

2025

ARCTIC PAPER SA
MANAGEMENT BOARD'S REPORT 2025



ARCTIC PAPER

Translator's Explanatory Note: the following document is a free translation of the report of the above-mentioned Company. In the event of any discrepancy in interpreting the terminology in Polish version is binding.

Arctic Paper Group has prepared its 2025 Management Board report in the European Single Electronic Format (ESEF) which is the electronic reporting format in which issuers on EU regulated markets shall prepare their annual financial reports from 1 January 2020 based on Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format as amended.

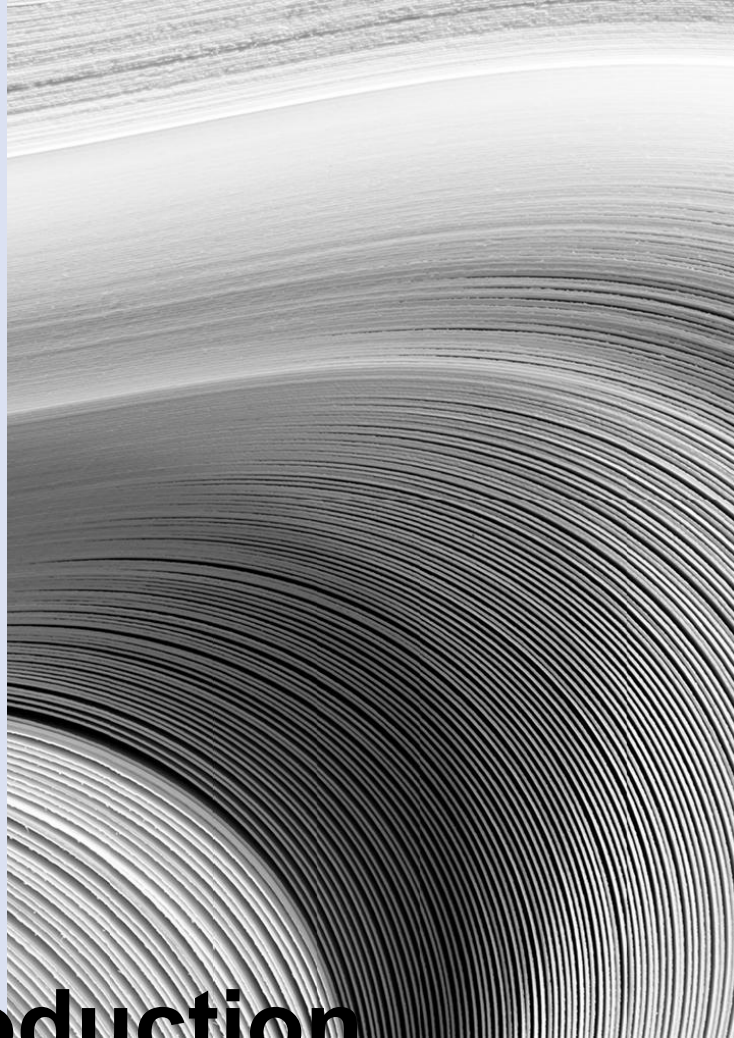
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Arctic Paper, its representatives and employees decline all responsibility in this regard.

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Introduction

Letter from the President of the Management Board of Arctic Paper SA

Dear Sirs,

It is my pleasure to present to you the Arctic Paper Group's Annual Report for 2025.

The year 2025 was marked by a demanding market environment. The anticipated economic recovery in Europe did not materialize, and demand for paper products remained under pressure. At the same time, the market continued to operate under conditions of elevated volatility in raw material and energy costs.

In this context, the Group's priority was to maintain operational stability, protect profitability, and consistently strengthen business resilience. We focused on efficiency measures, adjusting production levels to demand, and exercising strict cost control.

The year 2025 was also a period of significant reassessment of our investment approach. In response to a changing market environment, we limited the execution of new capital-intensive projects, concentrating instead on initiatives with quick returns and direct impact on cash flows. This approach enables us to preserve financial flexibility and better prepare for leveraging future market opportunities.

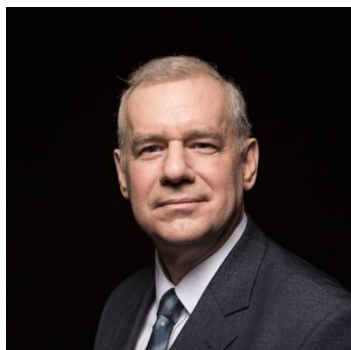
Despite the challenging market conditions, the Arctic Paper Group continues to maintain solid business fundamentals. We benefit from a flexible production base, a broad product portfolio, and an experienced team, all of which allow us to respond swiftly to changes in demand and market dynamics.

Our priority remains strengthening operational efficiency and cost discipline, while maintaining readiness to selectively resume development projects once market conditions improve. We believe that the restoration of market balance in Europe will create favorable conditions for improved performance and the realization of the Group's full potential.

I would like to extend my gratitude to our employees for their commitment and professionalism throughout this challenging year, and to our investors for their trust and continued support.

Michał Jarczyński

President of the Management Board
Arctic Paper S.A.



INFORMATION ON THE REPORT

This Management Board's Report, which is a component of the Consolidated Annual Report for 2025, has been prepared in accordance with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information disclosed by issuers of securities and conditions for recognising as equivalent information required under the laws of a non-member state (Journal of Laws of 2018, item 757).

Certain selected information contained in this report comes from the Arctic Paper Group management accounting system and statistics systems.

This Management Board's Report presents data in PLN, and all figures, unless otherwise specified, are disclosed in PLN '000.

DEFINITIONS AND ABBREVIATIONS

Unless the context requires otherwise, the following definitions and abbreviations are used in the whole document:

Abbreviations applied to business entities, institutions and authorities of the Company

Abbreviation	Definition
Arctic Paper, Company, Issuer, Parent Company, AP	Arctic Paper Spółka Akcyjna with its registered office in Kostrzyn nad Odrą, Poland
Capital Group, Group, Arctic Paper Group, AP Group	Capital Group comprised of Arctic Paper Spółka Akcyjna and its subsidiaries as well as joint ventures
Arctic Paper Kostrzyn, AP Kostrzyn, APK	Arctic Paper Kostrzyn Spółka Akcyjna with its registered office in Kostrzyn nad Odrą, Poland
Arctic Paper Munkedals, AP Munkedals, APM	Arctic Paper Munkedals AB with its registered office in Munkedal Municipality, Västra Götaland County, Sweden
Arctic Paper Mochenwangen, AP Mochenwangen, APMW	Arctic Paper Mochenwangen GmbH with its registered office in Mochenwangen, Germany
Arctic Paper Grycksbo, AP Grycksbo, APG	Arctic Paper Grycksbo AB with its registered office in Kungsvagen, Grycksbo, Sweden
Paper mills	Arctic Paper Kostrzyn, Arctic Paper Munkedals, Arctic Paper Grycksbo
Arctic Paper Investment AB, API AB	Arctic Paper Investment AB with its registered office in Göteborg, Sweden
Arctic Paper Investment GmbH, API GmbH	Arctic Paper Investment GmbH with its registered office in Wolpertswende, Germany
Arctic Paper Verwaltungs	Arctic Paper Verwaltungs GmbH with its registered office in Wolpertswende, Germany
Arctic Paper Immobilienverwaltungs	Arctic Paper Immobilienverwaltungs GmbH & Co. KG with its registered office in Wolpertswende, Germany
Kostrzyn Group	Arctic Paper Kostrzyn Spółka Akcyjna with its registered office in Kostrzyn nad Odrą and EC Kostrzyn Sp. z o.o. with its registered office in Kostrzyn nad Odrą
Mochenwangen Group	Arctic Paper Investment GmbH, Arctic Paper Mochenwangen GmbH, Arctic Paper Verwaltungs GmbH, Arctic Paper Immobilienverwaltungs GmbH & Co.KG
Grycksbo Group	Arctic Paper Grycksbo AB and Arctic Paper Investment AB, Arctic Paper Finance AB
Sales Offices	Arctic Paper Papierhandels GmbH with its registered office in Vienna, Austria
	Arctic Paper Benelux SA with its registered office in Oud-Haverlee, Belgium
	Arctic Paper Danmark A/S with its registered office in Greve, Denmark
	Arctic Paper France SA with its registered office in Paris, France
	Arctic Paper Deutschland GmbH with its registered office in Hamburg, Germany
	Arctic Paper Italia Srl with its registered office in Milan, Italy
	Arctic Paper Baltic States SIA with its registered office in Riga, Latvia
	Arctic Paper Norge AS with its registered office in Oslo, Norway
	Arctic Paper Polska Sp. z o.o. with its registered office in Warsaw, Poland
	Arctic Paper España SL with its registered office in Barcelona, Spain
	Arctic Paper Sverige AB with its registered office in Munkedal, Sweden
	Arctic Paper Schweiz AG with its registered office in Derendingen, Switzerland

Abbreviation	Definition
	Arctic Paper UK Ltd with its registered office in London, UK
Arctic Power Sp. z o.o. (formerly Arctic Paper East Sp. z o.o.)	Arctic Power Sp. z o.o. with its registered office in Kostrzyn nad Odrą, Poland
Kostrzyn Packaging Sp. z o.o.	Kostrzyn Packaging Sp. z o.o. with its registered office in Kostrzyn nad Odrą, Poland
Rottneros, Rottneros AB	Rottneros AB with its registered office in Sunne, Sweden
Rottneros Group, Rottneros AB Group	Rottneros AB with its registered office in Söderhamn, Sweden; Rottneros Bruk AB with its registered office in Rottneros, Sweden; Utansjö Bruk AB with its registered office in Söderhamn, Sweden, Vallviks Bruk AB with its registered office in Vallvik, Sweden; Rottneros Packaging AB with its registered office in Sunne, Sweden; SIA Rottneros Baltic with its registered office in Kuldīga, Latvia; since 1 January 2020 – Nykvist Skogs AB with its registered office in Gråsmark, Sweden
Pulp mills	Rottneros Bruk AB with its registered office in Rottneros, Sweden; Vallviks Bruk AB with its registered office in Vallvik, Sweden
Rottneros Purchasing Office	SIA Rottneros Baltic with its registered office in Kuldīga, Latvia
Kalltorp	Kalltorp Kraft Handelsbolaget with its registered office in Trollhattan, Sweden
Nemus Holding AB	Nemus Holding AB with its registered office in Göteborg, Sweden
Thomas Onstad	The Issuer's core shareholder, holding directly and indirectly over 50% of shares in Arctic Paper S.A.; a member of the Issuer's Supervisory Board
Management Board, Issuer's Management Board, Company's Management Board, Group's Management Board	Management Board of Arctic Paper S.A.
Supervisory Board, Issuer's Supervisory Board, Company's Supervisory Board, Group's Supervisory Board, SB	Supervisory Board of Arctic Paper S.A.
GM, General Meeting, Issuer's General Meeting, Company's General Meeting	Annual General Meeting of Arctic Paper S.A.
EGM, Extraordinary General Meeting, Issuer's Extraordinary General Meeting, Company's Extraordinary General Meeting	Extraordinary General Meeting of Arctic Paper S.A.
Articles of Association, Issuer's Articles of Association, Company's Articles of Association	Articles of Association of Arctic Paper S.A.
SEZ	Kostryńsko-Słubicka Special Economic Zone
Registration Court	District Court in Zielona Góra
Warsaw Stock Exchange, WSE	Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna
KDPW, Depository	Krajowy Depozyt Papierów Wartościowych Spółka Akcyjna with its registered office in Warsaw
PFSA	Polish Financial Supervision Authority
SFSA	Swedish Financial Supervisory Authority, equivalent to PFSA
NASDAQ in Stockholm, Nasdaq	Stock Exchange in Stockholm, Sweden
CEPI	Confederation of European Paper Industries
EURO-GRAPH	The European Association of Graphic Paper Producers
Eurostat	European Statistical Office
GUS	Central Statistical Office of Poland
NBSK	Northern Bleached Softwood Kraft
BHKP	Bleached Hardwood Kraft Pulp

Definitions of selected terms and financial indicators and abbreviations of currencies

Abbreviation	Definition
Sales profit margin	Ratio of profit/(loss) on sales to sales revenue from continuing operations
EBIT	Profit on continuing operating activities (Earnings Before Interest and Taxes)
EBIT profitability, operating profitability, operating profit margin	Ratio of operating profit/(loss) to sales revenue from continuing operations
EBITDA	Operating profit from continuing operations increased by depreciation and impairment losses on assets
EBITDA profitability, EBITDA margin	Ratio of operating profit increased by depreciation and impairment losses on assets to sales revenue from continuing operations
Gross profit margin	Ratio of gross profit/(loss) to sales revenue from continuing operations
Sales profitability ratio, net profit margin	Ratio of net profit/(loss) to sales revenue
Return on equity, ROE	Ratio of net profit/(loss) to equity
Return on assets, ROA	Ratio of net profit/(loss) to total assets
EPS	Earnings Per Share, ratio of net profit to the weighted average number of shares
BVPS	Book Value Per Share, Ratio of book value of equity to the number of shares
Debt-to-equity ratio	Ratio of total liabilities to equity
Equity to non-current assets ratio	Ratio of equity to non-current assets
Interest-bearing debt-to-equity ratio	Ratio of interest-bearing debt and other financial liabilities to equity
Net debt-to-EBITDA ratio	Ratio of interest-bearing debt minus cash to EBITDA from continuing operations
EBITDA-to-interest coverage ratio	Ratio of EBITDA to interest expense from continuing operations
Current ratio	Ratio of current assets to current liabilities
Quick ratio	Ratio of current assets minus inventory and short-term accruals and deferred income to current liabilities
Cash solvency ratio	Ratio of total cash and similar assets to current liabilities
DSI	Days Sales of Inventory, ratio of inventory to cost of sales multiplied by the number of days in the period
DSO	Days Sales Outstanding, ratio of trade receivables to sales income from continuing operations multiplied by the number of days in the period
DPO	Days Payable Outstanding, Ratio of trade payables to cost of sales from continuing operations multiplied by the number of days in the period
Operating cycle	DSI + DSO
Cash conversion cycle	Operating cycle – DPO
FY	Financial year
Q1	1st quarter of the financial year
Q2	2nd quarter of the financial year
Q3	3rd quarter of the financial year
Q4	4th quarter of the financial year
H1	First half of the financial year
H2	Second half of the financial year
YTD	Year-to-date
Like-for-like, LFL	On a comparable basis, with respect to operating result.

Abbreviation	Definition
p.p.	Percentage point, difference between two amounts of one item given in percentage
PLN, zł, złoty	Monetary unit of the Republic of Poland
gr	grosz – 1/100 of one zloty (the monetary unit of the Republic of Poland)
Euro, EUR	Monetary unit of the European Union
GBP	Pound sterling, monetary unit of the United Kingdom
SEK	Swedish Krona – monetary unit of the Kingdom of Sweden
USD	United States dollar, the legal tender in the United States of America
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IFRS EU	International Financial Reporting Standards endorsed by the European Union
GDP	Gross Domestic Product

Other definitions and abbreviations

Abbreviation	Definition
Series A Shares	50,000 Shares of Arctic Paper S.A. A series ordinary shares of PLN 1 each.
Series B Shares	44,253,500 Shares of Arctic Paper S.A. B series ordinary shares of PLN 1 each.
Series C Shares	8,100,000 Shares of Arctic Paper S.A. C series ordinary shares of PLN 1 each.
Series E Shares	3,000,000 Shares of Arctic Paper S.A. E series ordinary shares of PLN 1 each.
Series F Shares	13,884,283 Shares of Arctic Paper S.A. F series of the nominal value of PLN 1 each
Shares, Issuer's Shares	Series A, Series B, Series C, Series E, and Series F Shares jointly

FORWARD LOOKING STATEMENTS

The information contained in this report which does not relate to historical facts relates to forward looking statements. Such statements may, in particular, concern the Group's strategy, business development, market projections, planned investment outlays, and future revenue. Such statements may be identified by the use of expressions pertaining to the future such as, e.g., "believe", "think", "expect", "may", "will", "should", "is expected", "is assumed", and any negations and grammatical forms of these expressions or similar terms. The statements contained in this report concerning matters which are not historical facts should be treated only as projections subject to risk and uncertainty. Forward-looking statements are inevitably based on certain estimates and assumptions which, although our management finds them rational, are naturally subject to known and unknown risks and uncertainties and other factors that could cause the actual results to differ materially from the historical results or the projections. For this reason, we cannot assure that any of the events provided for in the forward-looking statements will occur or, if they occur, about their impact on the Group's operating activities or financial situation. When evaluating the information presented in this report, one should not rely on such forward-looking statements, which are stated only as at the date they are expressed. Unless legal regulations contain detailed requirements in this respect, the Group shall not be obliged to update or verify those forward-looking statements in order to provide for new developments or circumstances. Furthermore, the Group is not obliged to verify or to confirm the analysts' expectations or estimates, except for those required by law.

FORWARD-LOOKING STATEMENTS RELATING TO RISK FACTORS

In this report we described the risk factors that the Management Board of our Group considers specific to the sector we operate in; however, the list may not be exhaustive. Other factors may arise that have not been identified by us and that could have material and adverse impact on the business, financial condition, results of operations or prospects of the Arctic Paper Group. In such circumstances, the price of the shares of the Company listed at Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange) or at NASDAQ in Stockholm may decrease, investors may lose their invested funds in whole or in part and the potential dividend disbursement by the Company may be limited.

We ask you to perform a careful analysis of the information disclosed in "Risk factors" of this report – the section contains a description of risk factors and uncertainties related to the business of the Arctic Paper Group.

Selected consolidated financial data

	Period from 01.01.2025 to 31.12.2025	Period from 01.01.2024 to 31.12.2024	Period from 01.01.2025 to 31.12.2025	Period from 01.01.2024 to 31.12.2024
	PLN '000	PLN '000	EUR '000	EUR '000
Continuing operations				
Sales revenue	3 197 594	3 434 693	754 648	797 994
Operating profit/(loss)	(153 776)	184 294	(36 292)	42 818
Gross profit/(loss)	(211 091)	192 449	(49 818)	44 712
Net profit/(loss) for the period	(175 365)	161 105	(41 387)	37 430
Net profit/(loss) attributable to the shareholders of the Parent Company	(99 681)	154 457	(23 525)	35 886
Net cash flows from operating activities	118 332	188 395	27 927	43 770
Net cash flows from investing activities	(302 041)	(416 630)	(71 283)	(96 797)
Net cash flows from financing activities	43 951	22 835	10 373	5 305
Change in cash and cash equivalents	(139 758)	(205 400)	(32 984)	(47 721)
Weighted average number of ordinary shares	69 287 783	69 287 783	69 287 783	69 287 783
Diluted weighted average number of ordinary shares	69 287 783	69 287 783	69 287 783	69 287 783
EPS (in PLN/EUR)	(1,44)	2,23	(0,34)	0,52
Diluted EPS (in PLN/EUR)	(1,44)	2,23	(0,34)	0,52
Average PLN/EUR exchange rate*			4,2372	4,3042

	As at 31 December 2025	As at 31 December 2024	As at 31 December 2025	As at 31 December 2024
	PLN '000	PLN '000	EUR '000	EUR '000
Assets	2 676 405	2 756 963	633 214	645 205
Non-current liabilities	202 827	375 560	47 987	87 891
Current liabilities	776 136	612 680	183 627	143 384
Equity	1 697 441	1 768 723	401 600	413 930
Share capital	69 288	69 288	16 393	16 215
Number of ordinary shares	69 287 783	69 287 783	69 287 783	69 287 783
Diluted number of ordinary shares	69 287 783	69 287 783	69 287 783	69 287 783
Book value per share (in PLN/EUR)	24,50	25,53	5,80	5,97
Diluted book value per share (in PLN/EUR)	24,50	25,53	5,80	5,97
Declared or paid dividend (in PLN/EUR)	-	69 287 783	-	16 215 255
Declared or paid dividend per share (in PLN/EUR)	-	1,00	-	0,23
PLN/EUR exchange rate at the end of the period**	-	-	4,2267	4,2730

* – Items of the Statement of profit or loss and Statement of cash flows have been translated at the arithmetic average of the NBP exchange rates during the year, prevailing in the period that the presented data refers to.

** – Balance sheet items and book value per share have been translated at the average exchange rates published by the National Bank of Poland, prevailing on the balance sheet date.



Management Board's Report

Description of the business of the Arctic Paper SA Group

GENERAL INFORMATION

The Arctic Paper Group is a paper and pulp producer. We offer bulky book paper and a wide range of products in this segment, as well as high-grade graphic paper. The Group produces numerous types of uncoated and coated wood-free paper as well as wood-containing uncoated paper for printing houses, paper distributors, book and magazine publishing houses and the advertising industry. In connection with acquisition of the Rottneros Group in December 2012, the Group's assortment was expanded with the production of pulp. As at 31 December 2025, the Arctic Paper Group employed around 1,500 people in its paper mills, companies involved in sale of paper and in pulp producing companies, procurement office and a company producing food packaging. Our paper mills are located in Poland and Sweden, and have total production capacity of over 630,000 tonnes of paper per year. Our pulp mills located in Sweden have aggregated production capacities of over 400,000 tonnes of pulp annually. As at 31 December 2025, the Group had 13 Sales Offices ensuring access to all European markets, including Central and Eastern Europe. Our consolidated sales revenue for 12 months of 2025 amounted to PLN 3,198 million.

Arctic Paper S.A. is a holding company set up in April 2008. The Parent Company is entered in the register of entrepreneurs of the National Court Register maintained by the District Court in Zielona Góra, 8th Commercial Division of the National Court Register, under KRS number 0000306944. The Parent Company holds statistical number REGON 080262255. The Company has a foreign branch in Göteborg, Sweden.

Business activity

The principal business of the Arctic Paper Group is production and sales of paper and pulp. The Group's additional business, partly subordinate to paper and pulp production, covers:

- Production of packaging,
- Generation of electricity,
- Transmission of electricity,
- Electricity distribution,
- Heat production,
- Heat distribution,
- Logistics services,
- Paper and pulp distribution.

Our production facilities

As at 31 December 2025, as well as on the day hereof, the Group owned the following paper mills:

- the paper mill in Kostrzyn nad Odrą (Poland) has the production capacity of about 285,000 tonnes per year and mainly produces uncoated wood-free paper for general printing use such as printing books, brochures and forms, and for producing envelopes and other paper products;
- the paper mill in Munkedal (Sweden) has the production capacity of about 145,000 tonnes and mainly produces fine uncoated wood-free paper used primarily for printing books and high-quality brochures;
- the paper mill in Grycksbo (Sweden) has the production capacity of about 200,000 tonnes per year and produces coated wood-free paper used for printing maps, books, magazines, posters and printing of advertising materials.

As at 31 December 2025, as well as on the day hereof, the Group owned the following pulp mills:

- the Rottneros mill (Sweden) has a production capacity of approximately 160,000 tonnes per year and produces one type of mechanical fibre pulp: chemi-thermo mechanical pulp (CTMP);
- the pulp mill in Vallvik (Sweden) has the annual production capacity of about 240,000 tonnes and produces two types of long-fibre sulphate pulp: fully bleached sulphate pulp and unbleached sulphate pulp. Most of the production of the Vallvik pulp mill is known as NBSK pulp. The unbleached sulphate pulp produced by the pulp mill is characterised by very high purity and is primarily used, among other things, in the manufacture of transformers and in the cable industry.

Our products

The product assortment of the Arctic Paper Group covers:

- Uncoated wood-free paper, in particular:
 - white offset paper that we produce and distribute primarily under the Amber brand which is one of the most versatile types of paper destined for various applications;
 - wood-free bulky book paper that we produce under the Munken brand, used primarily for book printing;
 - high-quality graphic paper with a particularly smooth or rough surface, used for printing various advertising and marketing materials, which we produce under the Munken Design brand;
- Coated wood-free paper, in particular:
 - coated wood-free paper, manufactured under the G and Arctic Volume brands, used primarily for printing of books, magazines, catalogues, maps, personalised direct mail correspondence.
- Uncoated wood-containing paper, in particular:
 - premium wood containing bulky book paper that we produce and distribute under the Munken brand, was developed specially for multi-colour and B/W printing of books;
- Packaging papers:
 - kraft paper, which is manufactured under the brand name Munken Kraft
 - one side coated packaging papers produced under the brand name G-Flexmatt

Both grades are ideal for a wide range of packaging applications, such as shopping bags, bags for loose food products, packaging or laminates used in the food or non-food industry.

- Unbleached sulphate pulp:
 - fully bleached sulphate pulp and unbleached sulphate pulp used primarily to produce printing and writing paper, cardboard, toilet paper and white packaging paper.
- Mechanical fibre pulp:
 - chemi-thermo mechanical pulp (CTMP), which is mainly used in the production of printing and writing paper;

CAPITAL GROUP STRUCTURE

The Arctic Paper Group comprises Arctic Paper S.A., as the Parent Company, and its subsidiaries, as well as joint ventures. Since 23 October 2009, Arctic Paper S.A. has been listed on the primary market of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange) and since 20 December 2012 in the NASDAQ stock exchange in Stockholm. The Group operates through its paper mills and pulp mills and its subsidiary producing packaging as well as its Sales Offices and Procurement Offices.

Detailed information on the organisation of the Arctic Paper Group with identification of the consolidated entities is provided in the section "Accounting principles (policies)" and in Additional notes to the consolidated financial statements (note 1 and 2).

CHANGES IN THE CAPITAL STRUCTURE OF THE ARCTIC PAPER GROUP

Changes in the Arctic Paper Group's capital structure in 2025 are described in Other material information.

MODIFICATIONS TO THE CORE MANAGEMENT PRINCIPLES

In 2025, there were no material modifications to the core management principles.

Organisational and capital links of the Company and Group companies with other entities, domestic and foreign investments, including capital investments made outside the Group

There were no significant organisational and capital relations between the Company and Group companies and other entities in 2025. Neither the Company nor Group companies made investments in securities, equity financial instruments.

SHAREHOLDING STRUCTURE

Nemus Holding AB, a company under Swedish law (a company owned indirectly by Mr Thomas Onstad), is the majority shareholder of Arctic Paper S.A., holding (as at 31 December 2025) 41,374,890 shares of our Company, which constitutes 59.71% of its share capital and corresponds to 59.71% of the total number of votes at General Meetings. Thus, Nemus Holding AB is the parent company of the Issuer.

