way that enables naturally occurring species to survive in the forest landscape in the long term. The target covers all forest holdings, which enables implementation, monitoring and evaluation of actions in clearly defined areas.

A number of metrics are monitored to evaluate progress towards the target, see below under the heading *E4-5 Impact metrics related to biodiversity and ecosystems change*. The metrics reflect established relationships between habitats and species in boreal forests, which ensures that monitoring is science-based. Monitoring is based on data from the National Forest Inventory, which is an independent scientific source. Holmen's ambition is for the metrics to develop in a positive direction. That said, no target level or time horizons have been set.

Holmen's biodiversity targets are based on material impacts and risks in Holmen's operations. The selected metrics reflect the impact of operations on biodiversity by showing changes in habitats that may arise due to forestry. Because Holmen is dependent on functioning ecosystems and a resilient forest landscape, the targets focus on protecting and enhancing habitats on Holmen's own land. Impacts outside Holmen's own forests are also addressed in purchasing and production procedures in collaboration with suppliers and customers. Identified risks, including environmental impacts and regulatory constraints, have been taken into account in designing targets and metrics.

Biodiversity targets follow the mitigation hierarchy and seek primarily to avoid and minimise impacts on ecosystems through nature conservation measures in forestry. Where impacts are unavoidable, the targets also include rehabilitation and restoration of habitats. Holmen has not included any thresholds to evaluate the development of the metrics.

The target is in line with the EU Biodiversity Strategy and the Forest Strategy, which emphasise protection, restoration and sustainable forest management. Holmen's work is also consistent with international commitments such as the UN Convention on Biological Diversity and the 2030 Agenda, especially SDG 15 Life on Land, on ecosystems and biodiversity.

### Target for hydro power production

The target for Holmen's hydro power production is to increase the generation of renewable energy on its own land with no negative impact on biodiversity. The boundaries for acceptable impact on affected ecosystems are determined by the environmental permit concerned.

## E4-5 Impact metrics related to biodiversity and ecosystems change

Biodiversity is affected by several factors, making it difficult to evaluate the effects of efforts to create conditions that favour biodiversity. Holmen monitors the development of several habitats important for forest-dwelling species to analyse efforts. Five metrics have been identified to monitor how these habitats change over time in Holmen's forest land:

- Area of old forest
- Area of old forest with specific indications of nature conservation value (SIN)
- Volume of dead wood per hectare
- Volume of large broadleaves per hectare
- Volume of broadleaves per hectare

The indicators represent different types of biotopes and substrates which together provide a broad picture of the conditions for biodiversity on Holmen's land.

The metrics are based on inventory data from the National Forest Inventory at SLU, which publishes data based on regular measurements from a large number of sample areas in Sweden. This ensures independent scrutiny and the scientific quality of monitoring. The biodiversity metrics presented by Holmen are based on estimated data from the National Forest Inventory's sample areas in Holmen's own holdings of productive forest land. The values are based on five-year rolling averages to reduce the risk of uncertainty in the calculations and to obtain a representative reference and current value. This means that the values reported for 2022 contain input data from the years 2020–2024. 1996 is the first year in which the National Forest Inventory was able to report a five-year average, following the revision of the Forestry Act in 1993. Sample areas located on forest land that has been sold by Holmen or was converted into a reserve in 2024 have been excluded from the analysis and in determining the starting level. This means that there are marginal differences from the previous year's reported data, but this does not affect the interpretation of the evolution of the indicators over time.

All the metrics have developed positively over the past thirty years, indicating that Holmen's integrated strategy for nature conservation and general consideration in forestry is effective. The trend is in line with Holmen's ambition to create long-term sustainable habitats for naturally occurring species.

### Biodiversity metrics

Metric	Starting point	Current situation <sup>1)</sup>	Development
Old forest, proportion of productive forest land <sup>2)</sup>	4.6%	6.4%	39%
Old forest with SIN, proportion of productive forest land <sup>3)</sup>	2.1%	3.6%	71%
Dead wood, m <sup>3</sup> growing stock, solid over bark/ha	5.6%	10.5%	87%
Broadleaves, m <sup>3</sup> growing stock, solid over bark/ha	14.6%	16.5%	14%
Large broadleaves (> 35 cm) m <sup>3</sup> growing stock, solid over bark/ha	0.8%	1.3%	74%

1) 2022 is the latest available five-year average from the National Forest Inventory.

2) Old forest is defined as forest over 140 years old in northern Sweden and over 120 years old in southern Sweden.

3) Old forest with specific indications of nature conservation value (SIN) covers high stand age, large trees, dead wood and stratification. The first year with an available five-year average for SIN is 2005, which is why SIN has a different reference value.

## E5 RESOURCE USE AND CIRCULAR ECONOMY

### Material impacts, risks and opportunities

Description	Impact, risk, opportunity	Time horizon	Where in the value chain	Transition event
<b>Production of renewable products</b>				
Products that can be reused and recovered, contributing to a circular economy and a functioning recovered paper system. The market's ambitions to combat climate change are increasing demand for Holmen's renewable products.	Actual positive impact, Opportunity	Short – Long	Own operations	Yes
Holmen's products are largely produced from renewable raw materials. By-products are utilised as raw material in own processes.	Actual positive impact	Short – Long	Own operations	N/A
Holmen uses non-renewable resources in its production, for example in the form of chemicals and fuel for transport.	Actual negative impact	Short – Long	Own operations	N/A
<b>Industrial production generates waste</b>				
A small proportion of the resources used in production results in the generation of hazardous waste and, as such, can pose environmental risks.	Actual negative impact	Short – Long	Own operations	N/A

#### E5-1 / MDR-P Policies related to resource use and circular economy

Holmen's environmental and energy policy covers resource use, chemicals, by-products and waste. The policy states that environmental and energy work is to be characterised by a holistic approach where the Group's forests, processes and products are part of a natural ecocycle. The policy further states that raw materials must be used efficiently, waste must be minimised, by-products must be dealt with and used for different purposes and that constant improvements must be sought.

Holmen's operations are based on fresh fibre raw material from sustainably managed forests, which means that the use of secondary resources is not material to the company's main raw material supply and is therefore not included in the Group's environmental and energy policy.

Forestry is to be conducted with the aim of achieving high-volume, sustainable production of wood raw material, used to manufacture products that contribute towards positive climate benefit. Forests should be managed responsibly in a way that ensures the long-term survival of native plants and animals in the forest landscape. The origin of all wood must be traceable. The policy also states that energy recovery is to be applied and that energy is to be recovered and used for internal and external purposes with the aim of minimising environmental impact and reducing the need for purchased energy.

#### E5-2 / MDR-A Actions and resources in relation to resource use and circular economy

Holmen works with suppliers, customers and industry organisations to develop more resource-efficient material flows and products that promote recovery. Environmental management systems and improved production processes reduce waste and downgrading of upstream materials. Downstream, products with high recyclability and new areas of use for residual materials are developed, reducing waste generation throughout the value chain.

Sawing and drying are optimised at Holmen's sawmills to minimise waste. During the reporting period, several key actions aimed at promoting resource efficiency and the circular economy were completed. Timber sorting and the planing mill at Iggesund Sawmill are up and running and have resulted in increased productivity. At Braviken Paper Mill, key actions have resulted in a new packaging product.

Holmen constantly works according to the waste hierarchy to prevent waste and steer residual materials towards reuse, recycling or energy recovery, so reducing the need for landfill and supporting more circular solutions. Holmen works continuously to identify alternative areas of use for the waste that arises in the production process.

Holmen plans to continue investing in technical solutions and process improvements that strengthen resource efficiency, but has not initiated any specific new actions. Every material site works continuously on potential actions to improve resource efficiency in line with its environmental certification. Such actions are an integral part of the Group's long-term business strategy and are expected to

follow the guidelines set out in Holmen's environmental and energy policy.

Timeframes for specific projects are set within the bounds of annual business planning and are ongoing. The actions help to reduce the environmental impact of production and enable circular solutions for end customers.

#### E5-3 / MDR-T Targets related to resource use and circular economy

Holmen develops the business within the framework of environmental permits and certifications. Environmental impacts of resource use and waste are monitored and measured within the framework of the material site's certified environmental management system. Certification requires internal audits to check compliance with the standard. An audit is carried out regularly by external experts to check compliance with the certification.

The wood products business is to grow through products and solutions for sustainable building, and the paperboard and paper business is to develop by offering recyclable renewable products. The climate benefit that Holmen's products contribute is reported in section E1 *Climate change*, see page 112.

Holmen has no specific measurable targets for resource use and circular economy, and instead manages this work based on the Group's environmental and energy policy. This is because the Group has long worked with an integrated approach where resource efficiency, waste minimisation and circular principles are integrated into everyday processes rather than formulated as stand-alone objectives. Existing instruments, including environmental permit requirements, internal KPIs and continuous environmental monitoring, currently provide sufficient guidance to drive improvements in this area.

The work on resource use and circular economy is linked to recycling in the waste hierarchy. The outcome is measured continuously for the material site's relevant key figures regarding waste, resource use and other environmental factors. The information is used to identify trends, nonconformities and potential negative changes.

#### E5-4 Resource inflows

Holmen mainly uses renewable raw materials in its production, where wood from sustainably managed forests is the largest material resource. A large proportion of the wood raw material comes from the local area around Holmen's Swedish material sites. Harvesting from Holmen's own forests covers about half of the total timber requirement. The remaining amounts are bought in, mainly from private forest owners in Sweden. Only a small proportion is imported. For the paperboard mill in Workington, in the UK, approximately a quarter of the wood comes from state-owned forests while the remainder is bought in from private forest owners. All wood purchasing is subject to chain-of-custody requirements.

The use of chemicals is necessary in the production of paperboard and paper to give products specific characteristics. Chemicals are an input in paperboard production in particular, but are recycled to be used several times, so reducing the

resource inflow of chemicals. Water is mainly used in pulp and paper production and is taken from nearby lakes and rivers. 95 per cent of the energy inflow to Holmen's production facilities consists of fossil-free energy.

Holmen monitors its resource inflows in internal environmental management systems and reports key figures for material, energy and water use on an annual basis. Data is collected both quarterly and annually, and collated centrally. The data is mainly based on invoiced amounts and volumes.

Holmen's production facilities and sawmills hold chain-of-custody certification and all wood raw material comes from sustainably managed forests. Holmen uses recognised certification systems such as FSC and PEFC to ensure that the material comes from a sustainable origin. Double counting is avoided by not reporting internal wood consumption, which refers to roundwood and wood chips from sawmills.