Additionally, Mr Thomas Onstad, an indirect shareholder of Nemus Holding AB, holds directly 5,323,658 shares representing 7.68% of the total number of shares in the Company, and via another entity – 600,000 shares

accounting for 0.87% of the total number of shares of the Issuer. Mr Thomas Onstad's total direct and indirect holding in the capital of Arctic Paper S.A. as at 31 December 2025 was 68.26% and has not changed until the date of approval of this report.

as at 31.12.2025

Shareholder	Number of shares	Share in the share capital [%]	Number of votes	Share in the total number of votes [%]
Thomas Onstad	47 298 548	68,26%	47 298 548	68,26%
– indirectly via	41 974 890	60,58%	41 974 890	60,58%
Nemus Holding AB	41 374 890	59,71%	41 374 890	59,71%
other entity	600 000	0,87%	600 000	0,87%
– directly	5 323 658	7,68%	5 323 658	7,68%
Other	21 989 235	31,74%	21 989 235	31,74%
Total	69 287 783	100,00%	69 287 783	100,00%
Treasury shares	-	0,00%	-	0,00%
Total	69 287 783	100,00%	69 287 783	100,00%

The data in the above table is shown as at the date of approval of this report, which has not changed as compared with the position as at 31 December 2025, and the date of publication of the quarterly report for Q3 2025, i.e. as at 6 November 2025.

MARKET ENVIRONMENT

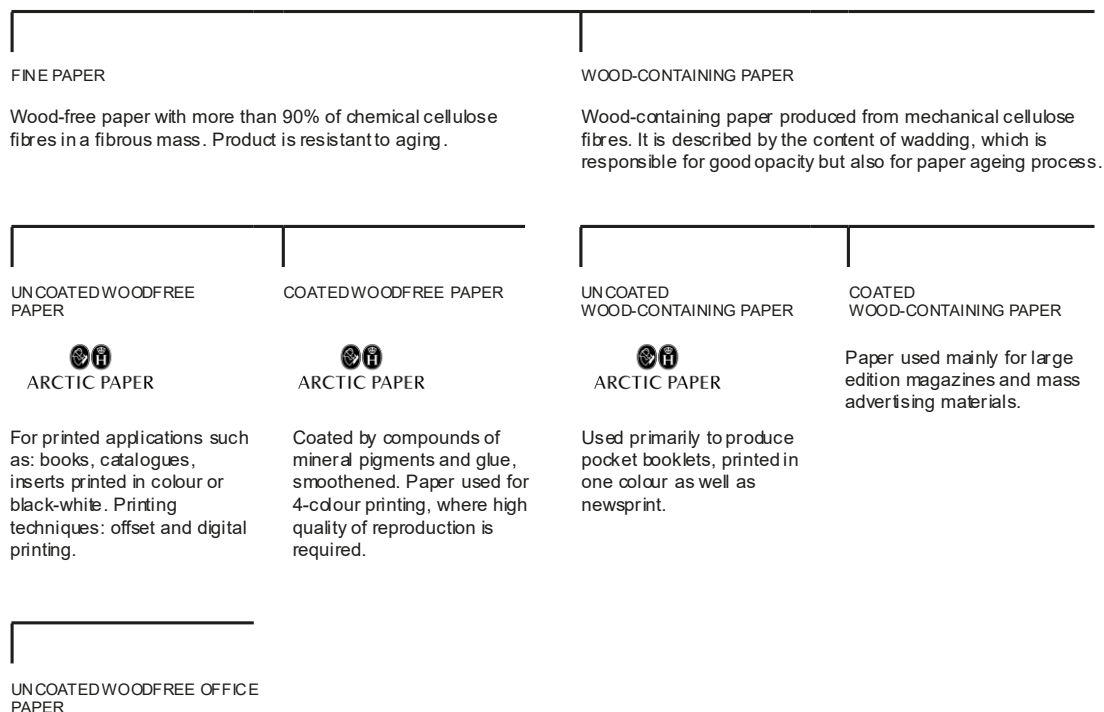
Segments of the graphic paper market

The graphic paper market is split into three core segments:

- coated and uncoated fine paper,
- coated and uncoated wood-containing paper,
- magazine paper.

The Group operates solely in the segment of high-quality graphic papers. We are not present in the newsprint and copy paper segments.

GRAPHIC AND BOOK PAPER



Below is a description of segments in the graphic market:

- fine paper is wood-free paper in which at least 90% of the fibre content consists of pulp fibres obtained using chemical processes. It includes the following categories:
 - uncoated wood-free paper produced from wood pulp. This paper can be subjected to additional treatments such as surface sizing, calendering and surface or bulk dyeing. The two main end-use categories in this segment are graphic paper, used primarily for printing books, textbooks and catalogues, and office copying paper. The two main categories of this type of paper are graphic paper (used, among others, for printing books, textbooks and catalogues) and office copying paper (xerographic paper).
 - coated wood-free paper made from pulp and coated with mixtures of pigments and binders (such as kaolin or calcium carbonate). The coating can be applied on (online) or off (offline) the paper machine. The coating process improves surface smoothness, enhances background opacity and enables higher quality colour reproduction.
- Wood-containing paper is most often manufactured of mechanical pulp or recycled-paper pulp, without or with small quantities of filler. It contains lignin which increases the opacity of the paper but accelerates ageing.
 - uncoated wood-containing paper is manufactured of mechanical pulp, used to print magazines with rotogravure and offset techniques (newsprint) and to print single-colour publications. Products of the Group in that segment are usually used to print paperbacks.
 - coated wood-containing paper, made from mechanical pulp and usually coated on both sides, is used for printing multicoloured magazines and catalogues. These papers are usually supplied in rolls and used in heatset printing.

Additional information on the market environment is provided further in this report in the section: Information on market trends.

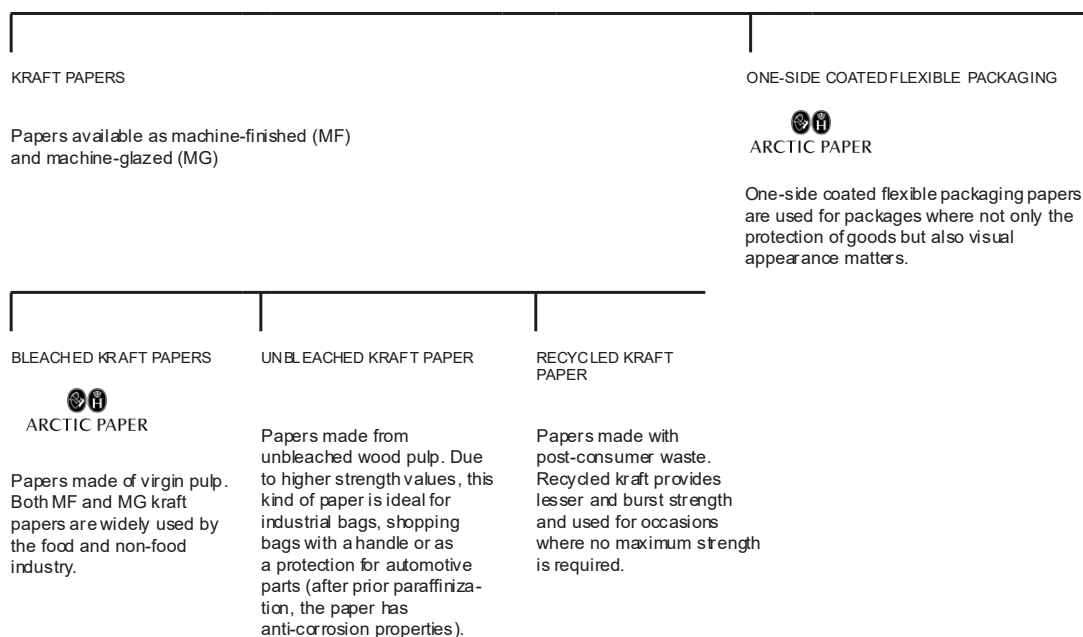
Packaging paper market segments in which Arctic Paper operates:

The packaging paper market, where Arctic Paper operates, is divided into two basic segments:

- Kraft paper, which is divided into bleached, unbleached and recycled fibre papers
- packaging papers coated on one side

The Group operates exclusively in the segment of machine-finished kraft paper and single-side coated matt surface packaging. We are not present in the other segments.

PACKAGING PAPERS



Pulp market segments

MECHANICAL PULP
(MECHANICAL PULP, GROUNDWOOD)

CHEMO THERMO MECHANICAL PULP
(CTMP)



Cardboard, paper
filter paper, printing paper,
tissue paper

CHEMICAL PULP
(PULP)

FULLY BLEACHED AND UNBLEACHED CONIFEROUS WOOD SULPHATE PULP (NBSK)

BLEACHED HARDWOOD KRAFT PULP (BHKP)



Printing paper, coated and uncoated, cardboard, tissue paper, filters, electrical applications,

Since December 2012, along with the acquisition of Rottneros AB, our assortment has been expanded by:

- fully bleached sulphate pulp and unbleached sulphate pulp used primarily to produce printing and writing paper, cardboard, toilet paper and white packaging paper.
- chemi-thermo mechanical pulp CTMP), which is mainly used in the production of printing and writing paper

INFORMATION ON THE ISSUER'S AND THE GROUP'S DEVELOPMENT STRATEGY ADOPTED AND THE ACTIONS TAKEN AS PART OF ITS IMPLEMENTATION DURING THE PERIOD COVERED BY THE REPORT, TOGETHER WITH A DESCRIPTION OF THE PROSPECTS FOR DEVELOPMENT IN THE COMING YEAR.

In 2025, the market environment remained challenging, characterized by low economic activity in key European markets and continued cost pressures, particularly in the areas of raw materials and energy. Weak demand continued to have a negative impact on the Group's sales levels and financial performance.

Despite initiatives aimed at increasing sales volumes of paper and pulp, market conditions limited the ability to effectively pass rising costs on to customers, which posed a significant challenge to maintaining profitability.

Consequently, the financial results achieved in 2025 should be assessed as unsatisfactory.

At the same time, it should be emphasized that the performance achieved was supported by the consistent execution of optimization measures, including further improvements in cost efficiency and active management of the energy and raw materials portfolio.

SALES STRUCTURE

In 2025 and in 2024, the sales structure by main product lines was as follows:

PLN '000	2025	% share	2024	% share
Paper	2 224 339	70%	2 413 664	70%
Amber	964 147	30%	1 039 929	30%
G-Print	642 222	20%	641 329	19%
Munken	497 855	16%	508 142	15%
Arctic	79 345	2%	182 256	5%
AP Tech	40 769	1%	42 006	1%
Other	-	0%	2	0%
Pulp	973 256	30%	1 021 030	30%
NBSK and derivatives	849 782	27%	891 138	26%
CTMP	-	0%	81 395	2%
Other	123 423	4%	48 496	1%
Other (bioproducts and wood)				
Total paper and pulp	3 197 594	100%	3 434 693	100%

thousand tonnes	2025	% share	2024	% share
Paper	492	59%	486	59%
Amber	235	28%	220	27%
G-Print	148	18%	133	16%
Munken	85	10%	88	11%
Arctic	15	2%	37	4%
AP Tech	9	1%	9	1%
Other	-	0%	-	0%
Pulp	335	41%	341	41%
NBSK and derivatives	230	28%	219	26%
CTMP	105	13%	122	15%
Total paper and pulp	827	100%	827	100%

In 2025 there were no material changes to the sales structure of paper and pulp by the Group or in the revenue structure from sales of paper and pulp by the Group by its products. In 2025, a decrease in sales volume and an increase in the value of sales of paper and pulp were recorded.

SALES MARKETS

In 2025, sales generated outside Poland accounted for around 83% of the Group's total sales, remaining at a level comparable to the previous year. As in previous years, the Group's sales activities were mainly focused on European markets, which accounted for 97% of total sales in 2025 (2024: 98%).

The geographical breakdown of sales revenue by the Group's main markets in 2025 and 2024 is shown in note 4.11 to the consolidated financial statements.

BUYERS

The base of our customers covers both direct and indirect buyers. Direct buyers purchase the Group's products at our paper mills. Indirect buyers do not buy the Group's products on their own and they resort to the services of printing houses or paper wholesalers, nevertheless, they constitute an important target group of marketing activities of Arctic Paper since it is indirect buyers that recommend the use of the Group's papers to direct buyers. The groups of direct and indirect buyers of products include:

- printing houses – they are direct buyers straight from the Group's paper mills,
- wholesalers – they are direct buyers of paper manufactured by the Group for further re-sale,
- publishers – they are direct and indirect buyers of paper manufactured by the Group straight from the Group for their publishing business and instruct or recommend the use of our paper to printing houses to which they commission the printing of books and other publications,
- advertising agencies – they are mainly indirect buyers that do not buy our products directly; however, they play an important role in commissioning and recommending our products to printing houses, in particular high-quality paper to print annual reports of companies, brochures, leaflets and packaging,
- final buyers and brand owners – they are direct and indirect customers who purchase our products directly, as well as playing an important role in recommending the use of our products to printers they have entrusted with printing.

Pulp mill products are mainly bought by customers that produce paper for printing, paper hygienic products and cardboard as well as electrical devices and filters. Pulp is supplied to operators that do not have the capacity to produce cellulose in-house, as well as to producers that produce specific grades of cellulose and source other types externally.

In our opinion, we are not materially dependent on any single specific buyer. The Group's consolidated revenue for 2025 shows that the share of the largest buyer did not exceed 10% of total sales revenue.

SUPPLIERS

In its business, the Group relies on the following goods and services:

- Pulp for paper mills,
- Wood for pulp mills,
- Chemicals,
- Electricity,
- Transport services.

Pulp

Pulp is the core material used by the Group to produce paper. The Group acquires pulp on the basis of renewable annual contracts concluded under framework agreements or one-off transactions.

Wood

Wood is the core material used by the pulp mills to produce pulp. The Rottneros Group has a purchasing department placing orders at sawmills in Sweden, as well as a subsidiary, SIA Rottneros Baltic, purchasing timber in the Baltic countries.

Chemicals

The core chemicals used to produce papers are fillers (mainly calcium carbonate), starch (of maize, potatoes, tapioca), optical bleaching agents and other chemicals. Chemicals are also used to produce cellulose.

Electricity

In its production processes, the Group uses electricity and heat energy. The entire demand for electricity and heat energy for the paper mill in Kostrzyn is covered with its own heat and power plant using natural gas. The gas is supplied pursuant to a contract with a Polish supplier (PGNiG) at annual indexed prices in line with changes to the sectoral indicators published by GUS [[Central Statistical Office of Poland](#)] subject to negotiations of the indexation formula when the contractual change levels are exceeded. Gas is acquired from deposits located close to Kostrzyn nad Odrą and delivered to the paper mill with a local pipeline.

In autumn 2022, a new boiler designed to generate steam from waste fuels was commissioned at the Arctic Paper Munkedals mill. The boiler is designed to handle any solid fuel. The paper mill is also powered by electricity from an internal hydroelectric power station, mains electricity and steam from a natural gas boiler.

Energy for the Arctic Paper Grycksbo mill is obtained from biomass and electricity is partly acquired from external suppliers.

The Rottneros Pulp mill meets its entire electricity demand through purchases from external suppliers.

The Vallvik pulp mill provides for around 75% of its demand for electricity with its own resources. The remaining demand for electricity is covered with purchases from external suppliers.

Transport services

The Group does not operate its own means of transportation and resorts to specialised external entities for distribution of its products from paper mills and warehouses to buyers.

The Group is not materially dependent on any of its suppliers. Based on the Group's consolidated costs for 2025, the share of the largest supplier did not exceed 10% of total costs.

INFORMATION ON THE SEASONAL OR CYCLICAL NATURE OF BUSINESS

The demand for the Group's products is subject to slight variations throughout the year. Reduced demand for paper occurs each year during summer holidays and around Christmas when some printing houses, in particular in Western Europe are closed. Global graphic paper markets are also subject to structural decline due to digitalisation

in society, but thanks to its efficient sales process and strong brands, Arctic Paper manages its market shares and overall paper decline better than its competitors.

RESEARCH AND DEVELOPMENT

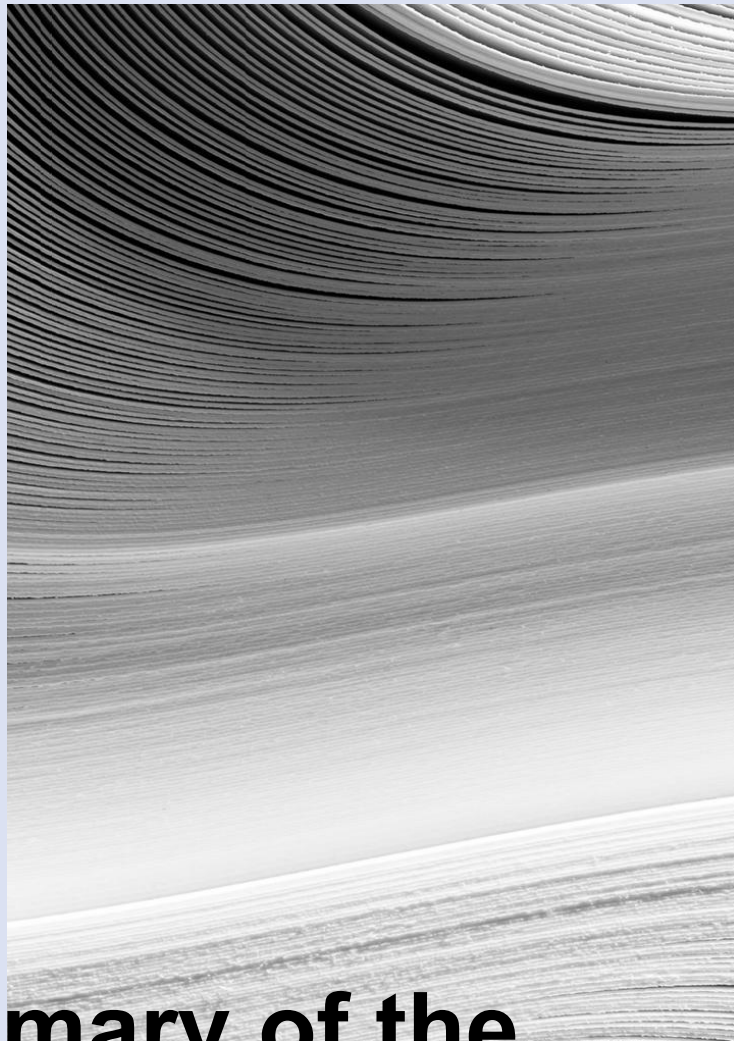
The Arctic Paper Group mainly carries out development work aimed at streamlining and modernizing production processes, improving cost and energy efficiency and improving the quality of the products offered. During the period covered by this report, the paper and pulp mills carried out development work aimed at improving the production process, reducing energy and raw material consumption and optimising the cost of the production process.

LABOUR MATTERS

Matters relating to the Group's employees are detailed in the section of the Management Report "Sustainability statement".

NATURAL ENVIRONMENT

Group complies with environmental standards set forth in numerous applicable regulations and in administrative decisions. The standards are aimed at ensuring protection of soil, air and water against pollution as well as noise and electromagnetic fields. In the section "Sustainability statement" we describe how environmental regulations affect the Group's activities.



Summary of the consolidated financial results

Summary of the consolidated financial results

SELECTED ITEMS FROM THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

PLN '000	2025	2024	Change % 2025/2024
Continuing operations			
Sales revenue	3 197 594	3 434 693	(6,9)
of which:			
Sales of paper	2 224 339	2 413 663	(7,8)
Sales of pulp	973 255	1 021 030	(4,7)
Profit on sales	231 261	584 386	(60,4)
<i>% of sales revenue</i>	<i>7,23</i>	<i>17,01</i>	<i>(9,8) p.p.</i>
Selling and distribution costs	(345 483)	(349 188)	(1,1)
Administrative expenses	(109 576)	(120 618)	(9,2)
Other operating income	129 360	132 055	(2,0)
Other operating expenses	(59 338)	(62 341)	(4,8)
EBIT	(153 776)	184 294	(183,4)
<i>% of sales revenue</i>	<i>(4,81)</i>	<i>5,37</i>	<i>(10,2) p.p.</i>
EBITDA	40 521	298 596	(86,4)
<i>% of sales revenue</i>	<i>1,27</i>	<i>8,69</i>	<i>(7,4) p.p.</i>
Finance income	4 406	19 686	(77,6)
Finance costs	(61 721)	(11 531)	435,3
Gross profit/(loss)	(211 091)	192 449	(209,7)
Income tax	35 726	(31 344)	(214,0)
Net profit/(loss)	(175 365)	161 105	(208,9)
<i>% of sales revenue</i>	<i>(5,48)</i>	<i>4,69</i>	<i>(10,2) p.p.</i>
Net profit/(loss) for the reporting period attributable to the shareholders of the Parent Company	(99 681)	154 458	(164,5)

Revenue

In 2025, consolidated sales revenue amounted to PLN 3,197,594 thousand, compared with PLN 3,434,693 thousand in the previous year, representing a decrease of 6.9% (PLN 237,099 thousand). Revenue from paper sales decreased by 7.8% (PLN 189,324 thousand) and revenue from pulp sales decreased by 4.7% (PLN 47,775 thousand) compared with 2024.

The volume of paper sales in 2025 was 492,000 tonnes (2024: 486,000 tonnes) and was 6,000 tonnes higher than in the previous year. This represents an increase in sales volume by 1%.

Pulp sales volumes in 2025 were 335,000 tonnes (2024: 341,000 tonnes) and was 6,000 tonnes lower than in the previous year. This means a decrease in sales volume by 2%.

Profit on sales, costs of sales, selling and distribution costs, and administrative expenses

Profit on sales in 2025 was by 60.4% lower than in the previous year. Sales profit margin in the current year amounted to 7.23% compared with 17.01% (-9.8 p.p.) in the previous year.

The decrease in profit on sales in 2025 compared with 2024 was mainly due to a decrease in paper sales prices with an increase in paper sales volume, as well as a decrease in pulp sales volume due to limited market demand.

In 2025, the selling and distribution costs amounted to PLN 345,483 thousand, down 1.1% on 2024. The selling and distribution costs comprise particularly transportation costs.

In 2025, administrative expenses reached PLN 109,576 thousand, compared with PLN 120,618 thousand in 2024, a decrease of 9.2%. The main reasons for the decrease were lower costs related to the provision of external consultancy services to the Group and lower employee benefit costs.

Other operating income and expenses

Other operating income in 2025 amounted to PLN 129,360 thousand, down by PLN 2,695 thousand compared with the previous year.

Other operating expenses in 2025, reached PLN 59,338 thousand, down by PLN 3,003 thousand compared with the previous year.

A major part of the other operating income and expenses includes revenue and costs of sales of sold energy and other materials. In addition, other operating income in 2025 shows the following subsidy granted to the Kostrzyn plant in the amount of PLN 39,508 thousand. This subsidy applied to companies in the energy-intensive industry and was linked to natural gas and electricity prices.

Finance income and finance costs

In 2025, the finance income amounted to PLN 4,406 thousand and were lower in comparison to the income recorded in 2024 by PLN 15,280 thousand, mainly due to the absence of exchange rate differences and lower interest income on bank accounts. Finance costs in 2025 amounted to PLN 61,721 thousand compared with PLN 11,531 thousand incurred in 2024.

The higher finance costs in 2025 were primarily due to the negative result on foreign exchange differences and higher amount of bank interests.

Income tax

Income tax in 2025 amounted to PLN 35,726 thousand, while in 2024 it amounted to PLN -37,948 thousand. The effective tax rate to gross profit in 2025 was 18% (2024: 16%).

Profitability analysis

The Company uses alternative performance measurements when describing the Group's financial position. In the opinion of the Management Board, these selected indicators provide valuable information on the financial and operational situation (in addition to the data provided by the Company in its financial statements), as well as facilitating the analysis and evaluation of the Group's financial results over the individual reporting periods.

The Company presents alternative performance measurements as they represent standard measures and ratios commonly used in financial analysis, however, these ratios may be calculated and presented differently by different companies. Therefore, the Issuer provides the exact definitions used by the Group in its reporting process. The selection of alternative performance measures was preceded by a thorough analysis of their usefulness in terms of providing shareholders, analysts and investors with useful information on financial position and financial efficiency, which the Company believes allows for an optimal assessment of its financial results.

The ratios presented by the Company were calculated according to the formulas described at the beginning of this report in the "Definitions and explanations of abbreviations".

EBITDA in 2025 was PLN 40,521 thousand, while in 2024 it was PLN 298,596 thousand. The decrease in EBITDA in 2025 is mainly due to lower paper selling prices and higher raw material prices, and also lower sales volumes of paper and pulp.

In the reporting period, the EBITDA margin was 1.27% versus 8.69% in 2024.

Operating profit for 2025 amounted to PLN -153,776 thousand and for 2024 to PLN 184,294 thousand. The operating profit margin in 2025 was -4.81% versus +5.37% in 2024. The lower operating profit in 2025 resulted from lower EBITDA.

Net profit in 2025 was PLN -175,365 thousand, while in 2024 it was PLN 161,105 thousand. Net profit margin in 2025 amounted to -5.48% as compared with +4.69% in 2024.

PLN '000	2025	2024	Change % 2025/2024
Profit/(loss) on sales	231 261	584 386	(60,4)
<i>% of sales revenue</i>	7,23	17,01	(9,8) p.p.
EBITDA	40 521	298 596	(86,4)
<i>% of sales revenue</i>	1,27	8,69	(7,4) p.p.
EBIT	(153 776)	184 294	(183,4)
<i>% of sales revenue</i>	(4,81)	5,37	(10,2) p.p.
Net profit/(loss)	(175 365)	161 105	(208,9)
<i>% of sales revenue</i>	(5,48)	4,69	(10,2) p.p.
Return on equity / ROE (%)	(10,3)	9,1	(19,4) p.p.
Return on assets / ROA (%)	(6,6)	5,8	(12,4) p.p.

In 2025, return on equity was -10.3%, while in 2024 it was +9.1%.

In 2025, return on assets was -6.6%, while in 2024 it was +5.8%.

The decrease in return on equity and return on assets in 2025 was mainly due to the decrease in net profit achieved in 2025 compared with 2024.