Metrics related to resource inflows	2025	2024
Wood, million m <sup>3</sup> sub <sup>1)</sup>	5.8	6.1
Purchased pulp, '000 tonnes	73	84
Externally purchased seedlings, '000 tonnes	7	20
Chemicals <sup>2)</sup> , '000 tonnes	135	131
Filler <sup>2)</sup> and pigment, '000 tonnes	181	199
Packaging, '000 tonnes	31	15
<b>Total weight of biological material, '000 tonnes</b>	<b>5 319</b>	<b>5 564</b>
<b>Total weight of technical material, '000 tonnes</b>	<b>348</b>	<b>346</b>
<b>Total weight of material, '000 tonnes</b>	<b>5 666</b>	<b>5 910</b>
<b>Total volume water purchased or acquired<sup>3)</sup>, million m<sup>3</sup></b>	<b>67</b>	<b>69</b>
Biological materials of sustainable origin used to manufacture products, '000 tonnes <sup>4)</sup>	5 238	5 460
Secondary reused or recycled materials, '000 tonnes	718	798
Secondary reused or recycled materials, %	13	14

1) The reported figure for 2024 has been corrected with 0.2 million m<sup>3</sup>sub.

2) Chemicals and fillers are stated as dry substance.

3) Total water consumption in 2025 was 1.7 million m<sup>3</sup>.

4) The certification systems FSC®, PEFC and Controlled Wood are used to ensure the material has a sustainable origin.

## E5-5 Resource outflows

### Products and materials

The forest ecocycle produces a renewable raw material which is refined into everything from wood products for sustainable building to paperboard and paper products that Holmen's customers can refine further in their turn. As the lifecycle draws to a close, all Holmen's wood products and paperboard and paper products can be reused or recycled and come back to life in a new form, or be put to use as bioenergy. When recycled, paperboard and paper products made from fresh fibre support a recycled paper system that must constantly receive injections of fresh fibre to function. In this way, Holmen's products based on renewable raw materials contribute to a circular material flow.

Besides the production of wood and fibre-based products, Holmen contributes to a sustainable electricity supply in Sweden through the production of renewable energy from water and wind power. Holmen has 21 wholly or partly owned hydro power plants and three wind farms of its own, with Blisterliden Wind Farm in full operation since the end of 2025. Hydro power is an important energy source for society, especially because it can be regulated to meet variations in the market balance. The development of wind power on Holmen's land is a natural complement to hydro power and creates added value from forest ownership. Holmen's investment in renewable energy enables a growing green industry that is dependent on more fossil-free electricity.

Packaging materials used in the business consist mainly of bio-based packaging and plastic, both of which are recyclable materials. 88 per cent of the total packaging material purchased is judged to be recyclable.

Deliveries	2025	2024
Own forests, '000 m <sup>3</sup> sub	2 694	2 643
Wood products, '000 m <sup>3</sup>	1 295	1 348
Paperboard and paper, '000 tonnes	1 391	1 424
Deliveries of hydro and wind power, GWh	1 634	1 728

### Waste and waste streams

Holmen strives to minimise the amount of waste and recycle as much as possible through reuse, material recovery or energy recovery. Solid waste consists mainly of process waste, packaging, scrap metal and electronic waste, with process waste the largest volume. This process waste includes green liquor sludge, chemical sludge, lime mud and fly ash. A significant share of this waste is recycled as raw material in other industrial processes, for example as construction material, or through energy recovery.

Only a small proportion of the total waste is hazardous waste, which includes oil, paint, grease, solvents and electronics. The hazardous waste is dealt with by authorised recycling companies. Some waste fractions are recycled and others are destroyed under controlled conditions. Holmen has no radioactive waste.

The single largest amount of waste is waste sent for energy and material recovery. Only a small amount goes to landfill or is destroyed. Of the total material flow, only 1 per cent becomes waste sent to landfill or destroyed, while 99 per cent goes for energy and material recovery.

Recovery is procured annually in contracts with commercial recovery companies. The Group works continuously to separate different waste fractions to ensure that they can be recovered and recycled as meaningful materials.

All sites separate waste, and employees and contractors are constantly trained in waste procedures. Holmen also works with external parties to reuse and recover end-of-life electronics such as computers, mobile phones and monitors.

Data on the amount of waste is collected from the waste reporting conducted by the production units in line with the Swedish Environmental Protection Agency's environmental reporting regulations. Waste is measured at weighed weight and data is largely provided by the supplier who deals with the waste.

Waste, '000 tonnes	Hazardous waste		Non-hazardous waste		Total amount of waste generated	
	2025	2024	2025	2024	2025	2024
<b>Derived from waste management</b>	0.9	1.5	75.4	99.4	76.4	100.8
Preparation for reuse	0.03	0.03	23.3	19.5	23.4	19.5
Recycling	0.7	0.9	50.5	60.8	51.2	61.6
Other uses	0.2	0.6	1.6	19.1	1.7	19.6
<b>For disposal</b>	0.2	0.1	0.6	1.9	0.8	2.0
Incineration	0.1	0	0.05	0	0.2	0
Landfill	0.1	0.1	0.6	1.9	0.7	2.0
<b>Total waste</b>	<b>1.1</b>	<b>1.5</b>	<b>76.1</b>	<b>101.3</b>	<b>77.2</b>	<b>102.8</b>
Percentage non-recycled waste	20	4	1	2	1	2

### Accounting policies

Other than the statutory audit carried out by the company's auditor, there has been no external review of the reported metrics.

### Resource outflows

Reported delivery data is based on actual volume produced and is derived from the company's internal systems.

The proportion of recoverable packaging material has been calculated as the sum of bio-based materials and plastics in relation to the total amount of purchased packaging material. The calculation is based on cost data and the data is obtained from internal systems.

### Resource inflows

Timber volume in million m<sup>3</sup>sub is converted to tonnes by adjusting for the average density and moisture content of the wood, producing a standardised estimate of the dry weight of the material.

## S1 OWN WORKFORCE

### Material impacts, risks and opportunities

Description	Impact, risk, opportunity	Time horizon	Where in the value chain
<b>Industrial production involves a risk of accidents</b>			
Work in production and forestry activities carries a risk of injury. Incidents and accidents in the workplace have an impact on human life and health, which can lead to disruption in production and difficulties in attracting new recruits.	Potential negative impact	Short – Long	Own operations
<b>Need for skilled workers</b>			
Holmen operates in an industry that is overwhelmingly male. Diversity is important for running a profitable business.	Risk	Short – Long	Own operations
Recruiting skilled labour to work in certain geographical locations is challenging. There is a structural shortage of many occupational groups, including employees trained in forestry and automation technology. Skilled labour shortages can delay work and disrupt production.	Risk	Short – Long	Own operations

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

##### **Industrial production involves a risk of accidents**

Employees working in production are those who are most at risk of accidents. The main areas of risk involve work with overhead cranes and vehicles with people in movement. Activities are adapted to remove risky elements. Workers who are not employees but who are affected by Holmen's operations are found throughout the business. When these people are working at Holmen's material sites, Holmen is responsible for managing their work and providing a safe work environment for them too. Contractors working on harvesting, silviculture and planting in the forest, ground workers for Holmen's roads, transport workers, contractors working during planned downtime and port personnel at Holmen's ports are all workers in Holmen's value chain.

##### **Need for skilled workers**

Skilled and motivated employees are key to being able to conduct business operations and achieve good profitability. To retain and attract a skilled workforce, it is important for Holmen to work actively on talent management and create stimulating workplaces. Having employees who represent a diversity of insights, experiences and cultures is a crucial prerequisite that can impact on profitability and staff turnover.

#### **S1-1 / MDR-P** Policies related to own workforce

Holmen's ambition is to have zero workplace accidents. Holmen's work environment policy states how work-related injuries and illness are to be prevented. The policy sets out how both preventive and operational work is to be conducted, working with employees and their representatives in all areas, focusing on risks and safe behaviours. Safety equipment must always be in place and there must be procedures for all health and safety activities, describing what is to be done, how it is to be done, when it is to be done and who is to do the work. Accidents, incidents and observed risks must be reported and analysed, and result in corrective actions. Material sites with production must have certified management systems and Holmen is to constantly improve health and safety management systems.

Holmen's HR policy follows the relevant processes on own workforce as set out in the UN's Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The policy states that all employees at Holmen should be able to feel a sense of security, job satisfaction and commitment, and have the same rights, obligations and opportunities irrespective of their status under the statutory protected grounds for discrimination. Holmen is to work for a good relationship with trade unions representing the workforce. Holmen does not have any specific policy commitments relating to people from groups at particular risk of vulnerability in its own workforce.

In line with Holmen's guidelines, each business area is to prepare a long-term talent management plan each year, where recruitment needs are identified based on the development of operations, skills shortages at Holmen and on the labour market, as well as age structure, gender distribution, employee turnover

and other factors involved. The plan is to describe long-term and short-term actions. To this end, each material site must document the active measures taken to combat discrimination and promote equal treatment. Any cases of discrimination arising must be investigated and remedied immediately.

The guidelines on diversity and inclusive culture state that appointments must be based on relevant criteria such as skills, experience and ambition. Holmen must have procedures in place for recruitment and promotion that minimise the risk of discrimination and promote equal treatment. The guidelines also state that cases of victimisation must be investigated, followed up and remedied as soon as possible. The nature of the potential remedy is assessed based on what is considered appropriate.

Both the work environment and HR policies cover all of Holmen's own workforce. Other policies and guidelines affecting Holmen's own workforce and how it is to act are found in Holmen's Code of Conduct for its own workforce, which describes Holmen's approach to responsible business conduct. The environmental and energy policy describes how work is to be carried out in line with the precautionary principle to avoid injury and detriment to human health and the environment. All the policies are available to employees on Holmen's intranet.

Holmen's CEO decides on the adoption of policies and guidelines, but the operational responsibility for implementing each policy rests with the responsible owner within Group management.

#### **S1-2** Processes for engaging with own workforce and workers' representatives about impacts

Systematic health and safety work is carried out together with employees and their representatives in all areas, focusing on risks and safe behaviours. Holmen's Work Environment Network meets quarterly to initiate activities, plan actions to prevent accidents and draw up indicators based on identified risks. Risk areas are followed up and reported to Group management. Accidents are to be investigated on the day they occur. Reported incidents are followed up at team meetings and local health and safety meetings. All identified risks are tackled within the framework of each business area's management system.

Holmen advocates engagement and the opportunity to exert influence. Therefore, employees are encouraged to engage in dialogue with their line manager where necessary. There is also an opportunity to consult an immediate superior, HR or a trade union representative at the workplace. Managers must hold an appraisal talk at least once a year.

Heads of the business areas and the HR Director are jointly responsible for providing operational information and liaising with the trade union representatives, and for ensuring that appraisal talks and employee surveys are carried out.

There are trade union representatives at each material site in Sweden, the UK and the Netherlands who are informed about developments at the unit or undertaking on an ongoing basis. Trade union cooperation in other countries is in line with the law and other forms of collective employee engagement based on local standards. Employees are represented on the Group Board by three members and three deputy members. The unions meet regularly in consultation groups at Group, business area and workplace level and participate in or act as consultation bodies on various issues.