SELECTED ITEMS FROM THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

PLN '000	31.12.2025	31.12.2024	Change 31/12/2025 -31/12/2024
Non-current assets	1 643 086	1 492 327	150 759
Inventories	443 529	495 044	(51 515)
Receivables	390 129	444 931	(54 802)
trade receivables	367 833	428 773	(60 940)
Other current assets	48 019	37 077	10 941
Cash and cash equivalents	151 642	287 583	(135 940)
Total assets	2 676 405	2 756 963	(80 557)
Equity	1 697 441	1 768 723	(71 282)
Current liabilities	776 136	612 680	163 456
of which:			
trade and other payables	454 527	427 154	27 373
interest-bearing debt	205 795	61 363	144 432
other non-financial liabilities	115 814	124 163	(8 349)
Non-current liabilities	202 828	375 560	(172 732)
of which:			
interest-bearing debt	92 561	224 848	(132 287)
other non-financial liabilities	110 266	150 712	(40 446)
Total equity and liabilities	2 676 405	2 756 963	(80 557)

As at 31 December 2025, total assets amounted to PLN 2,676,405 thousand compared with PLN 2,756,963 thousand at the end of 2024.

Non-current assets

At the end of December 2025, non-current assets amounted to PLN 1,643,086 thousand and accounted for 61.4% of total assets, compared with PLN 1,492,327 thousand at the end of 2024 (54.1% of total assets).

The increase in the value of non-current assets was primarily due to an increase in the value of property, plant and equipment, related to investments under the 4P strategy.

Current assets

As at the end of December 2025, current assets amounted to PLN 1,033,319 thousand as compared with PLN 1,264,634 thousand at the end of December 2024. Within current assets, inventories decreased by PLN 51,515 thousand, receivables decreased by PLN 54,802 thousand, other current assets increased by PLN 10,941 thousand, and cash and cash equivalents decreased by PLN 135,940 thousand. Current assets represented 38.6% of total assets as at the end of December 2025 (45.9% as at the end of 2024) and included inventories – 16.6% (18.0% as at the end of 2024), receivables – 14.6% (16.1% as at the end of 2024), other current assets – 1.8% (1.3% as at the end of 2024) and cash and cash equivalents – 5.7% (10.4% as at the end of 2024). The increase in

other current assets was mainly due to an increase in prepayments for unclaimed gas. The decrease in cash was mainly due to negative cash flows from investing activities.

Equity

As at the end of 2025, the equity amounted to PLN 1,697,441 thousand as compared with PLN 1,768,723 thousand at the end of 2024. As at the end of December 2025, equity accounted for 63.4% of total equity and liabilities (64.2% as at 31 December 2024).

The decrease in equity was primarily due to the net loss for 2025.

Current liabilities

As at the end of December 2025, current liabilities amounted to PLN 776,136 thousand (29.0% of the balance sheet total), compared with PLN 612,680 thousand (22.2% of the balance sheet total) at the end of 2024.

In 2025, there is an increase of PLN 163,456 thousand in current liabilities mainly due to an increase in loan debt.

Non-current liabilities

As at the end of December 2025, non-current liabilities amounted to PLN 202,828 thousand (7.6% of the balance sheet total), compared with PLN 375,560 thousand (13.6% of the balance sheet total) at the end of 2024. In the year under review, there was a decrease of PLN 172,732 thousand in non-current liabilities.

The decrease in non-current liabilities was mainly due to the repayment of loan instalments.

Debt analysis

	2025	2024	Change % 2025/2024
Debt to equity ratio (%)	57,7	55,9	1,8 p.p.
Equity to non-current assets ratio (%)	103,3	118,5	(15,2) p.p.
Interest-bearing debt-to-equity ratio (%)	17,6	16,2	1,4 p.p.
Net debt to EBITDA ratio for the last 12 months (x)	3,62	(0,00)	3,62
EBITDA to interest coverage ratio (x)	2,8	39,8	(36,9)

As at the end of December 2025, the equity debt ratio was 57.7% and was higher by 1.8 p.p. versus the end of December 2024. The increase in the ratio was mainly due to a decrease in equity.

The non-current assets to equity ratio amounted to 103.3% at the end of 2025, which was 15.2 p.p. lower than the level at the end of December 2024 as a result of a decrease in equity and an increase in non-current assets.

The debt-to-equity ratio with interest-bearing debt was at the end of 2025 17.6% and was 1.4 p.p. higher than the level of this ratio calculated at the end of December 2024 mainly on the decrease in equity.

The net debt to EBITDA ratio for the last 12 months of 2025 amounted to 3.62 and was 3.62 higher than the level of this ratio for 2024 as a result of an increase in net debt calculated as interest-bearing liabilities less cash and a decrease in EBITDA.

The EBITDA to net interest expense ratio for the 12 last months of 2025 was 2.8 and it was lower by 36.9 versus the level of the ratio for 2024 as a result of a decrease of EBITDA.

Liquidity analysis

	2025	2024	Change % 2025/2024
Current ratio	1,3x	2,1x	(0,7)
Quick ratio	0,7x	1,2x	(0,5)
Cash solvency ratio	0,2x	0,5x	(0,3)
DSI (days)	54,6	63,4	(8,8)
DSO (days)	42,0	45,6	(3,6)
DPO (days)	55,9	54,7	1,2
Operating cycle (days)	96,6	109,0	(12,4)
Cash conversion cycle (days)	40,6	54,3	(13,6)

The current and quick liquidity ratios were 1.3x and 0.7x, respectively, at the end of December 2025 and decreased by 0.7 and 0.5 compared with 31 December 2024 mainly due to a lower growth rate of current assets than current liabilities.

The cash solvency ratio stood at 0.2 at the end of December 2025, lower than the level of the ratio at the end of December 2024 (by 0.3) mainly due to a decrease in cash balances.

The cash conversion cycle for 2025 (40.6 days) shortened by 13.6 days compared with 2024 (54.3 days) mainly due to a reduction in receivables and inventory turnover.

SELECTED ITEMS FROM THE CONSOLIDATED CASH FLOW STATEMENT

PLN '000	2025	2024	Change % 2025/2024
Cash flows from operating activities	118 329	188 395	(37,2)
of which:			
Gross profit/(loss)	(211 091)	192 449	(209,7)
Depreciation and impairment loss (reversal)	194 297	114 302	70,0
Changes to working capital	145 928	(89 597)	(262,9)
Other adjustments	(10 804)	(28 756)	(62,4)
Cash flows from investing activities	(302 041)	(416 630)	(27,2)
Cash flows from financing activities	43 951	22 835	(92,5)
Total cash flows	(139 761)	(205 400)	(32,0)

* positive values show inflows and values in brackets show outflows of cash

Cash flows from operating activities

Net cash flows from operating activities reached PLN 118,329 thousand in 2025, compared with PLN 188,395 thousand in 2024. Cash flows from operating activities in 2025 were 37.2% lower compared to 2024. Their level was driven by an increase in working capital.

Cash flows from investing activities

In 2025, cash flows from investing activities amounted to PLN -302,041 thousand compared with PLN -416,630 thousand in 2024 and mainly comprised expenditure on the acquisition of property, plant and equipment.

Cash flows from financing activities

Cash flows from financing activities in 2025 reached PLN 43,951 thousand compared with PLN 22,835 thousand in 2024. The positive cash flow from financing activities in 2025 was due to the issue of shares by Rottneros.

Material information and factors affecting the financial results and the assessment of the financial standing

KEY FACTORS AFFECTING THE COMPANY'S PERFORMANCE

The Group's operating activities have been and will continue to be historically influenced by the following key factors:

- macroeconomic and other economic factors;
- demand growth for products based on natural fibres;
- reduced demand for certain paper types;
- fluctuations of paper prices;
- pulp price fluctuations for paper mills, timber for pulp mills and energy prices;
- fluctuations in foreign exchange rates.

Macroeconomic and other economic factors

We believe that a number of macro-economic and other economic factors have a material impact on the demand for high-quality paper, and they may also influence the demand for the Group's products and the Group's operating results. Those factors include:

- GDP growth;
- net income – as a metric of income and affluence of the population;
- production capacity – the surplus of supply in the high-quality paper segment over demand and decreasing sales margins on paper,
- paper consumption,
- technology development.

Demand growth for products based on natural fibres

The trend observed in developed societies concerning a reduction of man's adverse impact on the environment, in particular reduction of use of disposable, plastic packaging that may not be recycled, offers new opportunities for the development of the pulp & paper sector. In many companies, work has been under way to develop new methods of packaging and production of packaging with natural materials, including pulp, so that it can be recycled. Arctic Paper is also involved in such research. In the near future, the product segment is expected to increase its percentage share in the volumes and revenue of the Arctic Paper Group.

Reduced demand for certain paper types

Development of new technologies, in particular in the areas of information and communication, results in decreasing demand for certain paper types – in particular, this affects newsprint and to a lesser extent – graphic papers. However, despite the increasing popularity of e-books, the volume of book paper produced and sold by Arctic Paper has been stable in the recent years, less sensitive to changing market conditions. Nevertheless, in its strategy Arctic Paper has set a direction of activity so that within several years, the segment of non-graphic papers (that is technical or packaging paper) accounts for 1/5 of its consolidated revenue.

Paper prices

Paper prices undergo cyclic changes and fluctuations, they depend on global changes in demand and overall macroeconomic and other economic factors such as indicated above. Prices of paper are also influenced by a number of factors related to the supply, primarily changes in production capacities at the worldwide and European level.

Costs of raw materials, energy and transportation

The main elements of the Group's operating expenses include raw materials, energy and transportation. The costs of raw materials include mainly the costs of pulp for paper mills, timber for pulp mills and chemical agents used for paper and pulp production. Our energy costs historically include mostly the costs of electricity, gas and rights to

CO₂ emissions. The costs of transportation include the costs of transportation services provided to the Group mainly by external entities.

Taking into account the share of those costs in total operating expenses of the Group and the limited possibility of controlling these costs by the Group Companies, their fluctuations may have a major impact on the Group's profitability.

A part of pulp supplies to our paper mills is made from our own pulp mills. The remaining part of pulp manufactured at our pulp mills is sold to external customers.

Currency rate fluctuations

The Group's operating results are significantly influenced by currency rate fluctuations. In particular, the Group's revenue and costs are expressed in different foreign currencies and are not matched, therefore, the appreciation of the currencies in which we incur costs towards the currencies in which we generate revenue, will have an adverse effect on the Group's results. Our products are primarily sold to euro zone countries, Scandinavia, Poland and the UK, thus our revenue are largely denominated in EUR, GBP, SEK and PLN while revenue from the pulp mills are primarily denominated in USD. The Group's operating expenses are primarily expressed in USD (pulp costs for paper mills), EUR (costs related to pulp for paper mills, energy, transportation, chemicals), PLN (the majority of other costs incurred by the paper mill in Kostrzyn nad Odrą) and SEK (the majority of other costs incurred by the Munkedal and Grycksbo paper mills as well as the Rottneros and Vallvik pulp mills).

Exchange rates also have an important impact on results reported in our financial statements because of changes in exchange rates of the currencies in which we generate revenue and incur costs, and the currency in which we report our financial results (PLN).

UNUSUAL EVENTS AND FACTORS

In 2025, there were no unusual events or factors.

IMPACT OF CHANGES IN ARCTIC PAPER GROUP'S STRUCTURE ON THE FINANCIAL RESULT

In 2025, there were no material changes in the Arctic Paper Group's structure that would have material influence on the financial result generated.

INFORMATION ON CONTRACTS SIGNIFICANT FOR THE GROUP'S OPERATIONS

Results of the share issue of the Issuer's subsidiary

On 22 July 2025, the Management Board became aware of the results of the issue of new shares in Rottneros, including the allocation to the Company of 10,000,000 new shares in the subsidiary Rottneros (8.7% of the offered shares) in addition to the shares under pre-emptive rights, as part of a subscription for new shares without pre-emptive rights. Prior to the aforementioned transaction, Arctic Paper S.A. held 78,230,883 Rottneros shares, representing 51.27% of the share capital and 51.27% of the total number of Rottneros votes. Following the above transaction and the exercise in full of its pre-emptive rights associated with its existing Rottneros shares, the Company holds a total of 146 904 045 Rottneros shares, representing 55.02% of the share capital and 55.02% of the total voting rights of Rottneros. By issuing 114,428,943 new Shares, Rottneros' share capital increased by SEK 114,428,943, from SEK 153,393,890 to SEK 267,822,833. After the issue, the total number of shares and votes in Rottneros is 267,822,833 shares.

Conclusion by Arctic Paper S.A. of a material financing agreement for the Issuer Group

On 31 October 2025, the Company entered into a term and revolving loan agreement (the "Loan Agreement"), which was entered into between the Company as borrower and the guarantor, subsidiaries of the Company: Arctic Paper Kostrzyn S.A., Arctic Paper Munkedals AB and Arctic Paper Grycksbo AB as guarantors (the "Guarantors") and a consortium of banks consisting of: BNP Paribas Bank Polska S.A. ("Security Agent"), Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A. (together the "Lenders"), pursuant to which the Lenders granted the Company a term investment loan in the aggregate amount of EUR 20,000,000 and a revolving loan in the aggregate amount of EUR 60,000,000 (the "Loans").

The Loan Agreement was entered into due to the impending maturity of the current Term Loan Agreement entered into on 2 April 2021, which falls five years after its execution.

Loan Agreement

Pursuant to the Loan Agreement, the Lenders have made the following Loans available to the Company:

(a) an investment term loan in the total amount of EUR 20,000,000 (twenty million euros) (the "Investment Loan"); and

(b) a revolving loan in the total amount of EUR 60,000,000 (sixty million euro) (the "Revolving Loan").

Subject to the relevant terms and conditions of the Loan Agreement, the Investment Loan was made available, inter alia, for the purpose of (i) refinancing the investment term loan taken for the construction of the biomass drying and pellet production plant project (the "Project"), granted under the Term and Revolving Loan Agreement the execution of which was reported by the Company in report No. 12/2021 of 2 April 2021 and amended by the receipt of a term loan for the Project, which was reported by the Company in report No. 19/2023 of 8 November 2023, and (ii) further financing of the implementation of the Project.

Subject to the relevant terms and conditions of the Loan Agreement, amounts raised under the Revolving Loan may be used, inter alia, (i) to refinance the revolving loan provided under the Term and Revolving Loan Agreement, which the Company announced in Report No. 12/2021 of 2 April 2021 and Report No. 19/2023 of 8 November 2023, and (ii) for general corporate purposes and to fund the working capital of the Company and its certain subsidiaries (including intra-group lending in any form).

Disbursement of funds under the Loans will be made subject to the Company and the Guarantors meeting the standard conditions precedent set out in the Loan Agreement.

The outstanding term loan facility provided to the Company under the Term and Revolving Loan Agreement, which the Company announced in Report No. 12/2021 of 2 April 2021 and Report No. 19/2023 of 8 November 2023, will be repaid from the Company's own funds prior to the availability of funding under the Loan Agreement.

Under the terms of the Loan Agreement, the interest rate on the Loans is variable, determined on the basis of the EURIBOR base rate and an agreed margin for the Investment Loan and the Revolving Loan.

Pursuant to the Loan Agreement, the relevant Loans will be repaid on the following dates:

(i) in the case of an Investment Loan, on the day falling 5 years after the conclusion of the Loan Agreement; and
(ii) in the case of a Revolving Loan, on the date falling 3 years after the date of the Loan Agreement, with the option to extend it for an additional two one-year periods or one two-year period (subject to compliance with the agreed extension conditions);

The Investment Loan is repayable subject to the following conditions: 67.5% of the disbursed amount of the Investment Loan is repayable in equal semi-annual instalments beginning in May 2026 and the remaining amount of the Investment Loan is repayable on its final repayment date. The Revolving Loan is repayable on the final repayment date.

Collateral

In order to secure the Lenders' claims under the Loan Agreement and the related financing documents, the Company and the Guarantors will establish, inter alia, the following securities: registered pledge and financial pledge on the shares of Arctic Paper Kostrzyn S.A., pledges on the shares of the companies under Swedish law Arctic Paper Munkedals AB and Arctic Paper Grycksbo AB, statements on submission to execution by the Company and Arctic Paper Kostrzyn S.A, registered pledges and financial pledges on the Company's and Arctic Paper Kostrzyn S.A.'s bank accounts, mortgage on the material agreed properties of Arctic Paper Kostrzyn S.A., registered pledge on the assets of Arctic Paper Kostrzyn S.A. and assignment agreements to secure rights under property insurance policies.

Other material information

Award of compensation based on the Act on the Compensation System for Energy-intensive Sectors and Subsectors to a subsidiary of the Issuer

On 29 October 2025, the Management Board became aware of the public aid granted to the subsidiary Arctic Paper Kostrzyn S.A. for transferring the costs of purchasing emission allowances to the prices of electricity consumed in the manufacture of products in energy-intensive sectors or subsectors for the year 2024 in the total amount of PLN 39.5 million. The Issuer estimates that the amount of Compensation granted will have a significant impact on the results achieved by Arctic Paper Kostrzyn S.A. in the fourth quarter of 2025.

Fulfilment of conditions precedent to a material financing agreement for the Issuer Group and repayment of an existing loan agreement

Upon receipt of confirmation from the Security Agent that the conditions precedent to the disbursement of the loans under the Loan Agreement had been fulfilled, the Company made the first disbursement of funds under the Loan Agreement on 19 December 2025 to repay in full the amounts of the investment loan and the revolving loan provided to the Company under the term loan and revolving loan agreement, which the Company announced in report No. 12/2021 of 2 April 2021 and which the Company announced in report No. 19/2023 of 8 November 2023 (the "Existing Loan Agreement") was amended by the receipt of the investment term loan, resulting in the full repayment of the Existing Loan Agreement.

Factors influencing the development of the Arctic Paper Group

INFORMATION ON MARKET TRENDS

Supplies of fine paper

In Q4 2025, the Arctic Paper Group reported an 8.5% decrease in order levels compared with Q3 2025, with a 1.9% increase in order levels compared with the same period in 2024.

For the full year 2025, the Arctic Paper Group reported a 1.1% increase in order levels compared with the previous year.

Source of data: Arctic Paper analysis

Paper prices

At the end of Q4 2025, prices for uncoated wood-free (UWF) papers in Europe decreased by 8.3% compared with prices at the end of December 2024, while they recorded a decrease of 6.3% for coated wood-free (CWF) papers.

At the end of December 2025, manufacturers' average declared prices for selected paper types and markets: Germany, France, Spain, Italy, the UK for both uncoated wood-free (UWF) and coated wood-free (CWF) papers were lower than at the end of September 2025 by 2.5% and 0.2% respectively.

Arctic Paper's invoiced prices in EUR of comparable products in the uncoated wood-free paper (UWF) segment fell by an average of 9.8% from the end of September 2025 to the end of December 2025. In the wood-free coated papers (CWF) segment, prices fell by 3.2% over the same period. At the end of Q4 2025, Arctic Paper's invoiced prices for uncoated wood-free (UWF) papers decreased by 15.7% compared with prices at the end of December 2024, while for coated wood-free (CWF) papers they recorded a decrease of 9.7%.

Source: For market data – RISI, price changes for selected markets in Germany, France, Spain, Italy and the UK in local currencies for graphic papers similar to the product portfolio of the Arctic Paper Group. The prices are expressed without considering specific rebates for individual customers and they did not include additions nor price reductions in relation to the publicly available price lists. The estimated prices for each month reflect orders placed in the month while the deliveries may take place in the future. Because of that, RISI price estimates for a particular month do not reflect the actual prices at which deliveries are performed but only express ordering prices. For Arctic Paper products, the average invoiced sales prices for all served markets in EUR.

Pulp prices

At the end of Q4 2025, the pulp prices reached the level of: NBSK – USD 1,498.5/ton and BHKP – USD 1,100/ton.

The average NBSK price in the fourth quarter of 2025 was 1.6% lower than in the same period last year, while the average BHKP price was 2.4% lower. Compared with Q3 2025, the average pulp price in the fourth quarter of this year fell by 0.7% for NBSK and it increased by 4% for BHKP.

Pulp costs are characterised by high volatility. The prices of the raw materials had major impact on the Group's profitability in the period.

The average cost of pulp used in paper production calculated for the Arctic Paper Group expressed in PLN in Q4 2025 increased by 1.3% compared with Q3 2025. The average cost of pulp used in paper production in the fourth quarter of 2025, compared with the same period of the previous year, decreased by 12.3%.

The share of pulp costs in the cost of sales after 12 months of the current year was 47%, compared with 52% in the same period of 2024.

The Arctic Paper Group uses the pulp in the production process according to the following structure: BHKP 76%, NBSK 17% and other 7%.

Source of data: www.foex.fi Arctic Paper analysis

Currency exchange rates

At the end of Q4 2025, the EUR/PLN rate amounted to 4.2267 and was by 1.1% lower than at the end of Q4 2024. The average EUR/PLN exchange rate in Q4 2025 was 4.2383, down 1.6% on the same period in 2024.

The EUR/SEK exchange rate was 10.8155 at the end of Q4 2025 (down 5.6% compared with the end of Q4 2024). For the pair, the average rate in the fourth quarter of 2025 compared with the same period of 2024 was 4.7% lower at 10.9541. The appreciating SEK against the euro adversely affected the level of revenue invoiced in euro at the factories in Sweden (AP Munkedals and AP Grycksbo).

The USD/PLN exchange rate at the end of Q4 2025 was 3.6016. In Q4 2025, the average USD/PLN exchange rate was 3.6432, compared with 4.0349 in the same period of the previous year, down by 9.7%. At the same time, it remained at the same level as in the third quarter of 2025. The average USD/PLN exchange rate in 2025 was 5.6% lower than for 2024. The year-on-year change had a favourable impact on the costs realised in USD by AP Kostrzyn, in particular pulp costs.

The USD/SEK exchange rate at the end of Q4 2025 was 9.2160. The average rate in Q4 2025 was 9.4163, compared with 10.7670 in the same period of the previous year, representing a rate depreciation of 12.5%. In the fourth quarter of 2025, the average USD/SEK exchange rate decreased by 1% compared with the third quarter of 2025. The change in comparison to the equivalent quarter of 2024 favourably affected the costs incurred in USD by AP Munkedals and AP Grycksbo, in particular the costs of pulp. At the same time, the depreciation of the USD against the SEK had an adverse effect on the pulp sales segment, where the majority of revenue is generated in US dollars. As a result of the weaker USD relative to the SEK, revenue expressed in SEK decreased significantly.

The EUR/USD exchange rate at the end of December this year was 1.1736, compared with 1.0419 (12.6%) at the end of December 2024. The average rate in Q4 2025 was 1.1634 compared with 1.0679 in the same period last year and 1.1685 in Q3 2025. This represents an 8.9% strengthening of the EUR against the USD compared with Q4 2024 and a 0.4% weakening compared with Q3 2025.

The appreciation of PLN versus EUR has adversely affected the Group's financial profit, mainly due to decreased sales revenue generated in EUR and translated into PLN. The stronger PLN against the USD in turn had a positive impact on the Group's financial performance, as it resulted in lower purchase costs for the main raw material at the Kostrzyn mill. The appreciating SEK against the euro adversely affected income generated in euro at APM and APG factories.

FACTORS INFLUENCING THE FINANCIAL RESULTS IN THE PERSPECTIVE OF THE NEXT YEAR

The material factors that have an impact on the financial results over the next year, include:

- Shaping demand for high-grade papers in Europe at a time of a tense geopolitical situation, high pulp prices, and an economic slowdown in Germany. Over the recent years there has been a major decrease of demand for fine paper in Europe (level of executed orders). Further negative developments in the market may adversely affect order levels to our paper mills. The accelerated digitalisation of legacy print products may have the additional effect of reducing demand for high-quality graphic papers and therefore negatively impact the Group's financial performance.
- Price changes of fine paper. In particular, the possibility to maintain the prices of Arctic Paper products in local currencies in view of the declining supply/demand in Europe and in the context exchange rates fluctuations, will have a material influence on the financial results. Paper prices will play a particularly important role for the Kostrzyn mill, which is particularly strongly, and negatively, affected by falling sales volumes and prices due to the changes in the market.
- Price fluctuations of raw materials, including pulp for paper mills and electricity for all operational entities. In particular, financial results of paper mills may be negatively influenced by increasing pulp prices, particularly BHKP. On the other hand, dropping NBSK pulp prices may negatively affect the financial results of pulp mills. Fluctuations of electricity prices in Sweden may also have a material impact on the results generated by the Group. In the future, such market changes may translate into changes of sales profitability in paper mills of AP Munkedals and AP Grycksbo as well as in pulp mills of Rottneros and Vallvik.
- Changes in currency rates, in particular, the appreciation of PLN and SEK in relation to EUR and GBP, the appreciation of PLN in relation to SEK, and the depreciation of PLN and SEK in relation to USD, may have an adverse effect on the financial results. However, the Group's pulp mills may benefit from the appreciation of USD in relation to SEK.

RISK FACTORS

Risk factors related to the environment in which the Group operates

The sequence in which the risk factors are presented below does not reflect the likelihood of occurrence, extent or materiality of the risks.

The risk related to intensifying competition in the paper market in Europe

Our Group operates in a very competitive market. The achievement of the strategic objectives assumed by the Group may be made difficult by operations of competitors, particularly integrated paper producers operating on a larger scale than our Group. Any more intensified competition resulting from a potential growth of production capacity of our competitors and thus an increased supply of paper to the market, may adversely affect the

achievement of the planned revenue and thus the ability to achieve the underlying financial and operational assumptions.

The Group has a high exposure to this risk

Risks associated with the tightening of the global geopolitical situation

The market in which our Group operates is exposed to risks related to the geopolitical situation in Europe and the World, primarily in the United States of America. These risks can materialise in delays in raw material deliveries or disrupted supply chains, forcing changes in production plans. An offshoot of uncertainty is caution in the spending of financial resources by consumers, which can contribute to dampening economic growth.

The Group has a medium exposure to this risk

Risks associated with the worsening geopolitical situation in Europe

In the dimension of the Group's activities in the European market, it is significant that the Group and its competitors have stopped commercial transactions with Russia, in particular the purchase of wood for the production of long-fibre cellulose. The result is a very strong increase in its price from alternative, Scandinavian, suppliers. It is being felt acutely by long-fibre cellulose producers, including those belonging to the Rottneros Group.

In addition, the Group is exposed to the risk of a hybrid war between Russia and European countries, in an extreme case the risk of armed conflict.

The Group has a high exposure to this risk

Risk of cyber attack

The risk of a cyber attack is one of the most serious threats facing businesses today, regardless of industry or size. It is important for the Group because it affects fundamental elements of the operation: data held by the Group, continuity of operations and production, finances, process security and reputation. A hacking attack could potentially result in production lines being stopped and orders being delayed, resulting in a loss of customer confidence. In addition, potential costs may include the reconstruction of the Group's IT infrastructure, the risk of administrative penalties (e.g. GDPR), or the risk of lawsuits as a result of claims from customers.

The Group has a high exposure to this risk

Risk of changing legal regulations

Our Group operates in a legal environment characterised with a high level of uncertainty. The regulations affecting our business have been frequently amended and often there are no consistent interpretations which generate a risk of violating the existing regulations and the resultant consequences even if such breach was unintentional. Moreover, changes in environmental protection regulations and other legislation may necessitate the incurrence of significant expenditure in order to ensure compliance, including with more stringent requirements or stricter enforcement of the applicable regulations concerning the protection of surface waters, groundwater, soil and ambient air.

The Group has a medium exposure to this risk

Foreign currency risk

Revenue, expenses and results of the Group are exposed to foreign currency risk, in particular relating to exchange rates of PLN and SEK to EUR, GBP and other currencies. Our Group exports a majority of its produced paper to European markets, generating a material part of its sales revenue in EUR, GBP, PLN and SEK. Sales revenue of pulp in the pulp mills is subject to USD exchange rate risk. The purchase costs of materials for paper production, in particular pulp for paper mills are paid primarily in USD and EUR. Additionally, we hold loan liabilities mainly in PLN, EUR and SEK. PLN is the currency used in our financial statements and therefore our revenue, expenses and results generated by the subsidiaries domiciled abroad are subject to exchange rate fluctuations. Thus, currency exchange rate fluctuations may have a strong adverse effect on the results, financial conditions and prospects of the Group.

The Group has a medium exposure to this risk

Interest rate risk

The Group is exposed to interest rate risk in view of the existing interest-bearing debt. The risk results from fluctuations of such interest rates as WIBOR for debt in PLN, EURIBOR for debt in EUR and STIBOR for debt in

SEK. Unfavourable changes of interest rates may adversely affect the results, financial condition and prospects of the Group.

The Group has a low exposure to this risk

Risk related to increasing importance of alternative media

Trends in advertising, electronic data transmission and storage and in the Internet have adverse impact on traditional printed media and thus on the products of the Group and its customers. Continuation of such changes may adversely affect the results, financial condition and prospects of the Group.

The Group has a high exposure to this risk

The objectives and methods of financial risk management in the Group along with hedging methods of major transactions are detailed in note 5.21 to the consolidated financial statements.

Risk factors relating to the business of the Group

The sequence in which the risk factors are presented below does not reflect the likelihood of occurrence, extent or materiality of the risks.

Risk related to relatively low operational margins

Historically, the operational results of the Group are characterised by relatively high volatility and low profit margins on operations. Reduced revenue resulting e.g. from changes to production capacity, output, pricing policies or increased operating expenses that primarily comprise costs of raw materials (mainly pulp for paper mills) and energy, may mean the Group's losses in earning capacity. Material adverse changes to profitability may result in reduced prices of our stock and reduced capacity to generate working capital thus adversely affecting our business and deteriorating our prospects.

The Group has a high exposure to this risk

Risk of price changes to raw materials, energy and products

We are exposed to the risk of price changes of raw materials and energy, primarily related to price fluctuations of pulp, gas and electricity. Paper mills buy pulp under frame agreements or in one-off transactions and do not hedge against fluctuations of pulp prices. A part of pulp is supplied to our paper mills from the pulp mills of the Rottneros Group. The risk of changing prices of raw materials is related primarily to changing prices of paper and pulp in the markets to which we sell our products. A material growth of prices of one or more raw materials and energy may adversely affect the operating results and financial condition of the Group.

The Group has a high exposure to this risk

Risk of disruption to production processes

Our Group holds three paper mills operating jointly seven production lines with total annual production capacity of over 640,000 tonnes of paper and two pulp mills with a total production capacity of 400,000 tonnes of pulp. Long-lasting disruption to the production process may result from a number of factors, including a breakdown, human error, unavailability of raw materials, natural catastrophes and other that are beyond our control. Each such disruption, even relatively short, may have material impact on our production and profitability and result in material costs for repairs, liabilities to buyers whose orders we are not able to satisfy and other expenses.

The Group has a medium exposure to this risk

Risk related to our investments

Investments by the Group aimed at expanding the production capacity of the Group require material capital outlays and a relatively long time to complete. As a result, the market conditions under which we operate may be materially changed in the period between our decision to incur investment outlays to expand production capacity and the completion time. Changes of market conditions may result in a volatile demand for our products which may be too low in the context of additional production capacities. Differences between demand and investments in new production capacities may result in failure to utilise the expanded production capacity to the full extent. This may have adverse effect on the operating results and financial condition of the Group.

The Group has a medium exposure to this risk

Risk factors relating to the debt of the Group

Our Group mainly has debt under a loan agreement with a consortium of banks (Pekao SA, Santander Bank S.A. and BNP Paribas SA) of 31 October 2025, loan debt with Danske Bank, Nordea Bank and under leasing agreements.

Failure by the Group to comply with its obligations, including the agreed levels of financial ratios (covenants) resulting from the agreements, will result in default under those agreements. Events of default may in particular result in demand for repayment of our debt, banks taking control over important assets like paper mills or pulp mills and loss of other assets which serve as collateral, deterioration of creditworthiness and lost access to external funding which will be converted into lost liquidity and which in turn may materially adversely affect our business and development prospects and our stock prices.

The Group has a medium exposure to this risk.

Risk related to insurance limits

In the context of deteriorating situation in paper industry and the results of the Arctic Paper Group, our suppliers, in particular suppliers of such raw materials as pulp, may have problems with acquiring insurance limits (sale on credit) and thus they may lose the possibility of offering deferred payment terms to the Arctic Paper Group. Such situation may result in deteriorated financial situation and loss of financial liquidity of operating units and as a result this may adversely affect the situation in the entire Group.

The Group has a medium exposure to this risk

Risk of restricted supplies of natural gas

Polskie Górnictwo Naftowe i Gazownictwo S.A (PGNiG) is the sole supplier of natural gas used by AP Kostrzyn to generate heat and electrical energy for paper production. (PGNiG). In this context, the business and costs of paper production at AP Kostrzyn is materially affected by availability and price of natural gas. Potential disruptions of supplies of natural gas to the paper mill in Kostrzyn nad Odrą may have adverse effect on production, results of operations and financial condition of the Group.

The Group has a low exposure to this risk.

Risk related to consolidation and liquidity of key customers

Consolidation trends among our existing and potential customers may result in a more concentrated customer base covering a few large buyers. Such buyers may rely on their improved bargaining position in negotiating terms of paper purchases or decide to change the supplier and acquire products from our competitors. Additionally, in the context of the deteriorating condition in printing industry, such customers as paper distributors, printing houses or publishers may not be able to obtain insurance limits (sale on credit) or have problems with financial liquidity which may result in their bankruptcy and adversely affect our financial results. The above factors may have adverse impact on the operational results and financial condition of the Group.

The Group has a medium exposure to this risk

Risk related to compliance with regulations on environmental protection and adverse impact of the production process on the environment

The Group meets the requirements related to environmental protection; however, no certainty exists that it will always be able to comply with its obligations and that in the future it will avoid material expenses or that it will not incur material obligations related to the requirements or that it will be able to obtain all permits, approvals and other consents to carry on its business as planned. Similarly, considering that paper and pulp production is related to potential hazards relating to waste generated in paper mills and pulp mills and contamination with chemicals, no certainty exists that in the future the Group is not charged with liability for environmental pollution or that no event that may underlie the liability of the Group has not already occurred. Thus, the Group may be required to incur major expenses in connection with the need to remove contamination and land reclamation.

The Group has a medium exposure to this risk

Risk related to CO₂ emissions

Our paper mills and pulp mills are provided with free carbon dioxide emission rights for each period. The emission rights are awarded within the EU Emission Trading Scheme. Should such free carbon dioxide emission rights be cancelled and replaced with a system of paid emission rights, our costs of energy generation will grow accordingly. Additionally, we may be forced to incur other unpredictable expenses in connection with the emission rights or

changing legal regulations and the resultant requirements. Due to the above we may be forced to reduce the quantity of generated energy or to increase the production costs which may adversely affect our business, financial condition, operational results or development prospects.

The Group has a low exposure to this risk.

Risk related to dividend distribution

The Issuer is a holding company and therefore its capacity to pay dividend is subject to the level of potential disbursements from its subsidiaries involved in operational activity, and the level of cash balances. Certain subsidiaries of the Group involved in operational activity may be subject to certain restrictions concerning disbursements to the Issuer. No certainty exists that such restrictions will have no material impact on the business, results of operations and capacity of the Group to distribute dividend.

In connection with the term and revolving loan agreements, and the agreement between creditors signed on 31 October 2025, the Company's ability to pay dividends is subject to the Group meeting certain financial ratios in the period prior to payment (as that term is defined in the term and revolving loan agreement) and there being no event of default (as that term is defined in the term and revolving loan agreement).

The Group has a medium exposure to this risk

Supplementary information

MANAGEMENT BOARD'S POSITION ON FINANCIAL FORECASTS

The Management Board of Arctic Paper S.A. did not publish projections of financial results for 2025 and has not published and does not intend to publish projections of financial results for 2026.

PRINCIPLES FOR THE PREPARATION OF ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

The Group's consolidated financial statements for the period from 1 January 2025 to 31 December 2025 have been prepared on the basis of International Financial Reporting Standards and related interpretations promulgated as regulations of the European Commission. The financial statements have been prepared on a going concern basis for the foreseeable future. As at the date of the financial statements, there are no circumstances indicating a threat to the Group's and the Issuer's going concern. Details of the preparation of the separate and consolidated financial statements are discussed in note 2.1 to the 2025 Consolidated Financial Statements.

DIVIDEND INFORMATION

On 15 May 2025, the Management Board announced that, following the publication of the financial results for Q1 2025 of the Company and its subsidiary Rottneros AB, it had decided to amend its original recommendation regarding the distribution of profit for 2024, which it had announced in current report No. 04/2025 of 18 February 2025. The Issuer's Management Board has decided to recommend to the Annual General Meeting to allocate the Company's net profit for 2024 in the amount of PLN 197,291,617.02 in its entirety to the Company's reserve capital.

On 11 June 2025, the Company's General Meeting, after reviewing the Management Board's proposal on profit distribution, decided to allocate the Company's entire net profit for the financial year 2024, amounting to PLN 197,291,617.02, to the Company's reserve capital.

CHANGES TO THE BODIES OF ARCTIC PAPER S.A.

As at 31 December 2025, the Company's Supervisory Board was composed of:

- Per Lundeen – Chair of the Supervisory Board appointed on 22 September 2016 (appointed to the Supervisory Board on 14 September 2016);
- Roger Mattsson – Deputy Chairman of the Supervisory Board appointed on 22 September 2016 (appointed as a Member of the Supervisory Board on 14 September 2014);
- Thomas Onstad – Member of the Supervisory Board appointed on 22 October 2008;
- Zofia Dzik – Member of the Supervisory Board appointed on 22 June 2021;
- Anna Jakubowski – Member of the Supervisory Board appointed on 22 June 2021.

Until the date hereof, there were no changes to the composition of the Supervisory Board of the Parent Company.

As at 31 December 2025, the Company's Management Board was composed of:

- Mr Michał Jarczyński – President of the Management Board;
- Ms Katarzyna Wojtkowiak – Member of the Management Board;
- Mr Fabian Langenskiöld – Member of the Management Board.

As at the date of publication of this report, there have been no changes to the composition of the Management Board of the Parent Company.

CHANGES TO THE SHARE CAPITAL OF ARCTIC PAPER S.A.

In 2025, there were no changes in the Company's share capital.

REMUNERATION PAID TO MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The table below presents information on the total amount of remuneration and other benefits paid or payable to members of the Management Board and of the Supervisory Board of the Parent Company and subsidiaries for the period from 1 January 2025 to 31 December 2025 (data in PLN).

Members of the Management Board and Supervisory Board	Remuneration for the functions performed at Arctic Paper SA	Retirement plan	Other	Total
Management Board				
Jarczyński Michał	2 001 912		1 514 812	3 516 724
Wojtkowiak Katarzyna	829 200		175 793	1 004 993
Langenskiöld Fabian	1 254 636	555 785	198 549	2 008 970
				6 530 686
Supervisory Board				
Per Lundeen	569 943			569 943
Roger Mattsson	268 800			268 800
Thomas Onstad	192 999			192 999
Zofia Dzik	230 400			230 400
Anna Jakubowski	192 000			192 000
				1 454 142

There were no liabilities arising from pensions and benefits of a similar nature for former executives in 2025.

AGREEMENTS WITH MEMBERS OF THE MANAGEMENT BOARD GUARANTEEING FINANCIAL COMPENSATION

As at 31 December 2025 and as at the approval date of this annual report, Members of the Management Board are entitled to compensation in case of their resignation or dismissal from their respective positions with no valid reason or when they are dismissed or their employment is terminated as a result of a merger of the Issuer by take-over. The amount of such compensation will correspond to their remuneration for 6 to 24 months.

INFORMATION ON THE CONTROL SYSTEM FOR EMPLOYEE SHARE SCHEMES

There are no control systems for employee share schemes in the Group.

CHANGES IN HOLDINGS OF THE ISSUER'S SHARES OR RIGHTS TO SHARES BY PERSONS MANAGING AND SUPERVISING ARCTIC PAPER S.A.

	Number of shares or rights as at 21.04.2026	Number of shares or rights to shares as at 31.12.2025	Number of shares or rights to shares as at 06.11.2025	Change
Management Board				
Michał Jarczyński	5 572	5 572	5 572	-
Katarzyna Wojtkowiak	-	-	-	-
Fabian Langenskiöld	900	900	900	-
Supervisory Board				
Per Lundeen	34 760	34 760	34 760	-
Thomas Onstad*	5 323 658	5 323 658	5 323 658	-
Roger Mattsson	-	-	-	-
Zofia Dzik	-	-	-	-
Anna Jakubowski	-	-	-	-

* Direct participation

MANAGEMENT OF FINANCIAL RESOURCES

In 2025, the Group managed its financial resources appropriately, with the highest possible efficiency in the use of these resources. The sources of funding for the Group's activities were in particular own funds, bank loans and borrowings and trade payables.

As of the date hereof, the Company held sufficient funds and creditworthiness to ensure financial liquidity of the Arctic Paper S.A. Group.

CAPITAL INVESTMENTS

In 2025, the Company used short-term deposits with a maturity of up to six months.

INFORMATION ON FINANCIAL INSTRUMENTS

Information on financial instruments on:

- the risks of: price changes, credit, material disruption of cash flows and loss of liquidity to which the Group is exposed; and
- the entity's financial risk management objectives and policies, including its methods of hedging significant types of forecast transactions for which hedge accounting is used, are disclosed in the consolidated financial statements in notes 5.20.5. and 5.20.8.

INFORMATION ON LOANS TAKEN OUT AND TERMINATED

Information on the Group's loans can be found in note 5.14 of the financial statements.

INFORMATION ON SURETIES, GUARANTEES AND PLEDGES

As at 31 December 2025, the Capital Group had the following:

- a bank guarantee in favour of Skatteverket Ludvika in the amount of SEK 135 thousand;
- a contingent liability of Arctic Paper Munkedals AB related to a surety for the obligations of Kalltorp Kraft HB in the amount of SEK 773 thousand;
- a pledge on properties held by Munkedals Kraft AB as required by loan agreements with Nordea Bank for SEK 80,000 thousand (related to the investment in the hydro power plant);
- pledges on shares in subsidiaries in the Rottneros Group for SEK 284,730 thousand under loan agreements concluded with Danske Bank.

In connection with the term and revolving loan agreement signed on 31 October 2025, the Company signed agreements and declarations pursuant to which the above receivables and other claims were secured in favour of Bank BNP Paribas Bank Polska S.A. acting as Security Agent, i.e.

1. under Polish law – Collateral Documents establishing the following Collateral:

- financial and registered pledges on all shares or interests held by the Company and Arctic Paper Kostrzyn SA registered in Poland, with the exception of the Company's shares;
- mortgages on all real properties located in Poland and belonging to the Guarantors;
- registered pledges on all material rights and movable assets owned by the Company and the Guarantors, constituting an organised part of the enterprise, located in Poland (with the exception of the assets listed in the Loan Agreement);
- assignment of existing and future insurance policies relating to the assets of Arctic Paper Kostrzyn S.A. (with the exception of the insurance policies listed in the Loan Agreement);
- declarations by the Company and Arctic Paper Kostrzyn S.A. on voluntary submission to enforcement, in the form of a notary deed;
- financial pledges and registered pledges on the bank accounts of the Company and Arctic Paper Kostrzyn S.A. registered in Poland (the pledges relate to current and future bank accounts; in the event of an event of default, in the event that the pledged receivable or part thereof becomes due, the Company may not draw funds from the pledged receivable, nor may it instruct the bank maintaining the account to disburse the funds);
- powers of attorney to the Polish bank accounts of the Company and Arctic Paper Kostrzyn S.A.;
- suretyship for liabilities granted by Arctic Paper S.A., Arctic Paper Kostrzyn S.A., Arctic Paper Munkedals AB, Arctic Paper Grycksbo AB

2. under Swedish law – Collateral Documents establishing the following Collateral:

- pledges over all the Company's and Arctic Paper Munkedals AB, Arctic Paper Grycksbo AB shares or interests registered in Sweden
- mortgages on all real properties located in Sweden and owned by Arctic Paper Munkedals AB, Arctic Paper Grycksbo AB, provided that only existing mortgage deeds are subject to such security;
- corporate mortgages granted by the Guarantors registered in Sweden as long as such collateral covers solely the existing mortgage deeds;
- assignment of (existing and future) insurance policies covering the assets of Arctic Paper Munkedals AB and Arctic Paper Grycksbo AB (with the exception of insurance policies listed in the Loan Agreement);
- pledges on Swedish bank accounts of Arctic Paper Munkedals AB and Arctic Paper Grycksbo AB, as long as such collateral is without prejudice to free management of funds deposited on bank accounts until an event of default specified in the Loan Agreement.

MATERIAL OFF-BALANCE SHEET ITEMS

The Group has no significant off-balance sheet items.

ASSESSMENT OF THE FEASIBILITY OF INVESTMENT PLANS

In view of the financial results achieved and subject to accomplishment of the current financial objectives, the Company plans to implement investments in line with its financial plan. The core objective of the investments is to develop new products, minimise production costs, including the costs of electricity, and to improve the effectiveness of the production process. The Group intends to finance its investment plan for 2026 with its own funds and external funding sources.

INFORMATION ON SIGNIFICANT COURT AND ARBITRATION PROCEEDINGS AND PROCEEDINGS PENDING BEFORE PUBLIC ADMINISTRATIVE AUTHORITIES

In the period covered by this report, Arctic Paper S.A. and its subsidiaries were not a party to any material proceedings pending before a court, an arbitral tribunal or a public administration authority.

INFORMATION ON TRANSACTIONS WITH RELATED PARTIES EXECUTED ON NON-MARKET TERMS AND CONDITIONS

During the period under report, Arctic Paper S.A. and its subsidiaries did not execute any material transactions with related parties on non-market terms and conditions.

INFORMATION ON AGREEMENTS RESULTING IN CHANGES TO THE PROPORTIONS OF SHARE HOLDINGS

Otherwise, than stated herein, the Issuer is not aware of any agreements that may in the future generate changes to the proportions of share holdings by the existing shareholders.

INFORMATION ON PURCHASE OF TREASURY SHARES

The Parent Company did not purchase any treasury shares in 2025.

INFORMATION ON THE ISSUE OF SECURITIES

The Company did not issue securities in the 2025 financial year.

INFORMATION ON THE ENTITY AUTHORISED TO AUDIT THE FINANCIAL STATEMENTS

On 06 August 2025, the Company's Supervisory Board, based on the Audit Committee's recommendation on the selection of an auditor, decided to select PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp.k. as the auditor of the Company and the Arctic Paper S.A. Group to audit the financial statements for 2025 and 2026. The recommendation of the Audit Committee was issued as a result of the selection procedure in compliance with the "Policy and procedure for the selection of the audit firm for the statutory and voluntary audit of the consolidated and separate financial statements of Arctic Paper S.A. with its registered office in Kostrzyn nad Odrą". The audit firm and members of its team performing the audit comply with the requirements to make an impartial and independent report from the audit of the annual consolidated and separate financial statements of the Arctic Paper Group and of the Company in compliance with the applicable regulations, professional standards and the rules of professional ethics.

On 14 July 2023, Arctic Paper S.A. entered into an agreement with PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp.k. to review the Company's interim separate financial statements and the Group's interim consolidated financial statements for the periods from 1 January 2025 to 30 June 2025 and from 1 January 2026 to 30 June 2026, and to audit the Company's separate financial statements and the Group's consolidated financial statements for the financial periods from 1 January 2024 to 31 December 2024 and for the financial periods from 1 January 2025 to 31 December 2025. The contract was concluded for the time required to perform the above services.

Other information on the auditor, including information on the audit firm's fees paid or payable for 2026 and 2025, is included in note 7.3 to the consolidated financial statements.

The non-audit services that the Group auditor responsible for the audit of the financial statements provided or is authorised to provide to the Group and its subsidiaries during the period under review are:

1. Carrying out support services related to the preparation of VAT returns in Germany for Rottneros AB;
2. Carrying out VAT filing support services in Norway for Rottneros AB;
3. Carrying out VAT filing support services in Italy for Rottneros AB;
4. Carrying out a service to assess the client's supply transactions and verify VAT procedures in Sweden for Rottneros AB;
5. Carrying out support services for the submission of the monthly NIL Intrastat return to the Spanish tax authorities, the submission of the ESPL (if required) and the receipt of notifications from the Spanish tax authorities for Vallviks Bruk AB;

Prior to the performance of the above services, an independence assessment was carried out in relation to the provision of these services, the Audit Committee approved their provision.

HEADCOUNT

Information on the headcount is provided in note 7.2 to the consolidated financial statements.

Statement on the application of the corporate governance rules

Corporate governance rules

On 29 March 2021, the Supervisory Board of the Giełda Papierów Wartościowych w Warszawie S.A. adopted, by Resolution No. 13/1834/2021, the corporate governance principles for companies listed on the Main Market of the WSE – “Best Practice for WSE Listed Companies 2021” (Best Practice 2021, DPSN2021).

Best Practice 2021 came into force on 1 July 2021.

Application by companies of the corporate governance rules contained in the Best Practice is voluntary, but reporting on their application is an obligation of every listed company, enshrined in the Regulations of the WSE. Companies had to publish their reports on the application of DPSN2021 by 31 July 2021.

The text of the “Best Practice for WSE Listed Companies 2021” is available on the websites of the Stock Exchange S.A. and the Company:

- https://www.gpw.pl/pub/GPW/files/PDF/dobre_praktyki/DPSN21_BROSZURA.pdf
- https://www.arcticpapergroup.pl/globalassets/arcticpapergroup.com/02-about/04-corporate-governance/dpsn21_broszura_wersja_do_druku.pdf

On 22 June 2022, the General Meeting of Shareholders of Arctic Paper S.A. adopted the “Diversity Policy for the Management Board and Supervisory Board of Arctic Paper S.A.” by Resolution No. 21/2022.

The policy applies to the Management Board and the Supervisory Board of Arctic Paper S.A. Its purpose is to regulate the recruitment and election of members of the Company’s Management and Supervisory Boards and to ensure non-discrimination and equal opportunities in the process.

In accordance with the regulations of the Policy, candidates are assessed in accordance with the principles of independence and merit and diversity criteria. The Company endeavours to ensure that the persons selected have a diverse range of education, experience, knowledge and skills, gender and age.

The functions of the members of the Management Board and the Supervisory Board are entrusted to specific individuals, irrespective of their gender, but in accordance with their professional preparation and experience. The composition of the Company’s bodies largely depends on the decisions of the Company’s shareholders.

The Company aims to ensure that the representation of women in its governing bodies is not less than 30%. This aspect is taken into account in the planned recruitment processes.

Information on the extent the Issuer waived the provisions of the corporate governance rules

Arctic Paper S.A. made every effort to comply with corporate governance rules as set forth in the document “Best Practice for WSE Listed Companies 2021”. In 2025, Arctic Paper S.A. did not apply the following rules:

Best practice – systems and internal functions

Rule 3.3

“A company included in the WIG20, mWIG40 or sWIG80 index shall appoint an internal auditor heading the internal audit function, who shall act in accordance with internationally recognised standards of professional practice for internal auditing. In other companies where no internal auditor meeting the aforementioned requirements has been appointed, the audit committee (or the supervisory board if it performs the functions of an audit committee) shall annually assess whether there is a need to appoint such a person”.

EXPLANATION:

Given the size of the Company and the structure and nature of its business, the appointment of an internal auditor is not justified by the assessments carried out by the Management Board and the Supervisory Board. Support to the Arctic Paper Group Management Board in achieving its impact and risk management objectives is provided by the risk management function with the assistance of the owners of the various risks

Rule 3.10

“At least every five years, a company included in the WIG20, mWIG40 or sWIG80 index shall have its internal audit function reviewed by an independent auditor selected with the participation of the audit committee”.

EXPLANATION:

Given the size of the Company and the structure and nature of its business, the Management Board, the Supervisory Board and the Audit Committee acting within it will consider the need for an independent audit in the future.

Best practice – General Meeting and relations with shareholders

Rule 4.1

“The company should enable shareholders to participate in a general meeting using electronic means of communication (e- meeting) if this is justified by the expectations of shareholders communicated to the company, as long as it is able to provide the technical infrastructure necessary for holding such a general meeting”.

EXPLANATION:

Given the need for many technical and organisational steps and the associated costs and legal risks, the Company has not decided to hold an electronic General Meeting at this time.

Rule 4.3

“The Company shall provide a publicly available real-time broadcast of the general meeting”.

EXPLANATION:

Taking into account the costs and legal risks, the Company has not decided at this time to carry out a general broadcast of the General Meeting. The Company will consider this possibility in the future.