Recurring surveys of employee engagement are conducted and the results of these surveys are compared with reference values to provide an indication of the effectiveness of engagement with Holmen's own workforce.

### S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

Dialogues are conducted on remedying negative impacts regarding own workforce in cooperation with the trade union representatives. Initially situations are discussed in general and in the first instance Holmen tries to achieve consensus regarding solutions. Where a trade union considers that the employer is in breach of agreements, a fine may be demanded or the incident may be reported to the Swedish Work Environment Authority, which can lead to disciplinary actions and compensation. Holmen follows up on whether the actions taken have been successful in consultation with the unions. If an employee suffers illness or an accident occurs at work, processes and procedures are in place for rehabilitation and support in returning to work.

Employees can contact their line manager or another manager at Holmen, HR or their union representative to raise concerns. As part of the systematic preventive health and safety work, employees can report accidents in an online health and safety information system (IA reporting system). Employees can also raise concerns through Holmen's whistleblower function. There is information on Holmen's intranet about how employees can report an issue, and Holmen's Code of Conduct states that Holmen will not tolerate any kind of reprisals against anyone who has reported an incident in good faith. The *G1 Business conduct* section provides information on how Holmen monitors, investigates and follows up on cases received.

Holmen currently has no centralised or formal mechanism in place to assess whether employees are familiar with and trust procedures for raising concerns.

### S1-4 / MDR-A Taking action on material impacts on own workforce

Holmen works systematically on health and safety to facilitate a good work environment. All material sites and forest operations have health and safety certification as per ISO 45001. Committees and other groups carry out preventive safety work to combat incidents, accidents and work-related illness. Holmen's employees must not be under the influence of alcohol or drugs in the workplace. There are processes for sick leave, rehabilitation and work adaptation on returning to work.

The Group is working to strengthen its safety culture with the aim of creating commitment and greater concern for each other's health and safety. Holmen's Work Environment Network is steering and coordinating the initiative, which focuses on the mills and sawmills. As each material site has its own organisation and differences in risky work steps, locally adapted activities are carried out. Success is measured primarily in accident statistics, but moving forward, recurring employee surveys will also include questions about health and safety at work. 2025 saw a number of activities implemented at the sawmills, including manager training. An internal campaign at Holmen mills is also designed to provide information on safety. The initiative has increased cooperation between material sites and information sharing has enabled preventive work to be carried out. No action has been taken to enable remediation. The nature of the remediation is adapted to each situation.

Talent management is handled within the respective business area, which produces action plans based on the needs of each material site. As the needs of different material sites may vary, no Group-wide key actions have been identified or taken. To strengthen the brand and attract labour, Holmen works to ensure a consistent, true and transparent picture of Holmen as a company at Group-wide level. Holmen actively involves company ambassadors representing a diversity of backgrounds, occupational roles and geographical areas. Additionally, Holmen works with other organisations in the same sector on how future needs to attract a skilled workforce can be met. Success is measured in brand surveys, external rankings and indices, and in levels of interest at different events attended by Holmen.

The industry is currently predominantly male and Holmen is working to achieve a more even gender distribution among all employees. In recruitment processes, Holmen strives to bring in more candidates from the underrepresented sex for vacancies where this is possible. When recruiting for summer jobs, the aim is an equal distribution of men and women. Efforts are monitored by gender distribution indicators. Holmen draws up action plans and annual pay surveys as part of work to create an inclusive workplace in which everyone is given the same devel-

opment opportunities. Each business area has its own processes for working on diversity.

No specific time horizons have been set for the above actions.

### S1-5 / MDR-T Targets related to own workforce

The target is for Holmen's employees to develop and thrive. A healthy culture and a safe work environment go without saying and Holmen is to be an attractive employer that develops its employees by giving them stimulating duties and new challenges. The target was not formulated in consultation with stakeholders. The target is measurable but not time-bound as it is a continuous endeavour.

Indicators are linked to this target to measure whether Holmen is on track. Accident statistics indicate that appropriate actions are creating a safer and more secure working environment. The ambition is for zero accidents to occur. Sickness absence, employee turnover and Employee Net Promoter Score (eNPS) are indicators that show the health of Holmen's employees and how they feel. The ambition is to attract and retain the right employees to secure future talent management.

Diversity is measured by the distribution of staff numbers and age distribution.

#### Sickness absence

Total sickness absence is an indicator of employee health and well-being and a way for Holmen to measure progress. Sickness absence is divided into short-term and long-term (more than 15 days). Sickness absence linked to verified work-related ill health is difficult to capture. Holmen considers total sickness absence to be a good descriptor of overall well-being within its workforce.

Sickness absence, %*	2025	2024
Total	4.2	4.7
Of which long-term sickness absence	2.0	2.4

\*Number of hours of absence in relation to the total number of scheduled hours.

#### Employee engagement

It is important to Holmen to have committed and proud employees. One of the ways that Holmen measures this is through regular employee surveys, which form the basis for an Employee Net Promoter Score (eNPS). In the reporting period, the average eNPS amounted to 13 (26). The global benchmark is 15. The employee survey was sent out at the same time as an ongoing reorganisation involving many employees in the Group, with a resulting impact on commitment and pride, and a potential knock-on effect on employees' willingness to recommend Holmen. The heads of the business areas are responsible for the survey in their respective business areas, while Holmen's HR Director and CEO follow up the outcome for central functions within the Group. At this stage, no lessons have been identified regarding the drop in the eNPS score for the target. As of the end of the reporting period, action plans are still in development.

### S1-6 Characteristics of the undertaking's employees

The number of employees in the reporting period was 3 851 (3 868). The proportion of women was 24.2 (24.0) per cent in the same period. *Note 4 Employees, personnel costs and remuneration of senior management* in the financial statements presents the number of employees expressed in full-time equivalents, while the tables below have been calculated as the average number of employees during the reporting period. Personnel costs are also recognised in *Note 4*.

No. of employees	2025	2024
Female	933	930
Male	2 918	2 944
<b>Total no. of employees</b>	<b>3 851</b>	<b>3 874</b>

Total no. of employees per country	2025	2024
Sweden	3 295	3 341
UK	412	386
Netherlands	63	67
Other countries	81	80
<b>Total no. of employees</b>	<b>3 851</b>	<b>3 874</b>

No. of employees	2025			2024		
	Female	Male	Total	Female	Male	Total
Permanent employees	842	2 750	3 592	846	2 780	3 626
Temporary employees	91	168	259	84	164	248
<b>Total</b>	<b>933</b>	<b>2 918</b>	<b>3 851</b>	<b>930</b>	<b>2 944</b>	<b>3 874</b>
<i>Of which full-time employees</i>	<i>857</i>	<i>2 855</i>	<i>3 712</i>	<i>860</i>	<i>2 881</i>	<i>3 741</i>
<i>Of which part-time employees</i>	<i>76</i>	<i>63</i>	<i>139</i>	<i>70</i>	<i>63</i>	<i>133</i>

Employee turnover*	2025	2024
Employee turnover, %	7.9	6.9
Number of employees who left the undertaking during the reporting period	282	249

\*Employee turnover is calculated using the denominator: average number of permanent employees during the year.

## S1-9 Diversity metrics

Information on the gender distribution at top management level is shown in Note 4 on page 74.

Age distribution of employees*	2025	2024
Under 30	433	463
30–50	1 817	1 812
Over 50	1 342	1 351

\*Calculated from the average number of permanent employees for the reporting period.

## S1-13 Training and skills development metrics

Employee development takes place at all levels to safeguard Holmen's current and future skills needs. Many employees complete regular compulsory training to maintain skills in specific areas. Training in business conduct is carried out on the basis of Holmen's Code of Conduct. Holmen offers Group-wide leadership programmes and programmes for new and more experienced managers, and specialists. Holmen provides continuous competence development to create the conditions for employees to develop. Each manager must hold annual appraisal talks with their employees.

New employees at Holmen's material sites are trained in health and safety, and employees complete regular online health and safety training based on the risks and competence requirements of the site concerned. Contractors undergo training before being granted access to Holmen's material sites.

Holmen offers internal training in areas such as leadership. The average number of training hours recorded for the reporting period was 8.7 (6.8) hours for women and 11.4 (15.2) hours for men.

## S1-14 Health and safety metrics

During the reporting period, all Holmen employees are covered by statutory health and safety requirements. 71 (73) per cent of Holmen's employees are covered by a health and safety management system that is audited and certified by an external party.

During the reporting period, 34 (38) work-related accidents were recorded, of which 20 (20) were considered to be severe. Of the total work-related accidents, 27 (31) accidents involved employees in Holmen's own workforce. The accident frequency for own workforce was 4.7 (5.3) accidents per million hours worked. The number of days lost due to work-related injuries totalled 260 (1 217). The most common accidents were slips, trips and crush injuries. 0 (0) of the accidents which occurred during the period led to fatalities. Holmen defines an accident that leads to more than seven days of sickness absence as severe.

## S2 WORKERS IN THE VALUE CHAIN

### Material impacts, risks and opportunities

Description	Impact, risk, opportunity	Time horizon	Where in the value chain
<b>Forestry is dependent on contractors</b>			
Holmen's forestry is largely dependent on contracted services in harvesting and silviculture. Forestry uses a high proportion of migrant labour and seasonal labour. Migrant workers may have particular difficulty with awareness of conditions and rights under employment law in Sweden.	Potential negative impact	Short – Long	Upstream, Own operations

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

#### Forestry is dependent on contractors

Holmen works with many suppliers of goods and services, but it is from suppliers in forestry that impacts on value chain workers are judged to be material. Holmen's forestry is largely dependent on contracted services in harvesting and silviculture (cleaning, site preparation and planting). More streamlined operations mean contractors are better able to develop efficient working practices

with greater flexibility throughout the year. Silvicultural work in Holmen's forests employs around 1 000 seasonal workers each year, and it is important that Holmen works with responsible contractors.

If difficulties arise in accessing labour to carry out silviculture services, for example in the event of external events that mean migrant labour is unable to travel, Holmen's dependence on contractor services may have financial effects. Operations may be affected in the form of reduced forest growth and less efficient forestry.

## **S2-1 / MDR-P** Policies related to value chain workers

Holmen must support and respect protection of internationally recognised human rights, including rights under the UN Convention on the Rights of the Child. Holmen's policies, combined with the Code of Conduct, require responsible business conduct.

For many years now, Holmen has worked with a Supplier Code of Conduct which sets out what Holmen expects of its suppliers. The policy is based on the UN's Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. Areas addressed are business conduct, human rights and labour conditions, the environment and climate and suppliers working to ensure that due diligence is demonstrated in their operations regarding impacts in these areas. The Code of Conduct specifically states that no child labour, forced labour or human trafficking may occur. The Code of Conduct requires that working conditions and pay are respected in line with legislation or agreements. Compliance with the Code of Conduct is a contractual condition for Holmen and if irregularities arise, Holmen has the right to terminate the agreement with the supplier concerned. Holmen's Supplier Code of Conduct is included in new contracts with suppliers and in agreements with forestry contractors. The Code of Conduct covers all categories of suppliers to Holmen and also requires that the supplier ensures that their sub-suppliers follow the Code.

Holmen's management system for forest operations includes a specific procurement process adapted to the forest supply chain, which seeks to ensure that everyone carrying out silviculture work for Holmen receives contractual pay and has a good work environment and decent terms of employment. Besides requiring compliance with Holmen's Supplier Code of Conduct, Holmen's fundamental requirements regarding forestry contractors are that they comply with Swedish law, apply collective agreements and are certified for sustainable forestry. The certification commits the contractor to operate in line with certain sustainability requirements and have procedures in place for administration, health and safety, handling hazardous waste, risk prevention and further training.

Holmen's management system also includes a process for monitoring and management during the performance of the contract. During the contract, social checks on forestry contractors are carried out by on-site visits on a sample basis. For contractors with foreign labour or temporary resident labour, social checks must be carried out the first time the contractor is hired and at least every three years for recurring contracts. For other contractors, social checks are carried out in the event of suspected abuses. In the event of any negative impact on the human rights of the workforce, a remedial action plan is drawn up together with the forest contractor. The impact is only addressed once all remedial actions have been completed.

The head of the business area is ultimately responsible for the specific procurement process for forestry services.

The policies were not formulated in consultation with stakeholders.

## **S2-2** Processes for engaging with value chain workers about impacts

When hiring forestry contractors, Holmen conducts ongoing dialogue with the supplier, the supplier's employees and trade union representatives, both before procurement and during procurement and performance of the contract.

As part of Holmen's supplier approval process, information is obtained from the forestry contractor in line with a separate protocol, with a specific focus on health and safety and compliance with decent conditions for workers, in line with the requirements of Holmen's Supplier Code of Conduct. Where sub-suppliers are used, the supplier is responsible for sharing information and ensuring that the requirements are met.

Holmen works with the union GS, which covers the forest industry, the wood industry and the graphic industry, regarding which forestry contractors are to be hired ahead of each season. Supplier approval and decisions are taken in consultation with the union representative concerned and potential views from the GS union must be obtained and taken into account. All forestry contractors hired must be reported to the GS union via the union's main bargaining representative.

All forest workers are trained in forestry by Holmen using training provided by the forestry training organisation Skogsbrukets yrkesnämnd (SYN). Training is provided both on site in the forest and online. The training covers Holmen's instructions and work procedures. The training is largely carried out by Holmen's

own employees, as safety and quality at work is a top priority. Additionally, forestry contractors are required to complete the online silviculture training course 'Skötselskolan', which provides information on workers' rights, including access to healthcare. Skötselskolan also includes information about ways to report suspected or actual irregularities. Everyone involved in planting and cleaning work must have completed and passed the training before being allowed to work in the forest, no matter how long the contract is for. The training is provided in seven languages.

During active contracts, site visits are made to forestry contractors in line with a process drawn up and field visits are made to the forestry contractors' work teams, in which Holmen conducts a dialogue with both managers at the forestry contractor and their workers. A survey is handed out to all workers present, which is to be answered anonymously. The answers are taken in and analysed.

The head of the business area has ultimate operational responsibility for ensuring that these contacts take place and that the results of these contacts are taken into account within Holmen.

## **S2-3** Processes to remediate negative impacts

Compliance with the Supplier Code of Conduct is a contractual condition for Holmen. If the supplier has caused or contributed to a material negative impact for value chain workers, Holmen is to be informed promptly. In the event of failings caused by the supplier, the supplier is to immediately present a remedial action plan, take action and provide adequate evidence of improvements. Action plans and remedial actions are followed up.

The forestry contractor and its employees are informed of where they should turn if they suspect irregularities. It is also made clear that Holmen will not tolerate any form of reprisals against anyone who reports to Holmen's whistleblower function in good faith. See also *G1-1 Business conduct policies and corporate culture* on page 131 for information on Holmen's whistleblower function.

Any nonconformities noted at site visits and field visits, or through other channels, are analysed and an action plan is produced. Remedial actions are followed up, even if the nonconformities do not qualify as a breach of the Supplier Code of Conduct.

## **S2-4 / MDR-A** Taking action on material impacts related to value chain workers

Holmen has not formulated any Group-wide actions. However, working with management systems means that local actions are in place in forestry operations in the form of regular site visits. Holmen reviewed its procurement process in 2024 to ensure that Holmen's own business practices do not cause negative impacts on value chain workers. For more information see *G1-2 Management of relationships with suppliers* on page 131.

No other resources beyond day-to-day management have been added.

## **S2-5 / MDR-T** Targets related to value chain workers

Holmen's target is to build long-term relationships based on responsible business conduct. It is important that Holmen's suppliers have a safe, healthy work environment and provide good working conditions. Holmen's target for value chain workers is neither time-bound nor measurable. The target was not formulated in consultation with stakeholders.

The target is monitored through the management system for forestry operations with its procedures for social controls, including site visits during ongoing contracts and surveys of employees on site. No suspected breaches of the Supplier Code of Conduct were noted during the site visits. No contractual employees reported any experienced irregularities via the channels provided by Holmen. No lessons have led to process changes relating to the way Holmen's forestry operations work with value chain workers on contracts.

During the reporting period, no reports have come in of disregard for the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises covering workers in Holmen's value chain.

# S3 AFFECTED COMMUNITIES

## Material impacts, risks and opportunities

Description	Impact, risk, opportunity	Time horizon	Where in the value chain
<b>Operations impact on local residents and local businesses</b>			
Holmen depends on the support of municipalities and local residents when it comes to wind power applications and environmental assessments of our industrial facilities, as well as the consent of reindeer owners when harvesting.	Risk	Short – Long	Own operations

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

#### Operations impact on local residents and local businesses

Wind power generation on Holmen's land is an important element in the climate transition, but the permit process is often long and dependent on the support of municipalities and local residents, which can lead to demands for compensation and affect the projects' profitability. The production of wood products, paperboard and paper can cause odours and noise in nearby communities, which may affect future assessments of environmental permits. Holmen depends on the consent of Sami reindeer herding associations to carry out forestry in the areas that overlap the association's reindeer grazing lands.

#### S3-1 / MDR-P Policies related to affected communities

Holmen's Code of Conduct describes how Holmen should approach working to promote responsible business conduct and good, long-term relationships with forest owners, local residents and local businesses. Holmen's environmental and energy policy states that operations must be carried out in line with the precautionary principle such that harm and detriment to human health and the environment are prevented, hindered or mitigated. Environmental impact must be acceptable to people and nature both in ongoing and discontinued operations, and in the event of process disruptions the environment takes precedence over production. Holmen takes reindeer husbandry into consideration through dialogue with representatives from Sami reindeer herding associations as laid down by law. The policy covers the whole operation and the communities in which Holmen operates.

Holmen's CEO decides on the adoption of policies and guidelines, but the operational responsibility for implementing each policy rests with the responsible owner within Group management.

Holmen has steering documents setting out procedures concerning reindeer husbandry, including consultation meetings and communication with Sami reindeer herding associations. Mutual understanding of the conditions in which the respective businesses operate is fundamental to good collaboration. In the joint planning process, the parties seek shared solutions for silviculture work. Joint planning of silviculture must be conducted in good faith, and reindeer grazing must be taken into consideration, as must cultural sites, such as trees bearing carvings.

Holmen must support and respect protection of internationally recognised human rights, including rights under the UN Convention on the Rights of the Child. Holmen's policies, combined with the Code of Conduct, require responsible business conduct. Holmen conducts an ongoing dialogue with the local community, including local representatives, politicians and the local business community.

The policies were not formulated in consultation with stakeholders.

#### S3-2 Processes for engaging with affected communities about impacts

Good relations with the local community around Holmen's material sites are essential. There is an effort to maintain dialogue as contact with the local community is important in minimising the impact on the sites' surroundings. At the sites where operations take place, there is continuous contact with local representatives, and in permit cases work is coordinated with the authorities affected. Operational responsibility for contact with affected communities lies with Holmen's business areas. Internal monitoring is carried out to evaluate the effectiveness of these contacts.

Local consultations are held to maintain contact with affected Sami reindeer herding associations. At these consultations, representatives of Holmen's field operations and representatives of the Sami reindeer herding association meet to discuss planned operations and potential impact on reindeer husbandry. An online tool gives the Sami reindeer herding associations access to relevant information ahead of the consultation. Dialogue with the affected Sami reindeer herding association is always required in permit processes and notifiable activities such as wind power development and notification of harvesting. At times of

annual maintenance shutdowns, affected communities are informed of potential additional disturbances in the form of odour and noise, especially when mills are wound down and restarted.

#### S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns

There are different actions that can be taken to remediate negative impacts on affected communities caused by Holmen. The majority of such events are handled in direct dialogue with those affected, while certain situations may demand legal processes to establish liability. Different events may demand different types of consideration and depend on the specific situation.

To enable comments or reporting of irregularities, local people and affected activities can contact representatives from the material site directly or use Holmen's whistleblower function.

Holmen's material sites have established procedures and processes for handling complaints from affected communities. A continuous dialogue is maintained by Holmen's local representatives to enable effective handling of comments received. At several material sites, local residents can get in touch with Holmen quickly via a specific phone number and online contact channels. It is also possible to contact Holmen via its website. Every question received by each material site is followed up individually. The organisation then follows up with the recipient concerned. Holmen does not tolerate any form of reprisals against anyone who makes a report in good faith. Holmen does not have a procedure in place to investigate whether affected communities are aware of or trust the complaint procedures.

#### S3-4 / MDR-A Taking action on material impacts on affected communities

No Group-wide actions have been taken, but any impact on local residents and affected activities is largely linked to the operations that require permits. Nonconformities in operations that require permits are handled through processes specified in the self-inspection programme. The work is continuous and therefore there is no time horizon for completion of the action.

In the activities related to reindeer husbandry, work was carried out in 2024 to review and develop the joint planning processes. Through this work, Holmen was able to identify that the necessary steps were included in the joint planning process. 2025 saw deeper work on developing cooperation for coexistence on forest land. This has included the appointment of liaison officers and the expansion of the use of the web-based information system for joint planning. The effectiveness of the initiative will be evaluated through contacts with the Sami reindeer herding association concerned.

Where operations require a permit, action is directly required regarding reindeer husbandry, especially when land is being used for wind power production. To reduce any impact on reindeer husbandry, fences and feeding stations are built for the reindeer, and in some cases it may be necessary to temporarily shut down wind turbines. Consultation with representatives of the Sami reindeer herding association concerned creates an opportunity to find solutions that meet the needs of both parties.