Internal control and risk management systems with reference to the preparation of financial statements

The Management Board of Arctic Paper S.A. is responsible for the internal control system in the Company and for its efficiency in the development process of financial statements and interim reports, prepared and published in compliance with the rules of the Regulation of the Minister of Finance on current and periodical disclosure by issuers of securities and conditions to recognise as equivalent the information that is required by the law in Non-Member States of 29 March 2018. The preparation of the Group's financial statements and interim reports is the responsibility of the Company's finance department, headed by the Chief Financial Officer. The Company prepares its financial statements and interim reports based on the procedures in force at Arctic Paper S.A. for the preparation and publication of interim reports. The financial data underlying the preparation of the Company's financial statements is derived from the accounting system. The Management Board, after the accounting closure of each calendar month, analyses the company's financial performance in comparison with the budgeted assumptions and the results achieved in the previous reporting year.

The Company's Management Board systematically evaluates, the quality of the internal control and risk management systems in relation to the financial reporting process. On the basis of such review, the Company's Management Board found that as at 31 December 2025 there were no weaknesses that could materially affect the effectiveness of internal control with respect to financial reporting.

Shareholders that directly or indirectly hold significant packages of shares

Information on the shareholders that directly or indirectly hold large packages of shares is presented in the table below – the table presents the situation as at the date of approval of this report.

Shareholder	Number of shares	Share in the share	Number of votes	Share in the total
		capital		number of votes
		[%]		[%]
Thomas Onstad	Thomas Onstad	68,26%	47 298 548	68,26%
– indirectly via	41 974 890	60,58%	41 974 890	60,58%
	Nemus Holding AB	59,71%	41 374 890	59,71%
	other entity	0,87%	600 000	0,87%
– directly	5 323 658	7,68%	5 323 658	7,68%
Other	21 989 235	31,74%	21 989 235	31,74%
Total	69 287 783	100,00%	69 287 783	100,00%
Treasury shares	–	0,00%	–	0,00%
Total	69 287 783	100,00%	69 287 783	100,00%

Securities with special control rights

There are no securities in the Company with special control rights – in particular, no shares in the Company are privileged.

Information on major restrictions on transfer of title to the Issuer's securities and all restrictions concerning the exercising of voting rights

The Company's Articles of Association do not provide for any restrictions concerning transfer of title to the Issuer's securities.

With the exception of restrictions on the transfer and acquisition of the Company's shares that arise under common law, there are no restrictions on the transfer of ownership of the Company's securities.

The Company's Articles of Association do not provide for any restrictions on the exercise of voting rights on Arctic Paper S.A. shares.

Description of the principles of amending the Issuer's Articles of Association

Changes to the Company's Articles of Association fall within the sole competences of the General Meeting.

There were no changes to the Issuer's Articles of Association in 2025.

Unless the Code of Commercial Companies and Partnerships or the Articles of Association of the Company provide otherwise, resolutions of the General Meeting require an absolute majority of votes;

Description of the functioning of the General Meeting

The rules of procedure of the General Meeting and its core competences result straight from applicable laws and are partly incorporated in the Company's Articles of Association.

The Company's Articles of Association are available at:

https://www.arcticpapergroup.pl/globalassets/arcticpapergroup.com/02-about/04-corporate-governance/corporate-documents/pl/arctic_paper_statut_tekst_jednolity_aktualny_2019_pl.pdf

General Meetings are held in accordance with the following basic rules:

- General Meetings are held in the Company's offices or in Warsaw;
- General Meetings may be ordinary or extraordinary;
- Ordinary General Meetings shall be held within six months after the end of the financial year;
- General Meetings are opened by the Chair of the Supervisory Board or a person designated by him/her which is followed by election of the Chair of the General Meeting;

- voting shall be open unless a shareholder demands a secret ballot or a secret ballot is required by the provisions of the Code of Commercial Companies and Partnerships;
- unless the Code of Commercial Companies and Partnerships or the Articles of Association of the Company provide otherwise, resolutions of the General Meeting require an absolute majority of votes;
- in compliance with the Company's Articles of Association, the following matters fall within the exclusive competences of the General Meeting:
 - considering and approving the Management Board' report on the Company's and Group's activities and the Company's financial statements and the Group's consolidated financial statements for the previous financial year;
 - granting a vote of approval to Members of the Management Board and Members of the Supervisory Board for the performance of their duties;
 - decisions concerning distribution of profit or coverage of losses;
 - changes to the business objects of the Company;
 - changes to the Articles of Association of the Company;
 - increase or decrease in the Company's share capital;
 - merger of the Company with another company or other companies, split of the Company or transformation of the Company;
 - dissolution and liquidation of the Company;
 - issues of convertible bonds or pre-emption bonds and issues of subscription warrants;
 - purchase and sale of real properties ;
 - disposal and lease of the entire enterprise or an organised part thereof or establishment of limited rights in rem thereon;
 - all other issues for which the Articles of Association or the Code of Commercial Companies and Partnerships require a resolution of the General Meeting.

General Meetings may approve resolutions in the attendance of at least half of the share capital of the Company.

General Meetings approve resolutions with an absolute majority of votes unless the Articles of Association or applicable regulations require a qualified majority.

The shareholders' rights and the way to enforce them result explicitly from law that has been partly incorporated in the Company's Articles of Association.

Operation of the Issuer's managing and supervising bodies and its committees as well as information on the composition of those bodies

Management Board

COMPOSITION OF THE MANAGEMENT BOARD

- The Management Board is composed of one to five Members, including President of the Management Board;
- The Management Board is appointed and dismissed by the Supervisory Board for a joint term of office.
- The term of office of Members of the Management Board is 3 (three) years.
- When the Management Board is composed of more than one person, the Supervisory Board – upon a proposal by the President – may appoint up to three Vice-Presidents from among Members of the Management Board. Vice-Presidents may be dismissed subject to a resolution of the Supervisory Board.
- A Member of the Management Board may be dismissed by the Supervisory Board at any time.
- A Member of the Management Board may be dismissed or suspended in their duties at any time by the General Meeting.

CORE COMPETENCES OF THE MANAGEMENT BOARD

- The Management Board directs the affairs of the Company and represents the Company.
- If the Management Board is composed of more than one person, declarations of intent on the Company's behalf shall be made by the President of the Management Board individually or two Members of the Management Board acting jointly or a Member of the Management Board acting jointly with a Proxy.
- The Management Board is obliged to exercise their duties with due diligence and comply with law, the Company's Articles of Association, approved regulations and resolutions of the Company's bodies; decisions shall be taken in line with reasonable economic risk with a view to the interests of the Company and its shareholders.
- The Management Board is obliged to manage the assets and business of the Company and perform its duties subject to due diligence required in business operations and subject to strict compliance with applicable laws, provisions of the Articles of Association and internal regulations as well as resolutions approved by the General Meeting and the Supervisory Board.

- The Company's Management Board shall not be entitled to take decisions on share issues and redemption.
- Each Member of the Management Board shall be liable for any damage inflicted upon the Company as a result of their actions or omissions breaching the provisions of law or the Company's Articles of Association.
- The responsibilities of the Management Board include – in compliance with the Code of Commercial Companies and Partnerships – all affairs of the Company not reserved to the General Meeting or the Supervisory Board.
- Guided by the interests of the Company, the Management Board defines the strategy and core objectives of the Company's business.
- The Management Board shall comply with the regulations relating to confidential information within the meaning of the Act on Trading and to comply with all the duties resulting therefrom.

Otherwise, the individual Members of the Management Board shall be responsible for independently managing the affairs of the Company as resulting from the internal delegation of duties and functions approved by a decision of the Management Board.

The Management Board may approve resolutions at meetings or outside meetings in writing or with the use of direct means of remote telecommunications. The Management Board approves resolutions with a majority of votes cast. Resolutions shall be valid if minimum one half of Members of the Management Board are present at the meeting. In case of equal number of votes, the President of the Management Board shall have the casting vote.

The detailed mode of operation of the Management Board is set forth in the Regulations of the Management Board with its updated version available at:

https://www.arcticpapergroup.com/globalassets/arcticpapergroup.com/02-about/04-corporate-governance/corporate-documents/5_regulamin-zarzdu_ang_05062012.pdf

The Management Board of the Company as at the publication hereof was composed as follows:

- Michał Jarczyński – President of the Management Board appointed as of 1 February 2019;
- Katarzyna Wojtkowiak – Member of the Management Board appointed as of 9 May 2023;
- Fabian Langenskiöld – Member of the Management Board appointed as of 14 August 2023.

The Management Board was appointed for a new term of office by resolution of 9 May 2023.

Supervisory Board

COMPOSITION AND ORGANISATION OF THE SUPERVISORY BOARD

- The Supervisory Board is composed of 5 (five) to 7 (seven) Members elected by the General Meeting for a joint three-year term of office. A Member of the Supervisory Board may be dismissed at any time.
- The Supervisory Board is composed of the Chair, Deputy Chairs and other Members. The Chair of the Supervisory Board and Deputy Chair are elected by the Supervisory Board from among its Members at the first meeting and – if so required – during the term of office in by-elections.
- Since the General Meeting approved resolutions on the first public issue of shares and having them listed, two Members of the Supervisory Board have to be Independent Members.
- When an Independent Member of the Supervisory Board is nominated, resolutions on the following matters require consent of minimum one Independent Member of the Supervisory Board:
 - any benefits to be provided by the Company and any entity related to the Company for Members of the Management Board;
 - consent to the Company or its subsidiary to enter into a material agreement with a Member of the Supervisory Board or the Management Board and with their related parties, other than agreements concluded in the normal course of the Company's business subject to normal terms and conditions applied by the Company;
 - election of auditor to perform audits of the Company's financial statements.
- For the avoidance of doubt, it is assumed that loss of the independent status by a Member of the Supervisory Board and failure to appoint an Independent Member of the Supervisory Board shall not invalidate the decisions approved by the Supervisory Board. Loss by an Independent Member of their independent status during the performance of their function of a Member of the Supervisory Board shall not affect the validity or expiry of their mandate;
- In case of expiry of the mandate of a Member of the Supervisory Board before the term of office, the other Members of the Supervisory Board shall be entitled to co-opt a new Member of the Supervisory Board in such vacated position by way of a resolution approved with an absolute majority of the other Members of the Supervisory Board. The mandate of such co-opted Member of the Supervisory Board shall expire if the first Ordinary General Meeting to be held after such Member has been co-opted, fails to approve such Member. At any time, only two persons elected as Members of the Supervisory Board in the co-option procedure and who

were not approved as candidates by the Ordinary General Meeting, may act as Members of the Supervisory Board. Expiry of the mandate of a co-opted Member of the Supervisory Board as a result of failure to approve such candidate by the Ordinary General Meeting may not be treated as finding any resolution approved with the participation of such Member as invalid or ineffective.

- Chair and Deputy Chair of the Supervisory Board:
 - maintain contact with the Company's Management Board;
 - manage the operations of the Supervisory Board;
 - represent the Supervisory Board in external contacts and in contacts with the other bodies of the Company, including in contacts with Members of the Company's Management Board;
 - approve the presentation of initiatives and proposals submitted for meetings of the Supervisory Board;
 - take other actions as specified in the Company's Regulations and Articles of Association;
 - Members of the Supervisory Board should not resign from their function during the term of office if that could prevent the operation of the Supervisory Board, in particular prevent timely approval of major resolutions;
 - Members of the Supervisory Board shall be loyal to the Company. Should a conflict of interests arise, Members of the Supervisory Board shall report it to other Members of the Supervisory Board and refrain from participating in discussions and from voting on the issue to which the conflict of interests is related;
 - Members of the Supervisory Board shall comply with law, the Company's Articles of Association and Regulations of the Supervisory Board.

COMPETENCES OF THE SUPERVISORY BOARD

- The Supervisory Board performs overall supervision over the business of the Company in all areas of its operation.
- The Supervisory Board approves resolutions, issues recommendations and opinions and submits proposals to the General Meeting.
- The Supervisory Board may not issue binding instructions to the Management Board concerning the management of the Company's affairs.
- Disputes between the Supervisory Board and the Management Board shall be resolved by the General Meeting.
- In order to exercise their rights, the Supervisory Board may review the business of the Company in any respect, request the presentation of any documents, reports and clarification from the Management Board and issue opinions on issues related to the Company and submit proposals and initiatives to the Management Board.
- Apart from other issues specified in law or in the Company's Articles of Association, the competences of the Supervisory Board include, inter alia:
 - review of the financial statements of the Company;
 - review of the Management Board's report on Operations of the Company and proposals of the Management Board concerning profit distribution and coverage of losses;
 - submission to the General Meeting of an annual report from results of the above reviews;
 - appointment and dismissal of Members of the Management Board, including the President and Vice-Presidents, and setting the remuneration of Members of the Management Board;
 - appointment of the auditor of the Company;
 - suspension of Members of the Management Board in their functions for valid reasons;
 - approval of annual financial plans for the capital group of which the Company and its subsidiaries are members;
 - approval of terms and conditions of bond issues by the Company (other than convertible bonds or bonds with priority rights, referred to in Article 393.5 of the Code of Commercial Companies and Partnerships) and issues of other debt securities, provision of consent to contract financial liabilities or taking actions resulting in contracting any financial liabilities, such as borrowings, loans, overdraft facilities, conclusion of factoring, forfaiting, lease contracts and other generating liabilities in excess of PLN 10,000,000;
 - approval of the principles and amounts of remuneration of Members of the Management Board and other persons in key management functions in the Company as well as approval of any incentive programme, including incentive programmes for Members of the Management Board, persons in key management functions in the Company or any persons cooperating with or related to the Company, including incentive programmes for employees of the Company.
- Annually the Supervisory Board submits to the General Meeting a brief assessment of the Company's condition ensuring that it is made available to all shareholders at a time that they are able to review it before the Ordinary General Meeting.
- The Supervisory Board concludes contracts with Members of the Management Board on behalf of the Company and represents the Company in disputes with Members of the Management Board. The Supervisory Board may authorise by way of a resolution one or more of its Members to perform such legal actions.

The Supervisory Board may approve resolutions in writing or with the use of direct means of remote telecommunications. Resolutions approved as specified above shall be valid if all Members of the Supervisory

Board were notified of the content of the draft resolution. The approval date of the resolution approved as above shall be equivalent to the date of signing by the last Member of the Supervisory Board.

Resolutions of the Supervisory Board may be approved when all Members have been notified by registered letter, fax or e-mail message, sent minimum 15 days in advance and the meeting is attended by a majority of Members of the Supervisory Board. Resolutions may be approved without formal convening a meeting when all Members of the Supervisory Board agreed to vote on the specific issue or to the content of the resolution to be approved.

Resolutions of the Supervisory Board require a simple majority of votes; in case of equal votes, the Chair of the Supervisory Board shall have the casting vote;

The detailed mode of operation of the Supervisory Board is set forth in the Regulations of the Supervisory Board with its updated version available at:

https://www.arcticpapergroup.com/globalassets/arcticpapergroup.com/02-about/04-corporate-governance/corporate-documents/3_1_11-2016_appendix_eng_ap-sa---supervisory-board-bylaws_fin.pdf

The Supervisory Board of the Company as at the publication hereof was composed as follows:

- Per Lundeen – Chair of the Supervisory Board appointed on 14 September 2016;
- Roger Mattsson – Deputy Chair of the Supervisory Board appointed on 16 September 2014;
- Thomas Onstad – Member of the Supervisory Board appointed on 22 October 2008;
- Zofia Dzik – Member of the Supervisory Board appointed on 22 June 2021 (Independent Member);
- Anna Jakubowski – Member of the Supervisory Board appointed on 22 June 2021 (Independent Member).

By resolution of the General Meeting of 29 May 2024, the Supervisory Board was appointed for a new term of office.

In 2025, the Supervisory Board held meetings on: 7 February, 22 April, 15 July, 10 June, 6 August, 21 October and 16 December.

Audit Committee

COMPOSITION AND ORGANISATION OF THE AUDIT COMMITTEE

- The Audit Committee is composed of minimum three Members of the Supervisory Board, including the Chair of the Committee, elected by the Supervisory Board from among its Members in compliance with the Articles of Association and Regulations of the Supervisory Board.
- Members of the Audit Committee shall be appointed for three-year terms of office, however no longer than the term of office of the Supervisory Board.
- The majority of the Audit Committee Members, including the Chair of the Audit Committee, must be Independent Members.
- The Audit Committee operates on the basis of the Act on Statutory Auditors, Best Practice of WSE Listed Companies, Regulations of the Supervisory Board and the Regulations of the Audit Committee.
- The Audit Committee performs advisory and consulting functions, operates as a collective body within the Company's Supervisory Board.
- The Audit Committee carries out its tasks by providing the Supervisory Board with its proposals, opinions and reports on its scope in the form of resolutions.
- At least one Member of the Audit Committee shall have knowledge and skills in terms of accounting or auditing financial statements. The Supervisory Board is of the opinion that the requirement of competences in the sphere accounting and financial audit is recognised as satisfied if a Member of the Audit Committee has a major experience in financial management in commercial partnerships, internal audit or audit of financial statements, and additionally:
 - has the title of a certified auditor or equivalent international certificate, or
 - has an academic degree in the field of accounting or financial audit, or
 - has long-term experience as a financial director in public companies or in working in an audit committee of such companies.
- Members of the Audit Committee shall have knowledge and skills relating to the industry in which the Issuer operates. This condition is recognised as satisfied if at least one Member of the Audit Committee has knowledge and skills relating to that industry or individual Members within specific scopes have knowledge and skills relating to the scope of that industry. The Supervisory Board is of the opinion that the requirement of competences relating to the industry is recognised as satisfied if a Member of the Audit Committee has information on the characteristics of the sector, that allows him to obtain a complete picture of the sector's complexity or has knowledge on part of the chain of activities carried out by the Company.

Competencies of the Audit Committee

- The basic task of the Audit Committee is advisory to the Supervisory Board on issues of proper implementation and control of the financial reporting processes in the Company, effectiveness of the internal control and risk management systems and cooperation with statutory auditors.
- The tasks of the Audit Committee resulting from supervising the Company's financial reporting process, ensuring the effectiveness of the Company's internal control systems and monitoring of internal audit operations, include in particular:
 - control if the financial information provided by the Company is correct, including the accuracy and consistency of the accounting principles applied in the Company and its Capital Group as well as the consolidation principles of financial statements;
 - carrying out at least annually, an assessment of the internal control and management system of the Company and its Group to ensure proper identification and management of risks;
 - ensuring the effective functioning of internal control, in particular by providing recommendations to the Supervisory Board with respect to:
 - strategic and operational internal audit plans and material modifications to such plans;
 - internal audit policies, strategy and procedures, developed in compliance with the approved internal audit standards;
 - audits of specific areas of the Company's operations.
- The tasks of the Audit Committee resulting from monitoring the independence of the statutory auditor and the entity authorised to audit financial statements, include in particular:
 - issuing recommendations to the Supervisory Board relating to the election, appointment and re-appointment and dismissal of the entity acting as the statutory auditor;
 - control of independence and impartiality of the statutory auditor, in particular with a view to replacing the statutory auditor, the level of its remuneration and other relationships with the Company;
 - verification of the effectiveness of the works performed by the statutory auditor;
 - review of reasons of resignation by the statutory auditor.
- The Audit Committee may resort to advisory services and assistance by external legal, accounting or other advisers if it finds it necessary to perform its duties.
- The Audit Committee is obliged to file annual reports from its operations to the Supervisory Board by 30 September in each calendar year.

The Audit Committee meets at least three times a year.

In 2025, the Audit Committee held meetings on: 1 April, 22 April, 11 August and 15 December.

As at 5 August 2021, the Audit Committee was composed of:

- Anna Jakubowski – Chair of the Audit Committee. Member meeting the criteria for independence. According to the declaration submitted by Ms Anna Jakubowski, she meets the condition of knowledge and skills in accounting or auditing. Ms Anna Jakubowski has several years of experience as a Member of the Audit Committee of financial institutions, including Bank Millennium.
- Zofia Dzik – Member of the Audit Committee meeting the independence criteria. According to the declaration submitted by Ms Zofia Dzik, she meets the condition of knowledge and skills in accounting or auditing. Ms Zofia Dzik has several years of experience working for Arthur Andersen and Andersen Business Consulting, where she was responsible, among others, for the area of auditing financial statements and consulting in the area of finance.
- Roger Mattsson – Member of the Audit Committee – due to his long-standing experience as the financial controller of the Arctic Paper Group and his participation in the Audit Committee for more than three years, Mr Roger Mattsson fulfils the condition for the Audit Committee Member to have knowledge and skills in the Company's business. Additionally, he has knowledge and skills in the sphere of accounting or auditing financial statements.

The detailed mode of operation of the Audit Committee is set forth in the Regulations of the Audit Committee.

Core assumptions underlying the policy of selecting an audit firm to conduct audits

- According to the regulations applicable to the Company, the Company's Supervisory Board shall select – by way of a resolution and acting under a recommendation of the Audit Committee – the auditor authorised to carry out the audit.
- The selection is made taking into account the principles of impartiality and independence of the audit firm and the analysis of the audit firm's work carried out in the Company which falls beyond the scope of the audit of financial statements, in order to avoid any conflict of interest (observance of impartiality and independence).

- A request for proposals concerning the selection of an audit firm for statutory audit of the Company's financial statements is developed by the Audit Committee in cooperation with the Company's CFO.
- After analysing the submitted offers, the Audit Committee shall develop a recommendation with conclusions from the selection procedure to be approved by the Audit Committee and shall submit a recommendation on the selection of the audit firm to the Supervisory Board within such time that will support a resolution on audit firm selection.
- The Supervisory Board shall select the audit firm on the basis of the submitted offers and after becoming acquainted with the Audit Committee's opinion and recommendation.
- If the Supervisory Board's decision differs from the recommendation of the Audit Committee, the Supervisory Board shall justify the reasons for its failure to comply with the Audit Committee's recommendation and shall submit such justification to the body approving the financial statements.
- The Company's Management Board shall enter into a contract with the selected audit firm for the audit of financial statements of the Company.
- The first contract is concluded for minimum 2 years and it may be extended for another two or three years. The duration of the cooperation shall be counted from the first financial year covered by the audit contract, in which the authorised auditor was appointed for the first time to carry out the consecutive statutory audits of the Company.
- After expiry of the maximum period of the cooperation, the authorised auditor or, where applicable, any member of its network, may not undertake a statutory audit of the Company's financial statements for further 4 years.
- The key statutory auditor may not perform a statutory audit in the Company for a period longer than 5 years. The key statutory auditor may conduct a statutory audit again after the expiry of 3 years.
- The maximum period of uninterrupted performance of statutory audits by the same audit firm or an audit firm related to that audit firm or any member of the network operating in the European Union of which the audit firms are members, may not exceed 10 years.

Core assumptions underlying the policy of the provision of permitted services other than audit services by the audit firm performing the audit, by entities related to the audit firm and by a member of the audit firm's network:

- The Audit Committee of Arctic Paper S.A. shall be responsible for the policy covering the provision of permitted services other than audit services by the audit firm performing the audit, by entities related to the audit firm and by a member of the audit firm's network.
- The Audit Committee of Arctic Paper S.A. controls and monitors the independence of the auditor and the audit firm, in particular if the audit firm provides other services than audit of statutory financial statements to Arctic Paper S.A.
- The Audit Committee of Arctic Paper S.A., when so requested by a competent body or person, approves the provision of permitted services by the auditor that are not an audit of Arctic Paper S.A.
- The prohibited services do not include:
 - carrying out due diligence procedures for economic and financial condition;
 - issue of letters of support;
 - attestation services related to pro forma financial information, forecast of results, or estimation of results, contained in the issue prospectus of the audited entity;
 - review of historic financial information for projects referred to in the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisement;
 - verifying consolidation packages;
 - confirming the fulfilment of terms and conditions of concluded loan agreements on the basis of the analysis of financial information from the financial statements audited by the audit firm;
 - attestation services related to reporting on corporate governance, risk management, and corporate social responsibility;
 - services consisting in assessing the conformity of information disclosed by financial institutions and investment firms with requirements for disclosure of information on capital adequacy and variable remuneration components;
 - certifying financial statements or other financial information intended for supervisory authorities, supervisory board or other supervisory body of the Company or owners, which falls beyond the scope of statutory audit and helps these bodies to fulfil their statutory obligations.
- Provision of the above services is possible solely to the extent not related to the entity's tax policies after a review by the Audit Committee of hazards and mitigants of the audit firm's independence as referred to in Article 69-73 of the Act on Certified Auditors, Audit Firms and Public Supervision.

On 06 August 2025, the Company's Supervisory Board, based on the Audit Committee's recommendation on the selection of an auditor, decided to select PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp.k. as the auditor of the Company and the Arctic Paper S.A. Group to audit the financial statements for 2025 and 2026. The recommendation of the Audit Committee was issued as a result of the selection procedure in compliance with the "Policy and procedure for the selection of the audit firm for the statutory and voluntary audit of the consolidated and separate financial statements of Arctic Paper S.A. with its registered office in Kostrzyn nad Odrą". The audit firm and members of its team performing the audit comply with the requirements to make an impartial and independent report from the audit of the annual consolidated and separate financial statements of the Arctic Paper Group and of the Company in compliance with the applicable regulations, professional standards and the rules of professional ethics.

Remuneration Committee

COMPOSITION AND ORGANISATION OF THE REMUNERATION COMMITTEE

- The Remuneration Committee is composed of minimum two Members of the Supervisory Board, including the Chair of the Committee, elected by the Supervisory Board from among its Members in compliance with the Articles of Association and Regulations of the Supervisory Board.
- Members of the Remuneration Committee shall be appointed for three-year terms of office, however no longer than the term of office of the Supervisory Board.
- The Chair of the Remuneration Committee shall be elected with a majority of votes of its Members.
- The Remuneration Committee operates pursuant to the Regulations of the Supervisory Board and the Regulations of the Remuneration Committee.
- The Remuneration Committee performs advisory and consulting functions, operates as a collective body within the Company's Supervisory Board.
- The Remuneration Committee carries out its tasks by providing the Supervisory Board with its proposals, opinions and reports in the form of resolutions.

COMPETENCES OF THE REMUNERATION COMMITTEE

- The basic task of the Remuneration Committee is advisory support to the Supervisory Board on issues related to remuneration policy, bonus policy and other issues related to the remuneration of the employees, Members of the Company's authorities and the authorities of Capital Group companies.
- The tasks of the Remuneration Committee resulting from supervision over the Company's remuneration policy and ensuring the effective functioning of the Company's remuneration policy, is to provide recommendations to the Supervisory Board in particular with respect to:
 - approval and changes to the remuneration principles of Members of the Company's bodies;
 - the amount of total remuneration to Members of the Company's Management Board;
 - legal disputes between the Company and Members of the Management Board with respect to the tasks of the Committee;
 - proposing remuneration and approving additional benefits to Individual Members of the Company's bodies, in particular under management option plans (convertible into shares of the Company);
 - strategy of the Company's remuneration and bonus policies and HR policies.
- The Remuneration Committee may resort to advisory services and assistance by external legal or other advisers if it finds it necessary to perform its duties.
- The Remuneration Committee is obliged to file annual reports from its operations to the Supervisory Board by 30 September in each calendar year.

On 31 August 2020, the General Meeting of the Company, bearing in mind Article 90d(1) in connection with Article 90c(2)(1) of the Act of 29 July 2005 on public offerings and conditions for the introduction of financial instruments into the organised trading system and on public companies (i.e. Journal of Laws of 2022, item 2554, as amended) adopted the "Remuneration Policy for Members of the Management Board and Members of the Supervisory Board of Arctic Paper S.A.". Under the aforementioned Acts of public companies, including the Company, were obliged to adopt, by resolution, the Remuneration Policy of Management Board and Supervisory Board Members, which is the rules for determining the remuneration of Members of the Management Board and Supervisory Board, by the General Meeting of Shareholders, and to publish a remuneration report. The Company shall pay remuneration to the Members of the Management Board and the Supervisory Board solely in compliance with the adopted Policy. The policy prepared by the Company was drawn up in accordance with the principles set out in the aforementioned Act and refers to the required elements related to remuneration and other terms of employment for Members of the Management Board and Members of the Supervisory Board. The policy received an opinion from the Remuneration Committee operating at the Supervisory Board, as well as by the Supervisory Board.

On 11 June 2025, the General Meeting of the Company gave a positive opinion on the remuneration report for 2024 prepared by the Supervisory Board. The resolution of the General Meeting on the aforementioned subject is

advisory. The report was reviewed by the auditor. The independent auditor's report on the performance of a service providing reasonable assurance on the assessment of the remuneration report was attached as Appendix 2 to current report No. 11/2025 – "Resolutions adopted by the Annual General Meeting of Arctic Paper S.A. on 11 June 2025".

Remuneration Committee meetings were held on: 18 February, 13 March, 21 March, 27 March, 17 April.

Since 9 February 2017 the Remuneration Committee has been operating in the following composition:

- Per Lundeen – Chair of the Remuneration Committee;
- Thomas Onstad – Member of the Remuneration Committee;
- Roger Mattsson – Member of the Remuneration Committee.

The detailed mode of operation of the Remuneration Committee is set forth in the Regulations of the Remuneration Committee.

Risk Committee

COMPOSITION AND ORGANISATION OF THE RISK COMMITTEE

- The Risk Committee is composed of minimum three Members of the Supervisory Board, including the Chair of the Committee, elected by the Supervisory Board from among its Members. Minimum one Member of the Risk Committee shall be an Independent Member and hold qualifications and experience in the sphere of finances.
- Members of the Risk Committee shall be appointed for three-year terms of office, however no longer than the term of office of the Supervisory Board.
- The Chair of the Risk Committee shall be elected with a majority of votes of its Members.
- The Risk Committee operates on the basis of commonly accepted corporate risk management models (e.g. COSO-ERM).
- The Risk Committee performs advisory and consulting functions, operates as a collective body within the Company's Supervisory Board.
- The Risk Committee carries out its tasks by providing the Supervisory Board with its proposals, opinions and reports in the form of resolutions.

COMPETENCES OF THE RISK COMMITTEE

- The basic task of the Risk Committee is advisory support to the Supervisory Board on issues related to the proper identification, assessment and control of potential risks, i.e. opportunities and threats to realisation of the Company's strategic goals, with particular consideration for financial risk, related to both external factors (such as volatility of foreign exchange rates, interest rates, general international economic condition) and internal factors (such as cash flows, liquidity management, variation of budget and financial forecasts).
- The tasks of the Risk Committee resulting from the supervision over the risk management process, include in particular:
 - supervision over correct identification, analysis and assigning priority to types of risk inherent in the operational strategy and business pursued;
 - confirmation to the identified risk appetite of the Company;
 - verification if actions used to mitigate risk are planned and implemented so that the risk is mitigated to a level acceptable by the Company;
 - monitoring verifying correct risk assessment by the Management Board and the effectiveness of control tools;
 - supervision over correct notification of stakeholders on the risks, risk strategies and control tools.
- The Risk Committee may resort to advisory services and assistance by external advisers if it finds it necessary to perform its duties.

Since 5 August 2021 the Risk Committee has been operating in the following composition:

- Per Lundeen – Chair of the Risk Committee;
- Zofia Dzik – Independent Member of the Risk Committee;
- Roger Mattsson – Member of the Risk Committee.

The Risk Committee held a meeting on 15 December 2025.

INFORMATION COMPLIANT WITH THE REQUIREMENTS OF SWEDISH REGULATIONS CONCERNING CORPORATE GOVERNANCE.

Arctic Paper S.A. is a company registered in Poland whose shares have been admitted to trading at the Warsaw Stock Exchange and at NASDAQ in Stockholm. The Company's primary market is in Warsaw with a parallel market

in Stockholm. Companies not registered in Sweden which shares have been admitted to trading at NASDAQ in Stockholm are obliged to comply with:

- the corporate governance rules in force in the country of their registration or
- the corporate governance rules in force in the country where they have their primary trading market, or
- the Swedish corporate governance code (hereinafter: the "Swedish Code").

Arctic Paper S.A. follows the principles set forth in the "Best Practice of WSE Listed Companies 2021" (hereinafter: "Best Practice") that may be applied by companies listed at the Warsaw Stock Exchange and not the Swedish Code. As a result, the conduct of Arctic Paper S.A. is different from the one set forth in the Swedish Code in the following material aspects.

Shareholders' meeting

The core documents related to General Meetings of Shareholders, such as notices, reports and approved resolutions, are made in Polish and in English instead of Swedish.

Appointment of Company bodies

The Polish corporate governance model provides for a two-tier system of the Company's bodies which is composed of the Management Board being the executive body appointed by the Supervisory Board, which in turn supervises the Company's operations and is appointed by the General Meeting of Shareholders. Auditors are selected by the Supervisory Board.

Neither the Best Practice, nor any other Polish regulations require the establishment of a commission in the Company to elect candidates and therefore such commission does not exist among the bodies of the Company. Each shareholder may propose candidates to the Supervisory Board. Appropriate information on candidates proposed to the Supervisory Board is published on the Company's website with appropriate advance so that all shareholders could take an informed decision when voting on the resolution appointing a new Member of the Supervisory Board.

Tasks of Company bodies

In accordance with the principles of the dualistic governance structure of the Company, the duties typically performed by the Management Board of a Company incorporated under Swedish law are performed by either the Management Board or the Supervisory Board of a Company incorporated under Polish law.

In accordance with the Polish applicable regulations, Members of the Management Board, including its General Director who is the President of the Management Board, may not get involved in competitive activities outside the Company. Pursuing of other business outside the Company is not regulated either in the Best Practice or other Polish regulations; however, certain restrictions are usually incorporated in individual employment contracts.

Size and composition of the Company's bodies

The composition of the Supervisory Board should reflect the independence criteria, just like those specified in the Swedish Code. However, the Management Board being the executive body is composed of persons in executive positions at Arctic Paper S.A., and these Members may not be treated as independent of the Company. The terms of office of Members of the Management Board – just like the Members of the Supervisory Board – lasts three years.

Chairs of the Company's bodies

The Supervisory Board, rather than the Shareholders' Meeting, elects a Chair and a Deputy Chair from among its members.

Procedures of the Company's bodies

Both the rules of procedure of the Management Board and the rules of procedure of the Supervisory Board are adopted by the Supervisory Board. The Regulations are not reviewed each year – they are reviewed and modified as need arises. The same principles apply to regulations of Committees operating within the Supervisory Board that are approved by the Supervisory Board. The operation of the General Director is not regulated separately since he/she also acts as the President of the Management Board.

Remuneration of members of the bodies of the Company and management staff

The Company shall pay remuneration to the Members of the Management Board and the Supervisory Board solely in compliance with the Remuneration Policy adopted by the General Meeting.

Information on corporate governance

The Polish corporate governance rules do not require the same detail as to the disclosed information as required by the Swedish Code. However, information on Members of the Company's bodies, Company's Articles of Association, internal regulations and a summary of material differences between the Swedish and Polish approach to corporate governance and shareholders' rights is published on the Company's website.

INFORMATION OF THE MANAGEMENT BOARD OF ARCTIC PAPER S.A. ON THE SELECTION OF THE AUDITING COMPANY

Based on the statement of the Supervisory Board of Arctic Paper S.A. on the selection of the auditing firm to audit the annual consolidated financial statements of the Arctic Paper Group and the annual separate financial statements of the Company for the financial year ended on 31 December 2025 in accordance with the regulations and on the basis of the statement received from PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k, it was decided to select PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp.k. as the auditor of the Company and the Arctic Paper S.A. Group to audit the financial statements for 2025 and 2026.

The Management Board of the Company informs that the selection of the auditing firm by the Supervisory Board took place in accordance with the regulations and the "Policy and procedure for the selection of the audit firm for the statutory and voluntary audit of the consolidated and separate financial statements of Arctic Paper S.A. with its registered office in Kostrzyn nad Odrą".

The audit firm and members of the audit team complied with the criteria to issue an impartial and independent report on the audit of the annual consolidated financial statements of the Company for the financial year ended on 31 December 2025, in compliance with the applicable laws, professional standards, and the principles of professional conduct.

The Management Board of the Company also informs that the applicable laws with regard to a change of the audit firm and the key statutory auditor, as well as mandatory cooling-off periods have been complied with. The Arctic Paper Group has a policy relating to the selection of the auditing company and a policy of the provision of services that are not an audit by the audit firm, entities related to the audit firm or a member of its group, including services that are not covered with the ban on being provided by audit firms.

Signatures of the Members of the Management Board

Position	First and last name	Date	Signature
President of the Management Board CEO	Michał Jarczyński	21 April 2026	signed with a qualified electronic signature
Member of the Management Board CFO	Katarzyna Wojtkowiak	21 April 2026	signed with a qualified electronic signature
Member of the Management Board Vice-President for Sales and Marketing	Fabian Langenskiöld	21 April 2026	signed with a qualified electronic signature

Statements of the Management Board

ACCURACY AND RELIABILITY OF THE PRESENTED REPORTS

Members of the Management Board of Arctic Paper S.A. represent that to the best of their knowledge:

- The consolidated financial statements of the Arctic Paper Group for the year ended on 31 December 2025 and the comparable data were prepared in compliance with the applicable accounting principles and they present fairly the financial position of the Capital Group and its financial result for 2025 in a true, reliable and clear manner.
- The Management Board's Report from operations of the Arctic Paper Group in 2025 contains a true image of the development, achievements and condition of the Arctic Paper Group, including a description of core hazards and risks.



Sustainability reporting

Sustainability reporting

1. GENERAL INFORMATION

ESRS 2 General disclosures

BP-1 General basis for the preparation of the Sustainability Statement

[BP-1, 3, 5a] This Sustainability Statement applies to the Arctic Paper S.A. Group (the "Group"). The statement covers the period from 1 January 2025 to 31 December 2025. Pursuant to Act of 6 December 2024 amending the Accounting Act, the Act on Statutory Auditors, Audit Firms and Public Supervision (Journal of Laws of 2024, item 1863), Arctic Paper S.A. has prepared a Sustainability Statement for the Arctic Paper S.A. Group for the year ending 31 December 2025 in accordance with the European Sustainability Reporting Standards (ESRS) as endorsed by Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards.

[BP-1, 5bi] The Company has included a Sustainability Statement as part of the Consolidated Management Report on the Operations of the Arctic Paper S.A. Group. The Sustainability Statement has been prepared in consolidated form and has a scope of consolidation consistent with the Consolidated Financial Statements of the Arctic Paper S.A. Group for 2025.

[BP-1, 5bii] The full list of companies covered by the Sustainability Statement can be found on page 4. The Arctic Paper S.A. Group's consolidated financial report for 2025.

[BP-1, 5c] The Sustainability Statement applies to the upstream and downstream value chain including suppliers and customers of the Arctic Paper S.A. Group. The Company has taken into account in the prepared Statement the material impacts, risks and opportunities associated with direct and indirect business relationships in the value chain.

[BP-1, 5d] The option to omit specific information relating to intellectual property, know-how or innovation results has not been exercised in accordance with ESRS 1 Section 7.7 "Classified and sensitive information and information on intellectual property, know-how or innovation results".

[BP-1, 5e] An exception allowing for the omission of disclosure of impending events or matters during negotiations for companies based in an EU Member State has also not been applied.

BP-2 Disclosures in relation to special circumstances

[BP-2, 6, 9] The Sustainability Statement of the Arctic Paper Group uses the definitions of short-, medium- and long-term time horizons in accordance with section 6.4 of ESRS 1. The exception are the analyses of climate risks carried out, where a 10-year horizon was adopted for the long-term time perspective (described in more detail in the SBM-3 indicator for ESRS E1 Climate change).

[BP-2, 10, 11, 12] The figures presented in this Statement are derived from internal sources. The exception to this is the calculation of GHG emissions, which is based on both own and external sources, as described in the Statement in section *E1-6 Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions*. The Group does not identify quantitative metrics and amounts in this Statement that are subject to a high level of measurement uncertainty, other than those resulting from the estimation of value chain emissions, i.e. Scope 3 greenhouse gas (GHG) emissions.

[BP-2, 13, 14] During the preparation of the 2025 Sustainability Statement, an inaccuracy was identified in the reporting of wastewater discharges for the previous reporting period. The inaccuracy resulted from an incorrect reference to a formula in an Excel file. In the item regarding Arctic Paper Kostrzyn, instead of the value referring to the discharge of treated wastewater to the river, data from the previous year regarding the category "sludge from wastewater treatment plants" was used.

Consequently, the volume of wastewater discharged at the Kostrzyn plant and at the Group level was inadequately reported. Furthermore, the reported water discharges did not include the volume of uncontaminated cooling water discharged to the river. The corrected data was included in Disclosure E3-4.

Additionally, an error was identified in the presentation of data on the quantities of hazardous substances for the previous reporting period. The inaccuracy resulted from an incorrect assignment of data to specific hazard classes and discrepancies in the aggregation of volumes in the table, which resulted in the distortion of some totals. After verifying the source data, corrections were made to the assigned data and calculations, and the corrected values were presented in the updated Disclosure E2-5.

Furthermore, due to the acquisition of more precise emission factors for purchased chemical raw materials, the Arctic Paper Group changed its methodology for calculating greenhouse gas emissions within Scope 3. This

change applies to calcium carbonate, for which an emission factor was applied that better reflects the actual production process. The corrected values are included in Disclosure E1-6.

[BP-2, 15] The Arctic Paper Group does not have any other legislation in place that requires the company to disclose sustainability information or generally accepted sustainability reporting standards and frameworks

[BP-2, 16] The Arctic Paper Group does not use incorporation by reference in this Statement.

[BP-2, 17] During the reporting period, the Arctic Paper Group exercised the option to voluntarily omit disclosures on the basis of the “List of phased-in disclosure requirements” (Appendix C in ESRS 1) and the Commission Delegated Regulation (EU) 2025/1416 of 11 July 2025 amending Delegated Regulation (EU) 2023/2772 as regards the deferral of the date of application of disclosure requirements for certain companies (the so-called “Quick fix”):

Disclosure requirement	Full name of the requirement for which the omission of information has been used
ESRS E1, E1-9	Anticipated financial impacts from material physical and transition risks and climate-related opportunities
ESRS E2, E2-6	Potential financial effects from pollution-related impacts, risks and opportunities
ESRS E3, E3-5	Anticipated financial effects from impacts, risks and opportunities associated with water and marine resources
ESRS E4	All disclosures relating to ESRS standard E4
ESRS E5, E5-6	Anticipated financial effects from impacts, risks and opportunities associated with resource use and the circular economy
ESRS S1, S1-7	Characteristics of non-employees working for the undertaking
ESRS S1, S1-8	Scope of collective bargaining and social dialogue
ESRS S1, S1-11	Social protection
ESRS S1, S1-12	Percentage of employees with disabilities
ESRS S1, S1-13	Training and skills development
ESRS S1, S1-15	Work-life balance
ESRS S2	All disclosures relating to ESRS standard S2
ESRS S3	All disclosures relating to ESRS standard S3
ESRS S4	All disclosures relating to ESRS standard S4

[BP-2, 17] Background information on the topics for which information omission was used in 2025:

ESRS E4: The topic of biodiversity is linked to the Arctic Paper Group’s business model through its reliance on key raw materials, particularly wood and water, whose availability and quality depend on the health of ecosystems. The sourcing of wood for pulp production is from certified suppliers (FSC or PEFC) and from sustainably managed forests, which reduces the adverse impact on biodiversity. Biodiversity issues are not currently directly linked to the Group’s strategy but are of significant operational importance. The potential impact of activities on ecosystems can arise from GHG emissions and air, water and soil pollution, as well as from the use of natural resources. The Group undertakes actions including optimising raw material consumption, identifying key ecosystem services and monitoring the supply chain. The Arctic Paper Group has not adopted a separate policy related to biodiversity and ecosystems. The strategy adopted by the organisation is to minimise the environmental impact, which is governed by the Environmental Policy and the Sustainability Policies, among others. The Arctic Paper Group’s biodiversity goal is to source pulp from suppliers that are 100% FSC or PEFC certified.

ESRS S2: The topic related to people doing work in the value chain is linked to the Arctic Paper Group’s business model through the dependence of maintaining the continuity of production operations on regular supplies of raw materials and the work of people involved in the supply chain. Ensuring that the operations of raw material and service suppliers comply with the law, including human rights, is directly relevant to the continuity of supply of critical raw materials. The Group regularly communicates, assesses and monitors suppliers for compliance with legal requirements and ethical standards. Part of this effort is the obligation to sign up to the Arctic Paper Group Code of Conduct for the value chain, covering social, human rights and environmental issues, among others.

Policies related to employees in the value chain in place in the Arctic Paper Group and their thematic scope:

- the Arctic Paper Group Value Chain Code of Conduct – the Group’s core principles of conduct, ethics and values;
- Whistleblowing and Whistleblower Protection Policy – an anonymous whistleblowing service.
- The policies related to employees in the value chain in place at the Rottneros AB Group cover the following topics:
 - Code of Conduct – a description of the key principles and values of Rottneros AB;
 - Supplier code of ethics – business ethics of suppliers, description of conduct and behaviour when working with suppliers;
 - Whistleblowing and Whistleblower Protection Policy – an anonymous whistleblowing service.

These actions support conduct in line with the Group’s values throughout the value chain. Non-compliance by suppliers can lead to disruption of supply and increased costs due to the need to source alternative partners. Responsible supply chain management strengthens operational stability and reduces reputational risks. The Arctic Paper Group has not adopted quantitative targets related to people working in the value chain.

ESRS S3: The topic related to affected communities is linked to the Arctic Paper Group’s business model through the nature of its manufacturing operations and the Group’s role as a significant employer in the regions in which it operates. Relationships with local communities are of operational and reputational importance, supporting conduct in line with the Group’s values. Noise generation is a direct result of the nature of the production processes and represents a material impact on the local environment. Noise abatement may require decisions on changes to production processes or the implementation of mitigating measures. In 2025, the Kostrzyn plant carried out investments to reduce noise – installation of acoustic protection in the form of noise-reducing curtains and noise attenuators at four noise emission sources. The measurement carried out did not reveal any noise in excess of the standards. Maintaining positive relationships with local stakeholders promotes operational stability and reduces potential social risks. The Arctic Paper Group has not adopted a separate policy related to affected communities, but references to them can be found in other Group policies such as the Arctic Paper Group Value Chain Code of Conduct and the Code of Conduct for the Rottneros Group. The Arctic Paper Group has not adopted quantitative targets related to affected communities.

ESRS S4: The consumer and end-user topic (focusing on safety and the impact of the products offered) is linked to the Arctic Paper Group’s “4P” strategy (described in more detail in subsection SBM-1) across all its pillars. Actions concerning the certification of raw materials, the reduction of the environmental footprint, resulting from the various pillars of the strategy translate into an increase in the offer to consumers of sustainable products responding to market needs and consumer expectations. Paper production is based on the use of chemicals that can be potentially hazardous and affect the health of consumers. This impact is linked to the business model, and the use of these substances is strictly controlled during production in accordance with the applicable standards and regulations. It is not ruled out that the strategy will in future include objectives to minimise the use of potentially hazardous substances by investing in safe alternatives and risk management systems. The Arctic Paper Group has not adopted separate policies or quantitative targets related to consumers and end-users.

GOV-1 Role of administrative, management and supervisory bodies

[GOV-1, 21] The Arctic Paper Group’s Management Board has a key operational and decision-making role in the Company’s strategy and operations, taking into account environmental, social responsibility and corporate governance issues. The Management Board of the Group consists of three members elected by the Supervisory Board for a joint three-year term. The Management Board consists of the Managing Director, the Chief Financial Officer and the Chief Sales Officer. As at 31 December 2025, the Management Board of Arctic Paper S.A. consisted of 2 men and 1 woman.

[GOV-1, 21 a, d] Table – Gender diversity in the structure of governing bodies

Miernik	2025	2024
Total count of Management Board	3	3
Percentage of women on the Management Board	33%	33%
Percentage of men on the Management Board	66%	66%

[GOV-1, 21c] At 31 December 2025, the Management Board of the Arctic Paper Group comprises:

Michał Jarczyński

President of the Management Board and CEO, General Director

He directs and supervises the activities of the management area.

From 2008 to 2013, Mr Michał Jarczyński served as President of the Management Board and General Director of Arctic Paper S.A. He obtained the title of mechanical engineer from the Poznań University of Technology; he also completed postgraduate studies in finance and controlling at the Poznań University of Economics. Mr Michał Jarczyński has held numerous managerial positions in Polish industry, most recently as CEO of Radpol S.A., a Polish technology company listed on the WSE. He has more than 15 years' experience in the paper industry.



Katarzyna Wojtkowiak

Member of the Management Board and CFO, Chief Financial Officer

She directs and supervises the activities of the financial area.

Ms Katarzyna Wojtkowiak has many years of experience in positions in finance departments. She has been with the Arctic Paper Group for more than 11 years, where she served as Chief Accountant and Group Treasury. Ms Katarzyna Wojtkowiak graduated from the Poznań University of Economics with a specialisation in Capital Investments and Financial Strategies of Enterprises; she is also a certified auditor and a member of the Association of Chartered Certified Accountants (ACCA)



Fabian Langenskiöld

Member of the Management Board and Vice-President of Sales and Marketing at Arctic Paper

He directs and supervises the company's sales and marketing activities.

Mr Fabian Langenskiöld joined Arctic Paper in 2019 and serves as Vice-President of Sales and Marketing. He holds a master's degree in economic sciences from the Hanken School of Economics in Helsinki, Finland. He has more than 25 years of experience in marketing and sales in the paper industry. Previously, he held important positions at companies such as Stora Enso and Shandong Chenming Paper Holdings. In his current role, he is responsible for leading the sales and marketing activities at Arctic Paper Group.



The Management Board of the Group Paper Group is supported by the managing directors of the individual paper and pulp mills, as well as the managing directors of the sales offices.

[GOV-1, 21e] The composition of the bodies of Arctic Paper S.A. does not distinguish between independent members of the management board. Such distinction exists in the structures of subsidiaries based in Sweden.

[GOV-1, 21b] The Management Board and Supervisory Board of Arctic Paper S.A. do not include representatives of the organisation's employees. They sit on the boards of Arctic Paper Group companies based in Sweden.

The Arctic Paper Group Management Team consists of Executive Vice-Presidents responsible for various areas of the Arctic Paper Group business, including strategy and sustainability. Persons comprising the Management Team as at 31 December 2025:

- Michał Jarczyński – General Director of Arctic Paper S.A., Managing Director of Arctic Paper Kostrzyn S.A.
- Katarzyna Wojtkowiak – Chief Financial Officer, Arctic Paper S.A.
- Fabian Langenskiöld – Executive Vice-President of Sales and Marketing, Arctic Paper S.A.
- Jacek Łoś – Executive Vice-President of Procurement, Arctic Paper S.A.
- Wolfgang Lübbert – Executive Vice-President of Strategy and Sustainability, Arctic Paper S.A.
- Mats Frostne – Group HR Manager Arctic Paper S.A.
- Kent Blom – Managing Director of Arctic Paper Munkedals AB and Arctic Paper Grycksbo AB

[GOV-1, 20c] The members of the Management Board and the Supervisory Board of the Arctic Paper Group are knowledgeable in sustainability-sensitive management regarding human capital, occupational safety and security, environmental and climate impacts of production. The expertise of the Management Board and Supervisory Board covers areas related to business management, technical expertise in production, including modern technology, green energy, sustainable raw materials and products. Knowledge of sustainability-related regulations is passed on, among other things, during meetings of the Supervisory Board

[GOV-1, 22] The sustainability reporting process is advised by the Sustainability Team, which is made up of managerial level employees representing various functions and positions within the Arctic Paper Group. Responsibility for reporting on sustainability issues is within the remit and competence of each team member. Members of the Sustainability Team are provided with access to expertise in the form of training courses, workshops, study programmes and also benefit from professional advice from external experts. The sustainability team reports directly to the Management Board of the Arctic Paper Group on the management of sustainability issues, including impacts, risks and opportunities.

[GOV 1, 21] The Group's Supervisory Board consists of five members elected by the General Meeting for a joint three-year term. Two members are independent. As at 31 December 2025, the Supervisory Board of Arctic Paper consisted of 3 men and 2 women.

[GOV 1, 21] Table – Diversity in the structure of supervisory authorities

Metric	2025	2024
Total count of Supervisory Board	5	5
Percentage of independent members of the Supervisory Board	40%	40%
Percentage of women on the Supervisory Board	40%	40%
Percentage of men of the Supervisory Board	60%	60%

[GOV 1, 21c] As at 31 December 2025, the Supervisory Board of the Arctic Paper Group comprises:

Per Lundeen

Chair of the Supervisory Board

Mr Lundeen has been involved with the Arctic Paper Group since 2013, at which time he was a member of the Supervisory Board of Rottneros AB. From 2014 to August 2016, he served as President and Managing Director of Rottneros AB. Since then, he has been President of the Management Board of Rottneros AB. In addition, Mr Lundeen sits on the Supervisory Boards of the following companies:

- Fiskeby Board AB: Manufacturer of renewable cardboard packaging;
- Rottneros AB: Pulp producer;
- Strand Packaging AB: Manufacturer of cardboard and cardboard packaging.