#### S3-5 / MDR-T Targets related to affected communities

Holmen's target, based on responsible business conduct, is to build long-term relationships and to develop operations within the framework of environmental permits and certifications. Impact on humans and the environment must be acceptable in line with Holmen's environmental and energy policy. The target was not formulated in consultation with stakeholders. Defining a measurable and time-bound metric linked to the target is challenging due to the difficulty in measuring the effectiveness of the activities linked to contact with the affected communities. The effectiveness of the policy in relation to affected communities is evaluated by ensuring compliance with the limits for noise, pollutants to air, water and soil, and so on, laid down in the permits. Improvements are always made if authorised limits are exceeded.

# G1 BUSINESS CONDUCT

## Material impacts, risks and opportunities

Description	Impact, risk, opportunity	Time horizon	Where in the value chain
<b>Exposure to business conduct risks</b>			
Customers and partners make demands of Holmen as a stable and reliable supplier that has good business conduct and clear sustainability principles. Deviations from principles and policies could have a negative impact on the Group's reputation and business relationships, and lead to fines, penalties or damages. New legislation could increase external demands regarding Holmen's responsibility for behaviour in the value chain, affect operational conditions and lead to increased compliance costs.	Risk	Short – Long	Upstream, Own operations, Downstream

### G1-1 / MDR-P Business conduct policies and corporate culture

Holmen's Code of Conduct lays the foundation for responsible business conduct, together with the business ethics policy. Both are based on the ten principles of the UN Global Compact, the core conventions of the International Labour Organization (ILO) and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The Code of Conduct provides guidance day to day and makes clear what every employee can expect from their colleagues in the areas of business conduct, information management, human rights, workers' rights and the environment.

Holmen's purchasing policy describes how high standards of business conduct are to be maintained, with purchases made on the basis of a holistic and objective approach and in competition. Holmen is committed to identifying, assessing and managing potential and actual risks of negative impacts on humans and the environment, as well as risks of corruption linked to Holmen's supply chain. Holmen's Supplier Code of Conduct is an important tool for achieving this. Through a responsible purchasing process, Holmen is committed to developing a sustainable supplier base and fostering long-term relationships with suppliers that contribute to Holmen's overall goals. Applicable laws, regulations and other relevant national or international rules must always be followed, and take precedence if they are more stringent or in conflict with the content of Holmen's internal documents.

Holmen's CEO decides on the adoption of policies and guidelines, but the operational responsibility for implementing each policy rests with the responsible owner within Group management.

Holmen holds recurring training on the Code of Conduct for all employees. New employees must complete training in the Code of Conduct as part of their induction. Additionally, themed training is run for roles with a greater risk of corruption and bribery, such as sales staff, purchasers and managers. Thematic training sessions on corruption and conflict of interest were organised for risk-exposed departments in 2025, with managers and supervisors trained so that they could then engage with employees through workshops addressing dilemmas in different situations.

Actively working with steering tools allows Holmen to create a responsible corporate culture. Holmen works with the values of courage, commitment and responsibility, the aim of which is to develop employees in the Group and build further on Holmen's strong culture. The corporate culture is summarised in the document The Holmen Way, which describes the Group's business model, governance model, values and views on leadership and employeeship.

Holmen has a whistleblower function and established functions for processing reports that come in. This is in accordance with the Swedish Whistleblowing Act, which covers Holmen. Holmen's whistleblower function can be accessed via Holmen's intranet and Holmen's external website. The function makes it possible for employees and other stakeholders to report suspected breaches of the law, other irregularities or serious misconduct either anonymously or openly.

Holmen's whistleblower management is dealt with by an external service that includes functions for case management and handling of data protection issues. Holmen's Group instruction for the whistleblower function describes the process. This instruction contains basic rules stating that no one may prevent or attempt to prevent the reporting of whistleblowing. The investigator handling a case must not, without authority, disclose any information that may reveal the identity of the reporting person. Informants who provide their identity and contact details have the right to remain anonymous to all others involved in the case.

Holmen may not retaliate against anyone for consulting with their employee organisation on reporting. Nor may anyone prevent or attempt to prevent consultation.

Cases received by the whistleblowing service are reviewed by the respective receiving function. The reviewers must have a sufficiently independent role in the Group. If the case concerns people in a leadership role, for example, an external investigator will normally be hired. The case must be investigated in a satisfactory way and feedback must be provided to the whistleblower. The reviewers can also propose preventive actions if necessary. The conclusion of a case at Holmen does not preclude information being handed over to an external authority.

### G1-2 Management of relationships with suppliers

Under Holmen's purchasing policy, the Group is to exercise good business conduct, and all purchasing must ensure objectivity and competition. Holmen's purchasing functions are to contribute to the company's long-term profitability by ensuring a sustainable supply of goods and services. This assumes good forward planning and effective cooperation between the purchasing function and operations. The purchasing functions are also tasked with identifying, evaluating and preventing risks in Holmen's supply chain.

Holmen has had a Supplier Code of Conduct for many years now. The Code follows the UN's principles and includes the requirement that Holmen's suppliers must respect internationally recognised principles concerning anti-corruption, human rights, health and safety, and environmental impact. The Supplier Code of Conduct is based on these principles and clarifies what Holmen expects of its suppliers. It states that the supplier is responsible for ensuring that due diligence is shown in their operations regarding the impact on human rights, the environment and the climate, which involves identifying potential and actual negative impacts and taking action to tackle such impacts.

Purchasers at Holmen are trained in Holmen's purchasing policy and Supplier Code of Conduct on a recurring basis.

Holmen works with local suppliers and suppliers that hold various certifications. The contractors used in forestry are subject to a fundamental requirement that the supplier complies with Swedish law and applies collective bargaining agreements, and is certified for sustainable forestry. As part of Holmen's supplier approval process, information is obtained from the forestry contractor in line with a separate protocol, with a specific focus on health and safety and compliance with decent conditions for workers, in line with the requirements of Holmen's Supplier Code of Conduct. Where sub-suppliers are used, the supplier is responsible for sharing information and ensuring that the requirements are met.

In 2024, Holmen reviewed existing due diligence processes for sustainability risks in the supply chain. The work resulted in an updated purchasing policy with associated purchasing guidelines that were implemented in 2025, with the aim of making Holmen's purchasing process clearer and more robust. In order to achieve a more Group-wide approach, procedures for assessing suppliers for sustainability risks have been reviewed.

Holmen hires an external body, EcoVadis, to conduct an in-depth assessment of how well a sample of suppliers are complying with the principles of the Supplier Code of Conduct. This includes climate, environment, labour law, human rights, business conduct and sustainable purchasing. Of the suppliers evaluated and followed up in 2025, no supplier was found to have a heightened risk related to the principles in Holmen's Supplier Code of Conduct. In 2025, no supplier collaboration was terminated due to shortcomings in the supply chain.

### **G1-3 Prevention and detection of corruption and bribery**

Holmen's internal control function exists to detect and prevent fraud and corruption through control requirements to which each unit must respond. The results are followed up on a continuous basis and nonconformities are reported half-yearly to Holmen's CFO. The company's auditors conduct a review of the internal controls and report their observations to the audit committee and Board of Directors during the year.

All risk-exposed functions, including Holmen's senior management, are covered by the Group's recurring comprehensive Code of Conduct training programme, which is available in 11 different languages. The training includes the areas of business conduct, information management, human rights, workers' rights and the environment. The training ends with a knowledge test to ensure that the employee has read and understood the information in the Code of Conduct. In addition to this recurring training programme, themed training is run for roles with a greater risk of corruption and bribery, such as sales staff, purchasers and managers.

Holmen's Supplier Code of Conduct, available in two languages, is to be included in all new supplier agreements and compliance is a requirement. If a supplier fails to comply with the Supplier Code of Conduct, this constitutes breach of contract. The majority of customer agreements also include anti-corruption compliance requirements.

Besides being able to contact their manager, HR or union representatives or bring up issues at regular appraisal talks, employees are free to use the whistleblower function to supplement other channels for reporting irregularities regarding corruption and bribery. The people who investigate corruption and bribery will always be independent of those involved in the case. Holmen's audit committee is informed of any cases of corruption and bribery.

### **G1-4 / MDR-T Confirmed incidents of corruption or bribery**

Holmen's target is to build long-term relationships based on responsible business conduct. The target is measured using the annual number of incidents of corruption and bribery. The challenge of this metric is that no time-bound or outcome-oriented level can be set, as the ambition is for no cases to occur. Holmen's pursuit of responsible business conduct in decision-making and operations requires continuous work. Through EcoVadis, preventive work is carried out with suppliers to ensure compliance with Holmen's purchasing policy and Code of Conduct. The target was not formulated in consultation with stakeholders. No cases of corruption or bribery were identified during the reporting period. Holmen has not been convicted of or fined for breaking the law regarding corruption or bribery.

### **G1-5 Political influence and lobbying activities**

Holmen is actively involved in dialogues, responses to consultations, preparedness work and lobbying, on Holmen's own behalf and together with industry

organisations. Holmen is a member of national and international industry organisations in order to promote Holmen's position and opinion on issues relevant to Holmen's business. In the locations in which Holmen operates, Holmen is in ongoing dialogue with the general public, for example at consultation and information meetings.

Holmen does not engage in party politics and does not support political parties, candidates or their representatives financially. Holmen's employees are free to engage in political activities. However, such engagement must not be able to be seen as being supported by Holmen. During the reporting period, no new member was appointed to Holmen's Board of Directors or management team who has held a senior position with a public agency in the past two years.

The Senior Vice President Sustainability and Communications bears overarching responsibility for Holmen's lobbying work and standpoints. Holmen's work on issues that affect its business must be derived from Holmen's overall strategy and direction, and be coordinated with Group Sustainability and Communications. Holmen has been listed on the EU Transparency Register since 2025, with REG number 367987999643-56.

During the reporting period, Holmen continued its efforts to increase knowledge about biodiversity and the climate benefits of the forest industry. Actions have included communicating the risks Holmen sees in EU-related initiatives and legislation that may limit the forest industry's ability to provide climate benefit. In addition, ongoing dialogue is conducted regarding LULUCF, the EU Deforestation Regulation (EUDR), the EU Nature Restoration Regulation and the Swedish Species Protection Ordinance, all of which may impact on future scope for sustainable and profitable forest management in Sweden. These regulations pose a financial risk through their potential impact on Holmen's ability to harvest its forest holdings as planned, but may also present a financial opportunity through the development of the carbon credit market.

In its wind and hydro power operations, Holmen has worked to establish lasting ground rules in Sweden with shorter permit processes and a wind power examination process in line with the rule of law. Holmen has also asserted that the Government needs to safeguard environmental permit processes regarding hydro power in Sweden, so that the result is acceptable from an electricity system perspective. The issue is a positive one for Holmen, with financial opportunities, although environmental assessments of hydro power entail a financial risk.