Mr Per Lundeen, a Swedish citizen residing in Lund, is a graduate of Chemical Engineering and Paper Technology at Chalmers University of Technology, Goteborg. He has held management positions in the chemical, paper and packaging industries for 40 years. He worked at A&R Packaging Group for 20 years, including 12 years as President and Managing Director. He was also President of ECMA – the European Carton Manufacturers Association. Mr Per Lundeen holds the office of Chair of the Remuneration Committee and the Risk Committee.



Roger Mattsson

Vice-Chair of the Supervisory Board

Mr Roger Mattsson has served as a member of the Supervisory Board since 2014. He also currently holds the position of Chief Financial Officer at Nemus Holding AB.

He holds a university degree in Business, Economics and Law from the University of Gothenburg. Mr Mattsson has extensive experience in work in financial and controlling departments, he worked as a group controller (Toyota Material Handling and Rexam) and as financial manager (Lantmännen Doggy). He was also the Financial Director Talent Plastics Group. Mr Mattsson was already involved with the Arctic Paper Group – from 2007 to 2011, he worked as Group financial controller at Arctic Paper.

Mr Roger Mattsson is a member of the Audit Committee. Due to his long experience as financial controller of the Arctic Paper Group and his several years of experience as a member of committees of the Company's Supervisory Board. In addition, it fulfils the condition for a member of the Audit Committee to have knowledge and skills in the subject matter of the Company's business. Mr Roger Mattsson also serves as a member of the Remuneration Committee and the Risk Committee.



Thomas Onstad

Member of the Supervisory Board

Mr Thomas Onstad has served as a Member of the Supervisory Board of Arctic Paper S.A. since 2008.

He graduated from the London School of Foreign Trade.

He is also a member of the Remuneration Committee.



Zofia Dzik

Member of the Supervisory Board

Ms Zofia Dzik has been an independent member of the Supervisory Board since 2021.

She also currently sits on the Supervisory Boards of the following companies:

- Inter Cars SA;
- PTE Generali SA.
- In the past, Ms Zofia Dzik served as a Member of the Supervisory Boards of the following companies:
 - BRW S.A. – a leading furniture manufacturer and distributor in Poland and Europe (Vice-President);
 - PKP CARGO S.A. – Europe's leading logistics operator and rail freight carrier (member of the Audit Committee, Chair of the Nomination Committee);
 - Sanok Rubber S.A. – an international manufacturer of rubber products;
 - CCC S.A. – fashion industry, production and sale of footwear and clothing (member of the Audit Committee)
- InPost S.A. – logistics operator;
- PKO Bank Polska SA;
- AmRest CE – an international operator that manages food service brands.

Ms Zofia Dzik is a graduate of the Cracow University of Economics, the University of Illinois in Chicago, the Warsaw School of Social Sciences and Humanities and the Executive Programs of Stanford University and INSEAD Business School. She holds an MBA from Manchester Business School. She is a mentor, a certified member of the Association for Project Management (APM), and a certified member of The John Maxwell Team, a leading international organisation of leadership experts.

From 1995 to 2003, she was a consultant at Arthur Andersen and Andersen Business Consulting and was Director of the Insurance Department responsible for, among other things, projects for the financial services sector in the following areas: strategy, business scalability, mergers, omni-channel sales strategy, reorganisation and finance.

Since 2003, she has been involved with the fintech Group Intouch Insurance (RSA Group), where she served as CEO of Link4 S.A., the first direct insurer in Central and Eastern Europe, from 2004 to 2007 (start-up, brand building, CRM, process automation, individual risk assessment, new technologies, agile method, innovative distribution channels, leadership, people at work, talent management, succession).



From 2007 to 2009, she was a member of the Management Board of Intouch Insurance B.V. in the Netherlands and General Director for Central and Eastern Europe of the Intouch Insurance Group. At the time, she was responsible for developing new markets. She was Chair of the Supervisory Boards of companies: TU Link4 S.A. (member of the Council until July 2015) and Direct Insurance Shared Services Center in Poland, Intouch Strachowanie in Russia (start-up), Direct Pojistovna in the Czech Republic (start-up) and Vice Chair of the Supervisory Board of TU na Życie Link4 Life SA.

Ms Zofia Dzik is the founder of the Humanites Institute, a think & do tank in the development of Cohesive Leadership™ and social capital, systemically linking the topics of people and technology. She is the founder and chair of the board of the international Centre for Technology Ethics. Member of the Scientific Council of the IDEAS Institute, a Polish research and development centre in the field of artificial intelligence and digital economy, and Member of the Social Council of the Wrocław University of Technology. Academic lecturer, impact investor, long-time mentor of start-ups (including MIT), juror ([e.g.](#) Chapter of Eagles of the Republic). Author models: “Coherent Leadership™”, the “Village” Model for Social Ecosystem Development™, the “Loop – Nonlinear Model for Long-Term Social Development”.

Ms Zofia Dzik serves as a Member of the Audit Committee and meets the knowledge and skills requirement for accounting or auditing.

Anna Jakubowski

Member of the Supervisory Board

Ms Anna Jakubowski has been an independent member of the Supervisory Boards since 2021.

She also currently serves as President of the Management Board at Life Institute Sp. z o.o. Sp. K.

Ms Anna Jakubowski graduated in Business Administration (1990) from Wilfrid Laurier University in Waterloo, Ontario, Canada. Her professional career began at Procter & Gamble (P&G) Canada (1991 – 1993), where she worked, as a National Account Manager. From 1993 to 1998, she held various positions ranging from Pharmacy Channel Manager to Trade Marketing Manager and Area Sales Manager at P&G Poland. In 1998, she took up the position of Regional Customer Business Development Manager for P&G – Central and Eastern Europe, in turn, from 1999 to 2007, she worked as New Business Development Manager and as Strategy, Business Development Director for P&G Western Europe (since 2002). She continued her career in Switzerland at P&G Fabric Care (2007 – 2011) as Associate Director: Marketing. From 2011 to 2016, she was professionally involved with Coca-Cola, where she held the following positions: International Group Marketing/Strategy Director at The Coca-Cola Hellenic Bottling Company (2011 – 2013), Business Capability Director at The Coca-Cola Company (2013) and from 2013 – 2016 Member of the Management Board – Managing Director at Coca-Cola Poland Services Sp z o.o. and Franchise General Manager for Poland and the Baltics at The Coca-Cola Company, Management Board Member at Multivita Sp. z o.o., Member



of the Management Board – Managing Director at Coca-Cola Balti Jookide AS.

In 2018, she held the position of General Director for Poland and the Baltics at Marie Brizard Wine & Spirits Sp. z o.o. From 2019 to 2020, she served as General Director at Avon Cosmetics Polska Sp. z o.o. Ms Anna Jakubowski serves as a member of the Audit Committee and she meets the knowledge and skills requirement for accounting or auditing.

[G1 GOV-1, 5] Each member of the Management Board and the Supervisory Board and the Management Team of the Arctic Paper Group, by virtue of his or her professional experience, education and in connection with his or her function, has adequate knowledge and skills in business conduct.

[GOV 1, 22, 23] The functions of the members of the Board of Management and the Supervisory Board of the Arctic Paper Group have been entrusted to specific individuals, regardless of their gender, but in accordance with the expertise and experience of these individuals. The composition of Arctic Paper S.A.'s governing bodies largely depends on the decisions of its shareholders, who decide directly on the composition of the Supervisory Board and indirectly on the composition of the Management Board. Candidates are assessed according to the principles of independence as well as merit and diversity criteria to ensure diversity not only by gender and age, but above all in terms of education, experience, knowledge and skills.

All members of the Group's Management and Supervisory Boards are qualified in the field of sustainable development, enabling them to set goals and develop strategies in this area and to oversee it. These consist of education, titles, professional qualifications, many years of professional experience and skills acquired in the exercise of specific functions and positions and training completed.

The members of the Management Board and the Supervisory Board improve their knowledge of sustainability topics. In 2025, members of the Management Board participated in double materiality assessment meetings, which were conducted with external experts and included educational elements on sustainability impacts, risks and opportunities and their management. The meetings were held with a wide range of employees responsible for the reporting process in the Arctic Paper Group. Its results were then analysed and discussed together with the Supervisory Board.

The Management Board of the Arctic Paper Group is responsible for the proper organisation and conduct of the process of managing impacts, risks and opportunities. His or her is responsible for managing these areas at a strategic level, including the analysis of impacts, risks and opportunities considered strategic, and to oversee their management at an operational and project level, carried out by managers of the Group's relevant organisational units and production facilities.

In particular, the Management Board is responsible for:

1. Shaping and implementing risk management policies;
2. Identification, analysis and assessment of impacts risks and opportunities at strategic level;
3. Setting the Group's risk appetite and tolerance limits;
4. Taking action in response to identified impacts, risks and opportunities, including in particular strategic risks;
5. Analysing the results of actions taken by managers to identify impacts, risks and opportunities, analyse risks and apply risk controls;
6. Overseeing the conduct of regular and effective impact, risk and opportunities assessments;
7. Review of actions taken.

Support to the Management Board of the Arctic Paper Group in achieving its impact, risk and opportunities management objectives is provided by a risk management function performed by the Group Financial Controller with the assistance of individual risk owners. This function is responsible for defining guidelines and internal procedures, ensuring a consistent approach to risk management across all organisational units, monitoring risk exposure levels reported by business managers and reporting these levels and key (strategic) risks to the Arctic Paper Group Board.

Managers of the Arctic Paper Group's organisational units or production facilities, who also act as Risk Owners for their units, are responsible for managing impacts, risks and opportunities at the operational level. Each of the Owners of the management of a given area of impacts, risks and opportunities has many years of experience, knowledge and skills in the position they hold, which allows them to objectively and accurately estimate the magnitude of potential and actual impacts and risks.

Heads of organisational units are in particular responsible for:

1. Defining lists of objectives to be achieved by the organisational units (establishments) under their responsibility and prioritising these objectives;
2. Identifying, analysing and assessing key risks in subordinate organisational units from the point of view of achieving the operational objectives in the area and document (and justify) this assessment accordingly;

3. Managing key identified impacts, risks and opportunities material to the production facility organisational unit they manage;
4. Development, implementation and proper functioning of control mechanisms;
5. Regular monitoring of the level of operational risk and reporting on this to the Risk Manager;
6. Ensuring that its chosen business conduct complies with the Risk Management Policy and Procedure.

The Arctic Paper Group's risk management process is controlled by the Supervisory Board, which monitors its effectiveness.

Within the structure of the Supervisory Board of the Arctic Paper Group, 3 committees are distinguished: Remuneration Committee, Risk Committee and Audit Committee. The committees carry out their tasks by presenting to the Supervisory Board, in the form of resolutions, motions, opinions, recommendations and reports on the scope of its tasks.

Basic tasks of the committees:

- Remuneration Committee – to advise the Supervisory Board on remuneration policy, bonus policy and other matters relating to the remuneration of employees and members of the Company's and Group companies' bodies;
- Risk Committee – to advise the Supervisory Board on the proper identification, assessment and control of potential risks, i.e. opportunities and threats to the achievement of the Company's strategic objectives, with particular emphasis on financial risks, related to both external factors (e.g. volatility of exchange rates, interest rates, general global economic situation) and internal factors (e.g. cash flow, liquidity behaviour, deviations from financial budgets and forecasts);
- Audit Committee – to advise the Supervisory Board on the proper implementation and control of the Company's and the Group's financial reporting processes, the effectiveness of internal controls and risk management systems and to liaise with the auditors. The Management Board and the Supervisory Board of the Arctic Paper Group, and in particular the Risk Committee of the Supervisory Board, oversee the process of identifying and managing impacts, risks and opportunities in each country in which the Arctic Paper Group operates, based on the Risk Management Policy in place. The Management Board of the Arctic Paper Group, guided by the interests of the Company, defines the strategy and the main objectives of its operations. It holds regular meetings, including with members of the Management Team, which includes managers responsible for the various operational areas of the Arctic Paper Group.

GOV-2 Information provided to the administrative, management and supervisory bodies of the company and sustainability matters

[\[GOV-2 26a\]](#) At least once a year, the Management Board of the Group provides the Supervisory Board with an update on the process for managing impacts, risks, key identified risks and responses to them. As part of the annual update, the Management Board of the Group, together with the Management Team, also oversees the setting of targets in the areas of identified risks and monitors progress in achieving them. Plans to update the Group's existing policies to align them with the current assessment of impacts, risks and opportunities are also discussed at this time. The members of the Group's Management Board and Supervisory Board, by virtue of their positions and their many years of experience, are well versed in identifying and assessing the material impacts, risks and opportunities in the Arctic Paper Group's operational areas reporting to them.

[\[GOV-2, 26b\]](#) The Management Board and the Supervisory Board of the Arctic Paper Group consider the impacts, risks and opportunities when overseeing the strategy, major transaction decisions and risk management process. This is reflected in the focus on the implementation of projects and investments aimed, among other things, at diversifying revenue sources and sources of electricity supply, which the Arctic Paper Group has included in the development plans included in the "4P" Strategy.

[\[GOV-2, 24, 26c\]](#) In 2025, the most important sustainability topics and identified risks, impacts and opportunities with the highest potential impact and likelihood of occurrence in the Arctic Paper Group, which were analysed by the Management Board and the Supervisory Board of the Arctic Paper Group, included:

1. Risk of changes in the geopolitical environment that may affect the Group's production processes and operations;
2. Occupational accident risks and accident rates – LTI;
3. Risk of declining demand for paper products/changing customer preferences – increasing digital demands (popularity of substitute products and services "e.g. e-books, VOD");
4. Risk of market competition dynamics;
5. Regulatory risks related to, inter alia, planned deforestation regulations;
6. Impact of GHG emissions in own operations and value chain;
7. Impact of water consumption levels in own operations and value chain;
8. Impacts related to air and water pollution;
9. High dependence on renewable resources and issues related to their availability and price;

10. Risk of low participation of women in leadership positions.

GOV-3 Integrating sustainability-related outcomes into incentive schemes

[GOV-3, 29, AR 7] [E1 GOV-3 13] The remuneration of the members of the Management Board and the Supervisory Board of the Arctic Paper Group is determined based on the provisions of the Remuneration Policy, which is effective as of 31 August 2020. The applicable remuneration components distinguish between fixed and variable remuneration. Variable remuneration may be calculated on the basis of financial and non-financial indicators set by the Supervisory Board, which may also potentially include, inter alia, the company's achievement of its sustainability and environmental objectives.

[GOV-3, 29] During the reported period, key features of the Group's incentive scheme did not include variable remuneration linked to sustainability targets and/or impacts, including those related to climate change. Determination of the criteria for variable remuneration is the responsibility of the Supervisory Board. The Arctic Paper Group will present revised metrics of sustainability-related remuneration performance by 2027.

GOV-4 Due diligence statement

[GOV-4 30, 32 AR 8-AR 10] The Arctic Paper Group undertakes systematic preventive actions aimed at mitigating and addressing actual and potential adverse impacts on the environment and society, including through the following actions:

1. In line with the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the Arctic Paper Group takes into account established policies in the countries in which it operates and considers the views of its stakeholders. The Arctic Paper Group works closely with the local community and is a member of local and industry organisations, contributing to the development of local communities.
2. As a company listed on the Warsaw Stock Exchange (WSE) and the Swedish Stock Exchange (Nasdaq), Arctic Paper is guided in its business and operational activities by good corporate governance practices applicable to public companies (for more on compliance with the provisions of the Good Practices for Listed Companies, see the section of the consolidated report on corporate governance on page 43). In addition, Arctic Paper SA and Rottneros AB, as public entities listed on regulated markets, must comply with the disclosure requirements of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse regarding price-sensitive inside information and must therefore guarantee the transparency of business activities. In discharging these responsibilities, the Arctic Paper Group Management ensures the integrity of the accounting and financial reporting systems, including independent audit, risk management control systems and financial and operational controls, as well as compliance with the law and relevant standards.
3. Discriminatory or disciplinary action or engaging in any other type of action that results in reprisals against employees, union representatives or other employee representatives, are not tolerated.
4. The Arctic Paper Group has developed and implemented a risk management system across all operational areas of the Group to identify, prevent and mitigate actual and potential adverse impacts.
5. The Arctic Paper Group provides its employees and stakeholders with the opportunity to report, in good faith, irregularities observed in the Group's activities (whistleblowing).
6. The Arctic Paper Group's production facilities ensure health and safety protection standards, including the prevention of accidents and health injuries related to or arising in the course of work, by minimising – to the extent practicable – the causes of the hazards inherent in the working environment at production facilities.
7. The Arctic Paper Group does not engage in any corrupt activities, including offering, promising or giving any undue financial or other benefits to public officials, employees of entities with which the company has a business relationship, or their relatives or associates.

All of the above principles are brought together in the Arctic Paper Group Code of Conduct for the Value Chain. The Arctic Paper Group also expects its suppliers and other third parties to adhere to the high standards and values it represents, as described in the Code of Conduct, and that they will sign the "Declaration of Suppliers and Third Parties on Acceptance of and Compliance with the Arctic Paper Group Code of Conduct". The Arctic Paper Group is committed to maintaining fair and ethical conduct in all its dealings with stakeholders and to upholding the principles of the UN Universal Declaration of Human Rights and the principles of the UN Global Compact.

On 31 May 2023, the European Parliament and the Council of the Union adopted Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 concerning the making available on the Union market and the exportation from the Union of certain goods and products related to deforestation and forest degradation and repealing Regulation (EU) No 995/2010 (EU Deforestation Regulation (EUDR)). The purpose of the regulation is to ensure that goods imported and exported within the European Union do not contribute to deforestation or forest degradation during their production. The EUDR imposes obligations on importers, exporters and traders of goods with a view to environmental protection and sustainable development. As a producer of paper and pulp, the

Arctic Paper Group falls within the scope of the Regulation, which will come into force on 30 December 2026. In 2025, the Arctic Paper Group continued to work to prepare the Group to meet the technical requirements related to, among other things, submitting due diligence declarations in a dedicated EU IT system, adapting its own IT systems to manage due diligence declarations. Preparatory work was also carried out by Arctic Paper Group suppliers, who will also be covered by the obligations under the regulation.

BASIC ELEMENTS OF THE DUE DILIGENCE PROCESS	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
a) Consideration of due diligence in management, strategy and business model	ESRS 2 GOV-2, ESRS 2 SBM-3
b) Engagement with affected stakeholders at all key stages of the due diligence process	ESRS 2 GOV-2, ESRS 2 SBM-2, ESRS 2 IRO-1, S1 SBM-2, S1-2, E1-3
c) Identification and assessment of adverse impacts	ESRS 2 IRO-1, ESRS 2 SBM-3, S1-SBM 3
d) Taking action to reduce identified adverse impacts	ESRS 2 MDR-A, S1-4, E1-3, E2-2, E3-2, E5-2
e) Monitoring the effectiveness of these efforts and providing relevant information in this regard	ESRS 2 MDR-A, ESRS 2 MDR-T, S1-5, S1-9, S1-10, S1-14, S1-16, S1-17, E1-5, E1-6, E2-4.

GOV-5 Risk management and internal controls over sustainability reporting

[GOV-5 34, 36] The Arctic Paper Group has set up a Sustainability Team to prepare annually a “Sustainability Statement”, coordinate the work in the different organisational units of the Arctic Paper Group, monitor the data collection process across the Group. The Sustainability Team consists of 5 members from a variety of roles within the Arctic Paper Group including Legal, Strategy & Development, Environment & Quality Systems, Supply Chain & Logistics, HR. The Sustainability Team reports directly to the Management Board of the Arctic Paper Group, to which it reports on the status. The Group’s Management and Supervisory Boards hold regular meetings with the Sustainability Team, which reports on progress, presents material issues and suggests possible solutions.

In the course of the sustainability reporting work carried out in previous years, methods and responsibilities within the Arctic Paper Group for collecting, checking and aggregating data were developed. Those responsible for reporting on sustainability issues regularly deepen their knowledge, including by attending training courses related to the European Sustainability Reporting Standards.

Selected employees of the Arctic Paper Group’s operating departments are responsible for collecting data from the various areas covered by the reporting. The data is then collected and consolidated by the Sustainability Team, which analyses the data and checks its accuracy. The effectiveness of the data collection process is monitored on an ongoing basis and any discrepancies are explained.

One of the identified material risks associated with sustainability reporting is the risk of not meeting national or EU legal requirements for environmental standards, the risk of limited control over suppliers and their practices and the availability of upstream or downstream data, and the timing of information availability. The Arctic Paper Group makes every effort to maintain the completeness and integrity of the data and the accuracy of the estimated results.

The 2025 Sustainability Statement was prepared based on numerical data collected in standardized MS Excel spreadsheets and descriptive data updated in an MS Word file based on the previous version of the report. Data was collected in accordance with established practices, facilitating the identification of any omissions or errors and allowing for quick additions or corrections. Consistency and accuracy of information were supported by ongoing reconciliation of data with individuals responsible for specific areas and verification of year-to-year comparability.

To minimise the risks identified in this area from 2026 onwards, the Arctic Paper Group will use a unified software for collecting and aggregating data on sustainability reporting, which also includes data reporting by the Arctic Paper Group’s suppliers, and will educate employees and use external expert support. In 2025, work began on the implementation of the system, adapting the tool to the needs of the organisation, e.g. in terms of the scope of the data, the way it is calculated and presented.

SBM-1 Strategy, business model and value chain

[SBM-1 42, AR 14] The core business of the Arctic Paper Group is the manufacture and sale of paper and pulp. The Group offers voluminous book paper and a wide range of products in this segment, as well as high-grade graphic paper and also produces many types of wood-free uncoated and coated paper and wood-based uncoated paper for printers, paper distributors, book and magazine publishers and the advertising industry.

In 2025, paper mills had a total capacity of 640,000 tonnes of paper per year (695,000 tonnes in 2024); and pulp mills had a total capacity of 400,000 tonnes of pulp per year, as in 2024.

As at 31 December 2025, the Group had 13 paper sales offices providing access to all European markets, including Central and Eastern Europe.

[SBM-1, 40, 40g] Adopted in September 2021, the Arctic Paper Group's "4P" strategy responds to changing market and regulatory conditions by combining business growth with sustainability. It is based on four pillars: "Paper", "Pulp", "Packaging" and "Power", which together form a coherent model for the use of renewable forest resources. The strategy aims to diversify the business, increase the Group's resilience and create long-term value while reducing environmental impact and supporting stakeholders.

1. The "Paper" pillar focuses on maintaining Arctic Paper's strong position in the premium graphic papers segment. Paper production is based on renewable raw materials from certified sources, which is in line with responsible forest management. The Company is committed to high quality, process efficiency and reducing its environmental footprint by, among other things, reducing energy consumption and emissions. This ensures that the Paper pillar remains a stable source of revenue while supporting the environmental and economic objectives of the strategy.
2. The "Pulp" pillar strengthens the Group's position in the wood fibre-based value chain, including through its capital commitment to Rottneros. Pulp is a key renewable raw material, used in a wide range of applications in line with the idea of a circular economy. This pillar promotes business diversification and reduces dependence on one market segment.
3. The "Packaging" pillar responds to the growing market demand for sustainable alternatives to plastic. Arctic Paper Group is developing packaging based on natural fibres that are renewable, recyclable and in line with current regulatory and consumer trends. This segment represents an important growth area, combining economic potential with a real contribution to reducing environmental pollution. The development of packaging also supports the Group's image as a provider of responsible material solutions.
4. The "Power" pillar focuses on increasing the Group's energy independence and reducing CO₂ emissions by investing in renewable energy sources such as solar and bioenergy. In-house energy production reduces operating costs and risks associated with energy price fluctuations. At the same time, it supports Arctic Paper's Group long-term climate goals. This pillar reinforces the coherence of the "4P" Strategy, combining economic efficiency with environmental responsibility and benefits for the social environment.

With its "4P" Strategy, the Arctic Paper Group covers 2/3 of its energy needs through its own production. More than 50% of the energy consumed comes from renewable sources.

The Arctic Paper Group has completed the construction of its second moulded pulp fibre packaging plant, which allows it to replace plastic food packaging, thereby helping to reduce the amount of plastic waste generated. In Sweden, a biomass drying and pellet production facility has been finalised at the Grycksbo plant, which is scheduled to be operational in spring 2026. The investment will reduce energy costs by approx. SEK 50 million per year. In addition to electricity and steam, the plant will produce approx. 50,000 tonnes of pellets per year, which is a solid fuel in pellet form, mainly for combustion in individual as well as collective heating systems as an alternative to fossil fuels for heat and power generation.

The above actions resulting from the "4P" Strategy increase the level of diversification of the Arctic Paper Group's revenues and the Group's energy independence in the long term.