Holmen has also engaged in lobbying regarding the new EU Emissions Trading System (ETS), to ensure that the right incentives are in place to continue prioritising investments to reduce fossil energy use. The issue could have a potential financial impact on Holmen, with a risk of lost revenue.

Holmen is affiliated to the Confederation of European Paper Industries (Cepi), the Swedish Forest Industries Federation, the Confederation of Swedish Enterprise, the Swedish Association of Industrial Employers and SKGS, which works on industry policy and opinion-forming, among other things.

# AUDITOR'S LIMITED ASSURANCE REPORT OF HOLMEN AB (PUBL)'S STATUTORY SUSTAINABILITY STATEMENT

To the general meeting of the shareholders of Holmen AB (publ), corporate identity number 556001-3301

## Conclusion

We have conducted a limited assurance engagement of the sustainability statement for Holmen AB (publ) for the financial year 2025. The sustainability statement is included 98–132 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 ESRS 2 of the sustainability statement,
- compliance with the reporting requirements of the EU's Green Taxonomy Regulation Article 8.

## Basis for conclusion

We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 *Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten*. 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.

## Other matter

The sustainability statement for 2024 was prepared in accordance with the Global Reporting Initiative and was subject to our limited review. No review of the comparative figures in the sustainability statement for 2025, in accordance with the current wording of the Annual Accounts Act after 1 July 2024, has therefore been performed.

## Other information than the sustainability statement

This document also contains other information than the sustainability statement and is found on pages 1–97 and 134–140. 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 the Board of Directors and the *Managing Director* determines 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 on whether the sustainability report 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 *Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten*. 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 Holmen 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 about 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 prepares 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. Our procedures regarding the process that the company has implemented to identify sustainability information to be reported included, but were not limited to, the following:

- Made inquiries to understand the sources of information used by management.
- Reviewed a sample of the company's internal documentation.
- Evaluated whether the information obtained from our actions regarding the process implemented by the company is consistent with the description of the process in the sustainability statement.

Our procedures regarding the sustainability statement included, but were not limited to, the following:

- Through inquiries, obtained a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement.
- Evaluated whether the information identified by the Process is included in the sustainability statement.
- Performed inquiries and analytical procedures on selected information in the sustainability statement.
- Evaluated whether the structure and the presentation of the sustainability statement is in accordance with the ESRS.

The review of taxonomy disclosures included, but was not limited to, the following review procedures:

- Through inquiries, obtained a general understanding of the reporting processes, and information systems relevant to the preparation of the information in the taxonomy disclosures.
- Performed analytical procedures on selected taxonomy disclosures.
- Evaluated whether the presentation of the taxonomy disclosures is in accordance with the Taxonomy Regulation.

## Inherent limitations in preparing the sustainability statement

In reporting forward-looking information in accordance with ESRS, Holmen AB (publ) is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Stockholm 24 February 2026  
PricewaterhouseCoopers AB

Magnus Svensson Henryson  
Authorized Public Accountant

## Definitions

### Capital employed

Net financial debt plus equity, which corresponds to fixed assets (excluding non-current financial receivables and net pension assets) plus working capital less the net sum of deferred tax liabilities and deferred tax assets. Average values are calculated on the basis of quarterly data.

### Cash flow after investments

Cash flow from operating activities less cash flow from investing activities.

### Debt/equity ratio

Net financial debt divided by total equity.

### Earnings per share (EPS)

Profit/loss for the year divided by the weighted average number of shares outstanding, adjusted for buy-back of shares, if any, during the year. Diluted EPS means that any diluting effect from outstanding call options has been taken into account.

### EBITDA

Earnings before interest, taxes, depreciation, amortisation and impairment, excl. items affecting comparability.

### Equity/assets ratio

Equity expressed as a percentage of total assets.

### Financial assets

Non-current and current financial receivables, net pension assets and cash and cash equivalents.

### Items affecting comparability

Used to clarify how the earnings measures are affected by matters outside normal business operations, such as impairments of non-current assets, disposals, closures, major restructuring measures and breakdowns, plus changes in assumptions in the valuation of biological assets. The effects of maintenance and rebuilding shutdowns are not treated as an item affecting comparability. Page 136 states which items have been treated as items affecting comparability over the past 10 years.

### Net financial debt

Non-current and current financial liabilities, non-current and current liabilities regarding right-of-use assets, and pension obligations, less financial assets.

### Operating margin

Operating profit/loss (excluding items affecting comparability) expressed as a percentage of net sales.

### Operating profit

Profit before net financial items and tax.

### Return on capital employed

Operating profit/loss (excluding items affecting comparability) expressed as a percentage of average capital employed, based on quarterly data.

### Return on equity

Profit/loss for the year expressed as a percentage of average equity, calculated on the basis of quarterly data.

## Glossary

### Biofuel

Renewable fuels such as wood, black liquor, bark and tall oil. Fuels that do not generate any net emission of carbon dioxide into the atmosphere, since the quantity of carbon dioxide formed during combustion is part of the carbon cycle.

### Biotope and substrate

A biotope is an area with specific habitats. Substrate is the surface on which an organism lives.

### Bulk

Measure of the paper's volume. Paper of the same grammage can have different thicknesses depending on the paper's bulk. High bulk means thick, but relatively light, paper.

### Carbon dioxide (CO<sub>2</sub>)

Carbon is the building block of life and is part of all living things. Biogenic carbon dioxide is released when biological material decays or is burned. Fossil carbon dioxide is released when coal, oil or fossil gas is burned.

### Carbon dioxide equivalents (CO<sub>2</sub>e)

Carbon dioxide equivalents include the effects from greenhouse gases other than just carbon dioxide, such as methane and nitrous oxide.

### Climate adaptation plan

Plan to manage climate-related risks and adapt operations to climate change.

### COD

Chemical oxygen demanding substances. A measure of the amount of oxygen needed for the complete decomposition of organic material in water.

### CSRD (Corporate Sustainability Reporting Directive)

EU law requiring large and listed companies to report their sustainability impact.

### Environmental Impact Assessment

A systematic analysis of the environmental impacts of a planned activity or measure.

### ESRS (European Sustainability Reporting Standards)

Standards that companies must follow when reporting under the CSRD.

### FBB

Folding Box Board. Multi-layered paperboard made from mechanical and chemical pulp.

### Filler

Fillers, such as ground marble and kaolin clay, are used to give the paper bulk and make it more uniform in structure and brighter.

### Fossil fuels

Fuels based on carbon and hydrogen compounds from sediment or sedimentary bedrock – mainly coal, oil and fossil gas.

### ISO 9001

An international standard for quality management systems. Primarily aimed at companies and organisations that wish to improve two aspects of their operations, i.e. to ensure more satisfied customers and lower costs.

### ISO 14001

An international standard for environmental management. Important principles in ISO 14001 include regular environmental audits and a gradual increase in the requirements.

### ISO 45001

A series of international standards regarding a management system for health and safety. The management system includes monitoring, evaluating and reporting on health and safety work.

### ISO 50001

An international energy management systems standard that provides a framework for energy efficiency measures.

### m<sup>3</sup> growing stock, solid over bark

Cubic metre growing stock, solid over bark. The volume of tree stems, including bark, from stump to top. Generally used as a measure for growing forest.

### m<sup>3</sup>sub

Cubic metre solid volume under bark. The actual volume (no gaps between the logs) of whole stems or stemwood excl. bark and treetops. Generally used as a measure for harvested wood.

### National Forest Inventory

A national inventory of Sweden's forests that provides data on the state of the forest and changes over time.

### Nitrogen (N)

An element contained in wood. Nitrogen emissions to water may cause eutrophication.

### Nitrogen oxides (NO<sub>x</sub>)

Gases that consist of nitrogen and oxygen that are formed through combustion. In moist air, nitrogen oxides are converted into nitric acid, which creates acid rain. Nitrogen oxides also have a fertilising effect.

### Particulates

Particles of ash formed through the combustion of bark or liquor, for example.

### Phosphorus (P)

An element contained in wood. Excessive phosphorus in the water may cause over-fertilisation (eutrophication) and oxygen depletion.

### Precautionary principle

Persons who pursue an activity or take a measure, or intend to do so, shall implement protective measures, comply with restrictions and take any other precautions that are necessary in order to prevent, hinder or combat damage or detriment to human health or the environment as a result of the activity or measure. For the same reason, the best available techniques shall be used in connection with professional activities.

### SBB

Solid Bleached Board. Multi-layer paperboard made from bleached chemical pulp.

### Skogforsk

Forestry Research Institute of Sweden.

### Sulphate pulp

Chemical pulp that is produced by cooking wood under high pressure and at a high temperature together with white liquor (sodium hydroxide and sodium sulphide).

### Sulphur dioxide (SO<sub>2</sub>)

A gas consisting of sulphur and oxygen that is formed through the combustion of sulphur-containing fuels, such as oil. In contact with moist air, sulphur dioxide is converted into sulphuric acid, which creates acid rain.

### Suspended solids (SS)

Waterborne substances consisting of fibres and particles that can largely be removed using a fine mesh filter.

### Tall oil

By-product of the sulphate pulp process used for making soft soap, paints, biodiesel and other products.

### Transition plan

Describes how an organisation will reduce its climate impact and achieve its climate objectives.

# KEY FIGURES

Holmen uses performance measures in its reporting in addition to the metrics defined by IFRS, or directly in the income statement and balance sheet, in order to show the company's financial position and performance and to increase comparability between different periods and with other companies. Below are the calculations used to arrive at the performance measures used within the Group. For further information, also see Definitions.

The ESMA's (European Securities and Markets Authority) 'Guidelines – Alternative Performance Measures' are applied. The alternative performance measures published in this report should not be regarded as replacing the financial metrics defined by IFRS, but rather as a complement, and they do not need to be comparable with performance measures with the same names published by other companies.

Reconciliation of key figures, SEKm	2025	2024	2023	2022	2021
<b>Operating profit/loss, EBITDA and items affecting comparability</b>					
EBITDA	4 733	5 110	6 114	8 607	5 321
Depreciation and amortisation according to plan	-1 464	-1 388	-1 360	-1 345	-1 261
Operating profit/loss excluding items affecting comparability	3 270	3 721	4 755	7 262	4 061
Items affecting comparability*	-	-	-	266	-330
<b>Operating profit/loss</b>	<b>3 270</b>	<b>3 721</b>	<b>4 755</b>	<b>7 527</b>	<b>3 731</b>
<b>Operating margin</b>					
Operating profit/loss excluding items affecting comparability	3 270	3 721	4 755	7 262	4 061
Net sales	22 056	22 759	22 795	23 952	19 479
<b>Operating margin, %</b>	<b>14.8</b>	<b>16.4</b>	<b>20.9</b>	<b>30.3</b>	<b>20.8</b>
<b>Capital employed</b>					
Equity	55 405	57 370	56 923	56 950	46 992
Net financial debt	4 979	3 397	1 869	2 145	4 101
<b>Capital employed</b>	<b>60 384</b>	<b>60 767</b>	<b>58 793</b>	<b>59 095</b>	<b>51 093</b>
<b>Return on capital employed</b>					
Operating profit/loss excluding items affecting comparability	3 270	3 721	4 755	7 262	4 061
Average capital employed	61 116	59 613	56 046	54 570	47 557
<b>Return, %</b>	<b>5.3</b>	<b>6.2</b>	<b>8.5</b>	<b>13.3</b>	<b>8.5</b>
<b>Return on equity</b>					
Profit after tax	2 879	2 861	3 697	5 874	3 004
Average equity	56 466	56 746	54 140	51 299	43 326
<b>Return, %</b>	<b>5.1</b>	<b>5.0</b>	<b>6.8</b>	<b>11.5</b>	<b>6.9</b>
<b>Net financial debt</b>					
Non-current financial liabilities	3 502	2 502	1 902	2 902	3 911
Non-current liabilities relating to right-of-use assets	105	132	160	158	173
Current financial liabilities	1 903	953	1 021	1 039	736
Current liabilities relating to right-of-use assets	121	95	91	89	71
Pension obligations	7	9	9	7	24
Non-current financial receivables	-36	-46	-61	-97	-268
Pension assets, net	-207	-	-	-	-
Current financial receivables	-24	-15	-50	-18	-39
Cash and cash equivalents	-390	-234	-1 202	-1 935	-507
<b>Net financial debt</b>	<b>4 979</b>	<b>3 397</b>	<b>1 869</b>	<b>2 145</b>	<b>4 101</b>
<b>Debt/equity ratio</b>					
Net financial debt	4 979	3 397	1 869	2 145	4 101
Equity	55 405	57 370	56 923	56 950	46 992
<b>Net debt as % of equity</b>	<b>9</b>	<b>6</b>	<b>3</b>	<b>4</b>	<b>9</b>
<b>Equity/assets ratio</b>					
Equity	55 405	57 370	56 923	56 950	46 992
Assets	80 863	81 548	79 719	81 436	68 101
<b>Equity/assets ratio, %</b>	<b>69</b>	<b>70</b>	<b>71</b>	<b>70</b>	<b>69</b>

\*See page 136 for information about what items affecting comparability refers to.

## TEN-YEAR REVIEW, FINANCE

SEKm	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Income statement</b>										
Net sales	22 056	22 759	22 795	23 952	19 479	16 327	16 959	16 055	16 133	15 513
Operating expenses**	-18 223	-18 563	-17 249	-15 865	-14 622	-13 250	-13 961	-12 984	-13 379	-12 626
Change in value of biological assets	895	907	562	509	464	579	487	425	415	315
Profit from investments in associates and joint ventures	5	7	6	10	0	-6	0	-9	-12	-22
<b>EBITDA</b>	<b>4 733</b>	<b>5 110</b>	<b>6 114</b>	<b>8 607</b>	<b>5 321</b>	<b>3 651</b>	<b>3 486</b>	<b>3 488</b>	<b>3 157</b>	<b>3 179</b>
Depreciation and amortisation according to plan	-1 464	-1 388	-1 360	-1 345	-1 261	-1 172	-1 141	-1 012	-991	-1 018
<b>Operating profit/loss excluding items affecting comparability</b>	<b>3 270</b>	<b>3 721</b>	<b>4 755</b>	<b>7 262</b>	<b>4 061</b>	<b>2 479</b>	<b>2 345</b>	<b>2 476</b>	<b>2 166</b>	<b>2 162</b>
Items affecting comparability*	-	-	-	266	-330	-	8 770	-94	-	-232
<b>Operating profit/loss</b>	<b>3 270</b>	<b>3 721</b>	<b>4 755</b>	<b>7 527</b>	<b>3 731</b>	<b>2 479</b>	<b>11 115</b>	<b>2 382</b>	<b>2 166</b>	<b>1 930</b>
Net financial items	-104	-62	-49	-87	-39	-42	-34	-25	-53	-71
<b>Profit/loss before tax</b>	<b>3 165</b>	<b>3 660</b>	<b>4 705</b>	<b>7 441</b>	<b>3 691</b>	<b>2 437</b>	<b>11 081</b>	<b>2 356</b>	<b>2 113</b>	<b>1 859</b>
Tax	-286	-798	-1 008	-1 567	-688	-458	-2 351	-89	-445	-436
<b>Profit/loss for the year</b>	<b>2 879</b>	<b>2 861</b>	<b>3 697</b>	<b>5 874</b>	<b>3 004</b>	<b>1 979</b>	<b>8 731</b>	<b>2 268</b>	<b>1 668</b>	<b>1 424</b>
Diluted earnings per share, SEK***	18.5	18.0	23.0	36.3	18.5	12.2	52.6	13.5	9.9	8.5
<b>Net sales</b>										
Forest	9 777	9 318	7 996	7 342	6 509	5 883	6 286	5 944	5 535	5 302
Renewable Energy	437	642	1 070	1 226	488	378	378	319	315	314
Wood Products	4 010	3 896	4 075	5 015	4 872	2 222	1 695	1 747	1 562	1 342
Board and Paper	14 428	15 238	14 965	15 105	11 702	11 066	11 986	11 356	10 934	10 682
Group-wide costs and eliminations	-6 597	-6 335	-5 311	-4 737	-4 092	-3 222	-3 385	-3 311	-2 214	-2 128
<b>Group</b>	<b>22 056</b>	<b>22 759</b>	<b>22 795</b>	<b>23 952</b>	<b>19 479</b>	<b>16 327</b>	<b>16 959</b>	<b>16 055</b>	<b>16 133</b>	<b>15 513</b>
<b>Operating profit/loss</b>										
Forest	1 948	1 947	1 523	1 401	1 495	1 367	1 172	1 185	1 069	1 001
Renewable Energy	18	265	697	1 006	347	215	336	181	135	120
Wood Products	-182	2	6	1 237	1 668	185	62	246	80	-3
Board and Paper	1 697	1 702	2 730	3 796	743	886	944	1 018	1 053	1 192
Group-wide costs and eliminations	-212	-194	-202	-178	-193	-174	-168	-154	-170	-148
<b>Group</b>	<b>3 270</b>	<b>3 721</b>	<b>4 755</b>	<b>7 262</b>	<b>4 061</b>	<b>2 479</b>	<b>2 345</b>	<b>2 476</b>	<b>2 166</b>	<b>2 162</b>
Items affecting comparability*	-	-	-	266	-330	-	8 770	-94	-	-232
<b>Group</b>	<b>3 270</b>	<b>3 721</b>	<b>4 755</b>	<b>7 527</b>	<b>3 731</b>	<b>2 479</b>	<b>11 115</b>	<b>2 382</b>	<b>2 166</b>	<b>1 930</b>
<b>Cash flow</b>										
Profit/loss before tax	3 165	3 660	4 705	7 441	3 691	2 437	11 081	2 356	2 113	1 859
Adjustment items	795	494	766	966	346	544	-8 208	540	418	965
Income tax paid	-60	-425	-160	-1 639	-662	-569	-147	-396	-221	-504
Changes in working capital	-50	-412	494	-1 284	-145	46	158	-214	199	-360
<b>Cash flow from operating activities</b>	<b>3 851</b>	<b>3 317</b>	<b>5 805</b>	<b>5 484</b>	<b>3 229</b>	<b>2 457</b>	<b>2 884</b>	<b>2 286</b>	<b>2 509</b>	<b>1 961</b>
<b>Cash flow from investing activities****</b>	<b>-2 115</b>	<b>-2 066</b>	<b>-1 653</b>	<b>-1 352</b>	<b>-1 332</b>	<b>-1 924</b>	<b>-1 050</b>	<b>-1 005</b>	<b>-644</b>	<b>-123</b>
<b>Cash flow after investments</b>	<b>1 736</b>	<b>1 251</b>	<b>4 153</b>	<b>4 132</b>	<b>1 897</b>	<b>533</b>	<b>1 834</b>	<b>1 281</b>	<b>1 865</b>	<b>1 838</b>
Dividends paid	-1 888	-1 831	-2 592	-1 862	-1 741	-567	-1 134	-1 092	-1 008	-882
Share buy-backs	-1 649	-647	-1 119	-	-	-	-1 430	-	-	-

\*Items affecting comparability:

2022: Insurance compensation, and the costs and loss of revenue associated with the turbine breakdown in Workington (SEK 266 million).

2021: Increased energy costs of SEK -330 million due to the turbine breakdown in Workington.

2019: Revaluation of biological assets amounting to SEK 9 079 million, impairment loss for associates of SEK -109 million and provisions of SEK -200 million.

2018: Restructuring costs of SEK -94 million.

2016: Disposal of the mill in Spain and insurance compensation of SEK -232 million for the reconstruction of Hallsta Paper Mill following a fire.

\*\*Net after other operating income.

\*\*\*Historical figures have been adjusted because of the share split (2:1) in 2018.

\*\*\*\*Net after disposals and before changes in non-current financial receivables.

For a ten-year review of the data per share, see page 55.

SEKm	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Balance sheet</b>										
Forest land and biological assets	56 711	57 843	56 348	52 151	47 080	43 202	41 345	18 701	17 971	17 595
Other non-current assets*	14 219	13 659	12 781	12 477	12 251	11 784	10 781	10 586	10 780	11 106
Current assets	9 482	9 750	9 277	14 758	7 956	6 878	6 264	6 845	5 710	5 852
Financial receivables	451	295	1 313	2 050	814	679	950	781	430	338
<b>Total assets</b>	<b>80 863</b>	<b>81 548</b>	<b>79 719</b>	<b>81 436</b>	<b>68 101</b>	<b>62 543</b>	<b>59 340</b>	<b>36 912</b>	<b>34 891</b>	<b>34 891</b>
Equity	55 405	57 370	56 923	56 950	46 992	42 516	40 111	23 453	22 035	21 243
Deferred tax liabilities	14 250	14 252	13 858	13 490	11 610	10 570	10 299	5 839	5 650	5 613
Financial liabilities and interest-bearing provisions	5 637	3 692	3 182	4 195	4 915	4 860	4 733	3 587	3 366	4 283
Operating liabilities	5 571	6 234	5 755	6 801	4 584	4 597	4 196	4 033	3 840	3 752
<b>Total equity and liabilities</b>	<b>80 863</b>	<b>81 548</b>	<b>79 719</b>	<b>81 436</b>	<b>68 101</b>	<b>62 543</b>	<b>59 340</b>	<b>36 912</b>	<b>34 891</b>	<b>34 891</b>
<b>Capital employed</b>										
Forest	45 058	45 978	44 768	41 354	37 300	34 230	32 718	14 830	13 824	13 536
Renewable Energy	5 295	4 588	4 283	4 618	4 069	3 351	3 058	3 082	3 115	3 153
Wood Products	2 453	2 375	2 139	2 067	2 278	1 846	1 000	927	862	859
Board and Paper	7 234	8 019	7 625	7 571	6 806	7 246	7 491	7 387	7 626	8 053
Group-wide and other	343	-192	-22	3 485	640	24	-372	34	-455	-410
<b>Capital employed</b>	<b>60 384</b>	<b>60 767</b>	<b>58 793</b>	<b>59 095</b>	<b>51 093</b>	<b>46 697</b>	<b>43 895</b>	<b>26 261</b>	<b>24 972</b>	<b>25 190</b>
<b>Key figures</b>										
Operating margin, %**										
Wood Products	-5	0	0	25	34	8	4	14	5	0
Board and Paper	12	11	18	25	6	8	8	9	10	11
Group	15	16	21	30	21	15	14	15	13	14
Return on capital employed, %**										
Industry (Wood Products, Board and Paper)	15	16	27	52	26	12	12	15	13	13
Group	5	6	8	13	9	6	9	10	9	9
Return on equity, %	5	5	7	11	7	5	35	10	8	7
Net debt as % of equity	9	6	3	4	9	10	9	12	13	19
Deliveries										
Own forests, '000 m <sup>3</sup> sub	2 694	2 643	2 702	2 813	2 833	2 841	2 699	2 816	2 883	2 945
Hydro and wind power, GWh	1 634	1 728	1 658	1 639	1 230	1 352	1 109	1 145	1 169	1 080
Wood products, '000 m <sup>3</sup>	1 294	1 348	1 498	1 435	1 373	1 052	879	828	852	776
Paperboard and paper, '000 tonnes	1 391	1 424	1 343	1 498	1 573	1 426	1 534	1 561	1 643	1 630

\*Excluding non-current financial receivables.

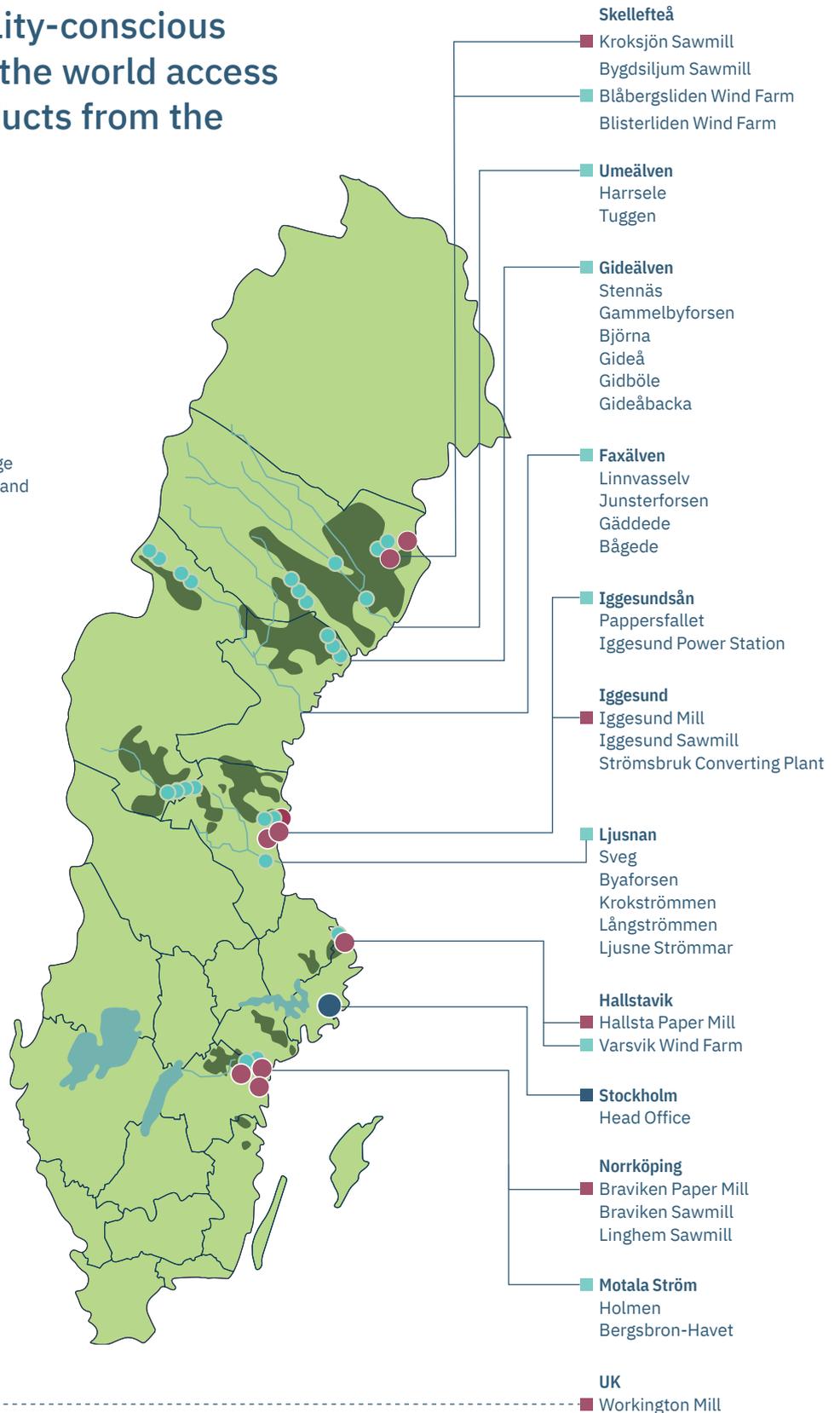
\*\*Excluding items affecting comparability.

# HOLMEN 2025

Holmen gives quality-conscious customers across the world access to renewable products from the Swedish forests.

## Holmen's forests, power plants & industrial sites

- **Forest holdings**  
1.3 million hectares total land acreage  
1 million hectares productive forest land



## Forest holdings

### Holmen's forests 2025

Total land acreage	1 303 000 ha
Total forest land acreage <sup>1)</sup>	1 161 000 ha
– of which nature conservation areas	212 000 ha
Productive forest land <sup>2)</sup>	1 047 000 ha

### Total volume of standing timber

on productive forest land ..... **128 million m<sup>3</sup> growing stock, solid over bark**

1) Calculated based on Holmen's stand catalogue and data from the National Forest Inventory in line with the international definition of forest land: Land area > 0.5 hectares with a tree canopy cover of more than 10 per cent for trees capable of reaching a height of at least 5 metres at maturity.

2) Forest land that can produce at least 1 m<sup>3</sup> growing stock, solid over bark per hectare and year (on average during the growth period of the forest stand) according to Holmen's stand catalogue.

## Power plants

River	Hydro power plant	% <sup>1)</sup>	GWh <sup>2)</sup>	Commissioned
Umeälven	Harrsele	49	489	1957
	Tuggen	22	98	1962
Gideälven	Stennäs	10	3	1989
	Gammelbyforsen	10	1	1993
	Björna	10	8	1986
	Gideå	10	9	1986
	Gidböle	10	6	1985
	Gideåbacka	10	8	1995
Faxälven	Linnvasselv	7	16	1962
	Junsterforsen	100	130	1961
	Gäddede	30	22	1974
	Bågede	100	71	1974
Iggesundsån	Pappersfallet	100	6	1915
	Iggesund Power Station	100	22	2009
Ljusnan	Sveg	20	22	1975
	Byaforsen	20	21	1975
	Krokströmmen	9	42	1952
	Långströmmen	11	32	1961
	Ljusne Strömmar	7	17	1976
Motala Ström	Holmen	100	106	1990
	Bergsbron-Havet	100	8	1923
Wind power	Varsvik Wind Farm	100	149	2014
	Blåbergsliden Wind Farm	100	380	2021
	Blistersliden Wind Farm	100	367	2025

1) Holmen's share of production. 2) Holmen's share of production in a normal year.

## Production facilities

### Iggesund Mill

**Products:** Multi-layered paperboard for consumer packaging. Made from bleached chemical pulp (SBB).

**Brands:** Invercote and Inverform.

### Workington Mill

**Products:** Multi-layered paperboard for consumer packaging, surface layer of chemical pulp, core of mechanical pulp (FBB).

**Brand:** Incada.

### Strömsbruk Converting Plant

**Products:** Converted paperboard products for the packaging of cosmetics, confectionery, food, etc.

### Braviken Paper Mill

**Products:** Paper for books, magazines, advertising, newspapers and packaging.

### Hallsta Paper Mill

**Products:** Paper for books, magazines and advertising.

### Braviken Sawmill

**Products:** Spruce and pine construction products.

### Iggesund Sawmill

**Products:** Spruce, lodgepole pine and Scots pine products for joinery and construction.

### Linghem Sawmill

**Products:** Spruce, lodgepole pine and Scots pine construction products.

### Bygdsiljum Sawmill

**Products:** Spruce and pine products for joinery and construction plus glulam and CLT for the construction market.

### Kroksjön Sawmill

**Products:** Spruce products for builders' merchants and the construction industry.

Business area	Products	Customer segment	Competitors
Forest	Logs, pulpwood and biofuel.	Sawmills, pulp mills, board and paper mills in Sweden.	SCA, Sveaskog and a number of large forest owner associations.
Wood Products	Construction and joinery timber, CLT and glulam, plus wood for pallets and packaging.	Construction and joinery industry, plus builders' merchants and the packaging industry in Europe, the Middle East, North Africa and North America.	Moelven, SCA, Setra, Södra, Vida and a large number of foreign companies.
Board and Paper	Premium paperboard for consumer packaging and paper products for books, magazines, advertising and transport packaging.	Brand owners, converters, wholesalers, publishers, printers and retailers in Europe, Asia and North America.	Metsä Board, Mayr-Melnhof, Norske Skog, Smurfit Westrock, Stora Enso, UPM.
Renewable Energy	Renewable energy from hydro and wind.	Nordic electricity market.	Fortum, Statkraft, Vattenfall, Uniper.



### We make use of the whole tree

Applying efficient even-aged rotation forestry with a focus on high growth while conserving biodiversity, we have combined increased harvests with building up a large volume of standing timber. For every tree harvested, we plant new seedlings or sow seeds that are adapted to their surroundings. We manage the forest with the goal of producing as much wood as possible in order to saw as many planks and boards as we possibly can. However, the whole tree cannot become construction material because tree trunks are round and planks have corners, and because the narrower parts of the tree cannot be sawn into wood products. The residuals are ground or digested down into pulp for the production of paperboard and paper. The rest goes to produce bioenergy. Using the forest raw material wisely enables us to replace fossil-based products with renewable alternatives.

**Wood:** Planks and boards

**Wood chips:** Pulp for paper and paperboard

**Wood shavings and bark:** Bioenergy

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