[SBM-1, 42, AR 14] Description of the Arctic Paper Group's business model and value chain

ARCTIC PAPER GROUP VALUE CHAIN

UPSTREAM		ARCTIC PAPER GROUP, OWN OPERATIONS		DOWNSTREAM	
SUPPLIES		GROUP PROCESSES		PROCESSING	WASTE
Suppliers of raw materials	Transport	All entities in the Group with operational and support processes		Customers and consumers	Waste managers
<p>Suppliers of raw materials that are used in production.</p> <p>FSC® and PEFC certified suppliers are key partners in the supply chain.</p> <p>Primary raw materials:</p> <ul style="list-style-type: none"> - wood - pulp - water - pigments - chemical additives <p>Energy raw materials:</p> <ul style="list-style-type: none"> - electricity - gas - heat 	<p>Transport companies that deliver products produced at Arctic Paper Group entities to customers.</p>	<p>Operational processes:</p> <ul style="list-style-type: none"> - paper and pulp production, - sourcing, - R&D, - logistics, - energy production – from photovoltaic panels, hydroelectric plants, biomass, - quality control, - marketing and PR communication, - sales, - management, - investor relations, - legal services, - IT support. 	<p>Support processes:</p> <ul style="list-style-type: none"> management, administration, HR, health and safety, finance, accounting, controlling. 	<p>A customer is an entity that buys and processes a product produced by Arctic Paper Group entities in the course of its business for profit.</p> <p>Arctic Paper's key customers are:</p> <ul style="list-style-type: none"> - printers, - paper distributors, - book and magazine publishers, - the advertising industry and - packaging manufacturers. <p>The consumer – the end-user is the entity using the paper packaging for food packaging. Consumers – end users – individuals who use the packaging indirectly, e.g. when buying takeaway food from our customer.</p>	<p>The waste is:</p> <ul style="list-style-type: none"> - by-products of paper and pulp production, which are converted into biomass fuel; - packaging used by the consumer.
<p>Origin of raw materials:</p> <p>Europe and South America (Brazil, Chile, Uruguay).</p> <p>Energy is sourced:</p> <ol style="list-style-type: none"> 1) from internal sources, 2) Sweden – RES, nuclear power plants 3) Poland – energy mix 	<p>Transport companies providing raw material delivery services in international transport.</p>	<p>Paper and pulp production plants in Poland and Sweden.</p> <p>Distribution:</p> <p>Offices sales offices are located in Germany, the UK, France, Poland, Austria, Spain and the Scandinavian and Baltic countries.</p> <p>The sale and distribution of products also includes cooperation with local distributors on other continents.</p>		<p>Arctic Paper sells mainly in European markets, where Germany is the dominant market, accounting for around 20% of sales. Other important markets are Poland (17%), the UK and Ireland (11%), Austria and Central Europe (11%), and France (9%). Smaller shares are held by the Baltic countries (6%), Scandinavia (10%), Benelux (4%), other European countries (10%). Outside Europe, sales are around 2%, mainly due to high transport costs.</p> <p>Companies managing waste within the European Union.</p>	
Stakeholder groups influenced by the Group in a particular link in the value chain					
suppliers, customer, consumer, potential investors, NGOs, local communities		employees, investors, financial institutions, public administration, local communities, NGOs		customer, consumer, potential investors, NGOs, local communities	

[SBM-1, 40ai, 40e, 40f, 42b, AR 12-13, 14] Product range and customer groups

- graphic paper, in particular:
 - white offset paper that we produce and distribute primarily under the Amber brand which is one of the most versatile types of paper destined for various applications;
 - woodfree bulky book paper that we produce under the Munken brand, used primarily for book printing;
 - high quality graphic paper with a particularly smooth or rough surface, used for printing a wide variety of advertising and marketing materials, which we produce under the Munken Design brand;
- coated wood-free paper,
- uncoated wood-free paper,
- packaging papers,
- sulphated pulp,
- mechanical fibre pulp.

Selected Arctic Paper Group products, such as Munken Design, Amber Graphic, G and Arctic Volume White, have been verified and approved for use in Nordic Ecolabel certified products.

The factories in Grycksbo, Kostrzyn and Munkedal have FSC® (Forest Stewardship Council®) and the corresponding PEFC (Programme for the Endorsement of Forest Certification) chain of custody certificates, as well as the EU Ecolabel and Nordic Ecolabel (Nordic Swan), which guarantee that the raw material comes from sustainable sources. We can therefore guarantee our customers that our products come from well-managed, responsible and certified forest resources.

All wood used for pulp production at Rottneros is traceable and pulp is available with PEFC or FSC® or FSC controlled wood certification.

The pulp produced by Rottneros is approved for the production of paper and board for food contact, as well as the Nordic Swan and EU Ecolabel. One type of pulp produced by Rottneros is e-pulp, which is used as an insulating material, used, for example, to insulate transformers and high-voltage cables on the seabed, thus reducing the use of artificial materials.

Food packaging produced at Rottneros Packaging is certified for food contact and is available with FSC® certification.

The Arctic Paper Group's customer base includes both direct and indirect customers.

Direct customers purchase the Group's products from paper mills. Indirect customers do not purchase the Group's products themselves, but use printers or paper wholesalers as intermediaries. Despite this, they are an important target group for the Group's marketing activities, as it is the indirect customers who recommend or indicate the use of the Group's products to the direct customers. The groups of direct and indirect buyers of products include:

- printing houses – they are direct buyers straight from the Group's Paper mills;
- wholesalers – they are direct buyers of paper manufactured by the Group for further re-sale;
- publishers – are direct and indirect customers who purchase paper produced by the Group directly from the Group for use in their publishing activities, and commission or recommend the use of its paper to printers to whom they themselves commission the printing of books or other publications;
- advertising agencies – they are mainly indirect customers who do not purchase our products, but play an important role in commissioning and recommending printers for its products, especially high-quality paper for company annual reports, brochures, leaflets and packaging;
- final customers and brand owners – they are direct and indirect customers, purchasing our products directly, as well as playing an important role in recommending our products to printers they have entrusted with printing.

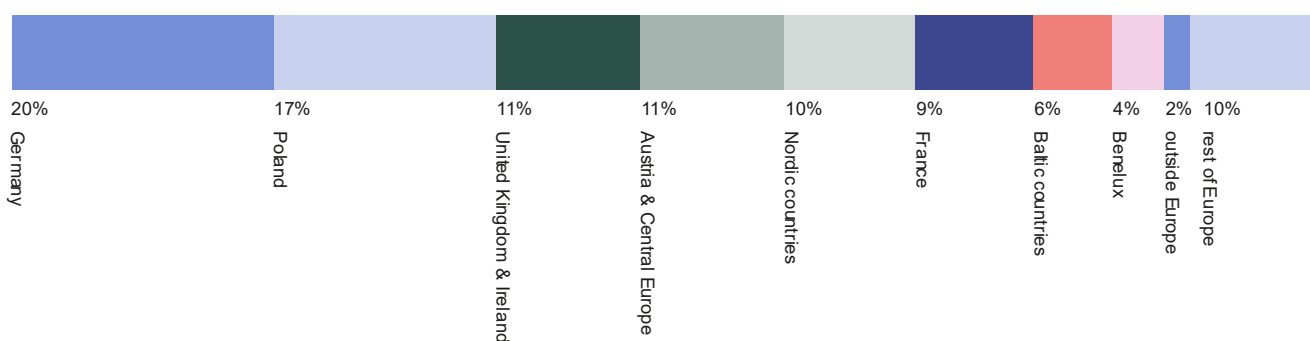
The main customers for the pulp mill's products are manufacturers of printing paper, paper hygiene products and paperboard, as well as electrical appliances and filters. Pulp is supplied to entities that do not have the capacity to produce it in-house, as well as to customers who produce a selected type of pulp and are looking for a supplier of another type of pulp.

The Group recognises that it is not significantly dependent on any particular customer. The share of the 3 largest customers in the Group's consolidated revenue for the year 2025 represents approx. 20% of the value of total sales revenue (18.3% in 2024). Additional businesses of the Group, partly subordinated to paper and pulp production, are:

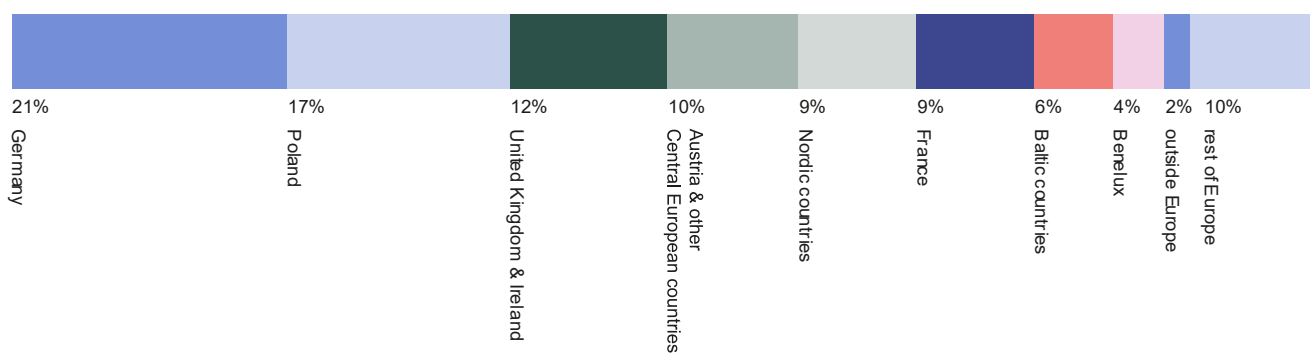
- packaging production,
- electricity generation,
- electricity transmission,
- electricity distribution,
- production of heat,
- distribution of heat,
- logistics services,
- distribution of paper and pulp.

[SBM-1, 40aii, AR 12-13] Our main markets

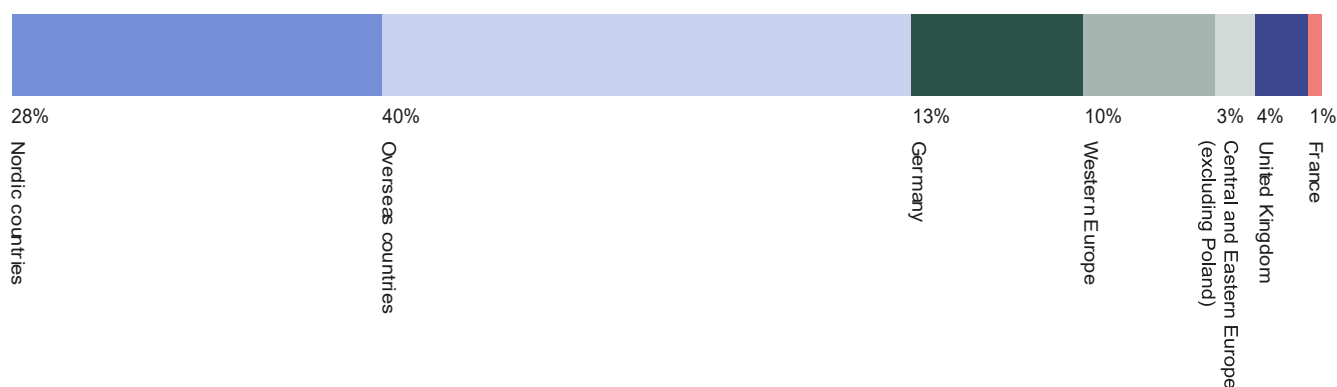
Paper sales in 2025



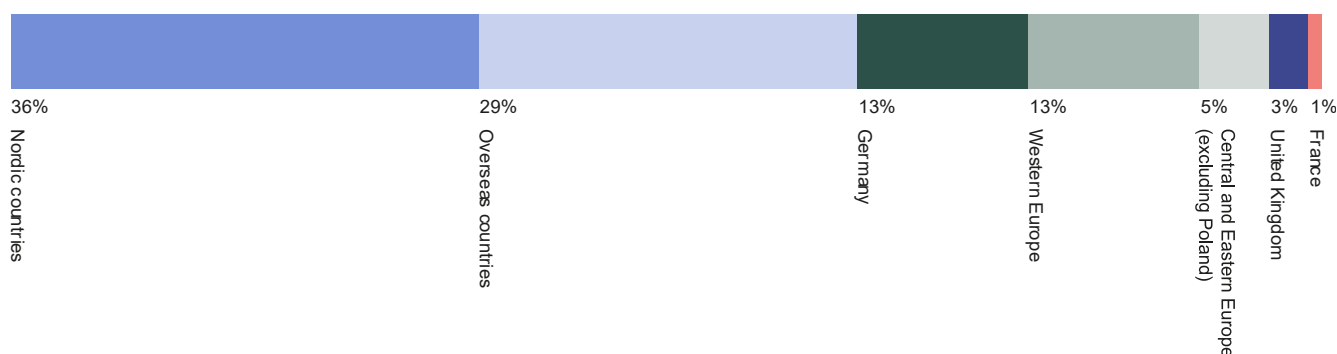
Paper sales in 2024



Pulp sales in 2025



Pulp sales in 2024



[SBM-1, 40aiii, AR 12-13] As at 31 December 2025, the Arctic Paper Group employed nearly 1,500 people in its paper mills: Arctic Paper Kostrzyn (Poland), Arctic Paper Munkedals (Sweden) and Arctic Paper Grycksbo (Sweden); its paper sales companies; the pulp companies Rottneros and Vallvik (both located in Sweden); and companies producing food packaging (Poland and Sweden). In 2024, the Group employed 1584 people. The change has been described in subsection S1-6 *Characteristics of the undertaking's workforce*.

Country	Number of employees in 2025
Sweden	941
Poland	520
Other	38
Total	1499

[SBM-1, 40aiv, AR 12-13] The Arctic Paper Group does not manufacture or sell materials, products or services that are prohibited in certain markets.

The Arctic Paper Group's consolidated sales revenue for the 12 months of 2025 was PLN 3,197 million.

[SBM-1, 40b, AR 12-13] The production of paper and wood products is included in the ESRS standards in the SEC-1 activity sector classification code: MPW and derives its main revenues from these activities. The following table sets out revenue and profit figures and certain assets and liabilities from continuing operations by segment of the Arctic Paper Group for the 12 months ended 31 December 2025 and as at that date.

	Paper	Pulp	Total	Total continuing operations
Revenues				
Sales to external customers	2 224 339	973 252	3 197 595	3 197 595
Sales between segments	-	-	-	-
Total segment revenues	2 224 339	973 252	3 197 595	3 197 595

[SBM-1, 40B, AR 12-13] The Arctic Paper Group does not conduct activities in, nor derive revenues from, the fossil fuels sector (coal, oil and gas), controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons), or the cultivation or production of tobacco.

SBM-2 Interests and opinions of stakeholders

The Arctic Paper Group has a systematic dialogue with its stakeholders, as described in the table below.

[SBM-2, 45a i, ii, iii, iv, AR16] Table – Key stakeholders, method and objectives of their engagement

MAIN CATEGORY OF STAKEHOLDERS	MAIN DIALOGUE METHODS AND COMMUNICATION CHANNELS	METHOD OF ENGAGEMENT	PURPOSE OF ENGAGEMENT
Employees	Direct communication, surveys, satisfaction surveys, intranet, Whistleblowing system	Individual meetings, survey, satisfaction research, training and education	Obtaining feedback on the needs and assessment of our activities, understanding the current and potential nature of the organisation's impact on employee well-being
Customers	Direct communication through the sales organisation, Value Chain Code of Conduct and Sustainability Policy, Whistleblowing system	Survey research, focus group research (FGI)	Obtaining feedback on our needs and assess our activities, adjust our product and service offerings
Suppliers	Direct communication through purchasing departments, Value Chain Code of Conduct and Sustainability Policy, Whistleblowing system	Survey research, focus group research (FGI)	Obtaining feedback on the needs and evaluation of our activities
Investors	Investor meetings, investor box, press releases, current and periodic reports available to the public, Whistleblowing system	Investor meetings, general meetings of shareholders	Obtaining an assessment of the Arctic Paper Group's operations, ensure transparency in communication and equal access to information about the Arctic Paper Group's operations
Local communities	Investor box, press releases, current and periodic reports available to the public, Whistleblowing system	Survey, meetings with local authorities	Obtaining feedback on the needs and assessment of Arctic Paper Group's activities on the local environment

In addition to the opinion surveys conducted in the form of questionnaires, the Arctic Paper Group conducts continuous correspondence and exchange of opinions with stakeholders, and the most material issues raised by stakeholders are then presented to the Group's Management and Supervisory Boards for further discussion. One effective channel for obtaining numerous opinions from outside the organisation is the investor box, which receives enquiries from the media or NGOs. In addition, the Arctic Paper Group is an active member of industry associations of paper and pulp producers in Poland and Sweden and in the European Union, among others:

- Swedish Forest Industry Federation;
- Association of Polish Papermakers;
- UTIPULP – Group of European market pulp users;
- Euro-Graph - European Association of Graphic Paper Producers

An additional communication tool is also the whistleblower channel, which can be used anonymously by any stakeholder.

S1 SBM-2 Stakeholder interests and opinions.

[SBM-2 12, AR4, AR5] In 2025, the Arctic Paper Group updated its double materiality analysis with a stakeholder survey that included Arctic Paper Group and Rottneros and an internal workshop to assess sustainability impacts,

risks and opportunities. The full process, and the topics identified by stakeholders, are described below in extract *IRO-1 Description of the process for identifying and assessing material impacts, risks and opportunities*.

CATEGORY OF STAKEHOLDERS	CHANNELS OF COMMUNICATION AND METHOD OF INVOLVEMENT	PURPOSE OF ENGAGEMENT
Employees	Direct communication, surveys, focus studies, satisfaction surveys, intranet, whistleblowing system, training and education, cooperation with trade unions.	Obtaining feedback on the needs and assessment of our activities, understanding the current and potential nature of the organisation's impact on employee well-being.

Employee feedback is an important source of information on the organisational and production solutions being implemented. The Group has ongoing communication and dialogue with its employees, which takes place through face-to-face discussions, regular meetings and debriefing discussions, surveys and focus groups. The Group actively involves employees in the life of the company, for example through the "Suggestion Box" – ideas submitted by employees are analysed and a selection of these are put into practice. The opinions and interests of employees are used primarily at operational and organisational level, while they do not form a direct basis for changes to the Group's business model or strategy.

[SBM-2, 45] There have been no changes to Arctic Paper's business model in 2025, nor have there been events in the environment that would materially affect the model and the nature and scale of Arctic Paper's social, environmental or economic impact. Nor are changes planned to modify stakeholder relationships and opinions.

[SBM-2, 45a v, 45b, 45d] The aspects described above are subject to a broader annual discussion within the organisation, involving the Management Board and the Supervisory Board of the Arctic Paper Group, aimed at gaining a better understanding of the current and future nature of relationships with stakeholders in the context of potential changes, including regulatory developments, as well as observed social trends and the impact of the Group's operations on its surroundings. Each time, the results of the stakeholder survey are analysed and discussed by the Management Board and the Supervisory Board.

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

[IRO-1 53] The Arctic Paper Group has been subject to sustainability reporting under the CSRD since 2024, so the first double materiality assessment under the European ESRS reporting standard was performed in 2023 and 2024. In 2025, the study was repeated – topics were again selected for analysis and sustainability impacts, risks and opportunities were assessed.

The 2025 double relevance study, like the previous ones, was broken down into 5 key steps:

1. Understanding the context of the organisation and gap analysis;
2. Identification of topics to be analysed (including the Stakeholder perspective);
3. Assessment of impacts, risks and opportunities;
4. Selection of material topics;
5. Validation of material topics with Group Management.

STAKEHOLDER DIALOGUE



DOUBLE MATERIALITY ANALYSIS



Step 1: As a first step, a review of information about the Group and its business environment took place to understand the current situation, which took into account the perspective of all Group companies (including the packaging company Kostrzyn Packaging sp. z o.o. and the Rottneros Group company, which were not taken into account in the previous year). Among other things, possible gaps among material sustainability topics were analysed, a further sample of key external stakeholders (customers, suppliers, local authority representatives) was selected and surveyed with them in the form of interviews and focus groups.

Stakeholders identified what they considered to be the organisation's greatest sustainability impacts in each of the three areas – environmental, social and governance. The issues they highlighted most often were energy

consumption, switching to renewable energy, developing a circular economy, reducing greenhouse gas emissions and managing diversity (equal opportunities for women and men) and creating jobs for local communities.

Stakeholder opinions were taken into account in the assessment of impacts, risks and opportunities.

The stakeholder survey, conducted in 2025, was a deepening of an earlier survey carried out in 2023. The selection of questions and the group of stakeholders invited to the survey was preceded by an analysis of the organisation's current context.

The most common issues from this stage, were included in the list of topics assessed by the Arctic Paper Group from the perspective of materiality of impacts, risks and opportunities.

Step 2: As a next step, a series of internal workshops were held on:

- a) actual and potential impacts on people and the environment in the context of the topics and sub-topics both identified in ESRS Standard 1 AR 16 and from a list of issues selected by the organisation;
- b) the Group's risks and opportunities related to social, environmental and organisational governance issues identified in the ESRS standard.

The workshop was attended by employees responsible for the various business areas. The results developed during the workshop were then discussed with members of the Management Board.

The identification of sustainability risks and opportunities was primarily based on an analysis of impacts and dependency on resources. Other factors that could generate sustainability-related risks and opportunities for the Group, such as the business environment, Group strategy, were then also analysed.

The topics taken into account were drawn from a list of topics of relevance to the organisation, selected at the preliminary analysis and stakeholder feedback stage, and related to the impact of the Group's manufactured products on the environment and local communities, consumption of natural resources and waste management. Actual and potential impacts on biodiversity and ecosystems at their own locations and in the value chain were considered. However, there was no detailed consultation with affected communities regarding the sustainability of shared biological resources and ecosystems. Arctic Paper Kostrzyn is located close to a Natura 2000 area – the Warta Mouth Landscape Park. Arctic Paper Munkedals is located on the west coast of Sweden, close to the Örekilsälven River, which is also part of the Natura 2000 network. The river flows from the protected Gullmarn Fjord. The impact of the two paper mills on these areas is described in subsection SBM-3, covering material impacts, risks, opportunities, and their interrelationship with the strategy and business model.

Step 3: The discussion of the importance of the different issues took into account the perspective of the main links of the Arctic Paper Group's value chain, i.e. the supply chain (taking into account the resources, raw materials and services that are most important for the Group's business model) and the Group's own operational activities (including service delivery processes, customer service, ensuring high product quality, customer and supplier relations, and responsible marketing communication principles).

As last year, individual impacts were described and rated on a 3-point scale in each category (scale, scope and irreversibility). Likelihood was assessed on a scale of 1 to 3, in the short (up to 1 year), medium (1 to 5 years) and long (more than 5 years) time horizons. Severity is understood here as the sum of 3 categories:

- Scope, understood as:
 - 1 – local scope (relating only to a specific region, individual facility),
 - 2 – national scope (referring to the impact in one EU country, e.g. Poland, Sweden),
 - 3 – transnational and non-European scope (referring to activities in many EU countries and beyond, e.g. sourcing pulp from South America).
- Scale, understood as:
 - 1 – small scale (occasional/one-off impacts or negligible harmful/positive impacts on humans or the environment),
 - 2 – moderate scale (impact of below average level of phenomenon or impact with moderate level of harm/benefit),
 - 3 – high scale (frequent occurrence of the impact/incident or impact with a high level of harm/benefit to people or the environment).
- Irreversibility assessed as:
 - 1 – an easily reversible phenomenon,
 - 2 – moderately reversible phenomenon (with time, commitment and some reasonable financial investment),
 - 3 – irreversible phenomenon (including requiring compensation or damages).

Financial materiality:

The assessment of financial materiality was based on two key elements: the likelihood of a given risk or opportunity occurring, taking into account the time horizon, and the magnitude of the potential financial consequences for the Company should it materialise. Financial impacts were subjectively assessed by the undertaking's experts on a three-point scale from 1 to 3, depending on the impact on the Group's financial position,

including its value, financial performance and potential revenues or costs, such as those resulting from attracting or losing customers. The scale of the financial effect has been aligned with the financial thresholds of the risks identified as part of the Arctic Paper Group's risk management process. Risks related to sustainability issues, both from a regulatory and operational perspective, relate to the most significant areas of the Arctic Paper Group's business.

Step 4: In order to determine which topic is material for reporting, it was assumed:

With the materiality of the impact, the cut-off threshold was determined by calculation: 30% of the score of the product of the average of likelihood (assessed on a scale of 1-3 over 3 time horizons) and severity (with a maximum pool of 9 points), consisting of the sum of 3 criteria, i.e. scale (scoring 1-3), extent (scoring 1-3) and irreversibility (scoring 1-3). The cut-off threshold for the maximum assessed impact is 30% of the maximum score, except for actual positive impacts, for which the cut-off was set at 50%. Mathematical rounding has been used to calculate the thresholds for receipts.

- For potential adverse impacts, the maximum number of points is 27 (cut-off of 8 points). This score was obtained by multiplying (the average of) likelihood (for potential impacts) by severity (which consists of the extent, scale and irreversible nature of the impact).
- In the case of a potential positive impact, irreversibility was not assessed, therefore the maximum number of points from the severity of the potential positive impact is 6 and the cut-off was expressed as 30% of the product of the maximum likelihood (3) and severity (6), i.e. 30% of 18, which is 5 points.
- In the case of actual impacts, the likelihood and severity of the impacts were analysed, and the result was the sum of all the severity and likelihood categories assessed, reaching a maximum value for actual adverse impacts: 9, and for actual positive impacts: 6 (there is no criterion of irreversibility). The cut-off threshold used in this case is for actual adverse impacts respectively: 3 and positive: 3 points.

Financial materiality was assessed similarly, where the cut-off threshold was determined by calculation: 30% of the result of the product (average of) the likelihood (assessed on a scale of 1-3) and the financial effect scale (1-3). The cut-off for maximum assessed financial materiality is 30% of the maximum score pool, i.e. out of 9 points, resulting in a score of 2.7 points.

The course of the double materiality analysis process for IRO-1 E1, E2, E3, E4, E5 and IRO-1 G1, including the methodology used, assumptions and stakeholder consultation issues, is the same as the general process description in ESRS 2 of IRO-1. The analysis used both external data – including academic sources, industry reports, ESG ratings, competitor reports – and detailed internal company data, analysed in workshops on impacts, risks and opportunities with employees responsible for the area in the Arctic Paper Group. The double materiality process considered the resources used by the Group (listed in order of importance), in particular: pulp, wood, chemicals, and electricity. The topics of pollution, water, and circular economy are particularly relevant in the locations where the Group's production facilities are located, i.e., Munkedals, Grycksbo, Kostrzyn, Rottneros, and Vallvik. Detailed information on the materiality assessment results can be found in ESRS Disclosure 2 SBM-3.

Internal data analysis covered all production facilities and their operations included:

E1 – CLIMATE CHANGE

- energy consumption data and emissions associated with purchased energy (electricity, process steam, fossil fuels, biomass) by location;
- data on the production and consumption of electricity from own RES installations;
- data on GHG emissions (scope 1,2, 3), including emissions from boilers and combustion installations;
- energy efficiency data – particularly with regard to the costs of installing, maintaining and repairing energy efficiency equipment.

E2 – POLLUTION

- data on emissions to air, water, land: emissions of pollutants from installations exceeding the relevant threshold value set out in Annex II to Regulation (EC) No 166/2006 of the European Parliament and of the Council excluding GHG emissions (disclosed in section E2-4);
- data on substances of concern used in the production process;
- location and operations analysis.

E3 – WATER AND MARINE RESOURCES

- total water consumption data;
- data on the closed-loop circulation of process water (degree of recirculation);
- analysis of geographical areas;
- information on the location of plants in relation to areas at risk of water scarcity;
- wastewater discharge quality parameters;

- analysis of goods related to marine resources;
- analysis of sectors and segments related to issues relevant to water resources.

E4 – BIODIVERSITY AND ECOSYSTEMS

- the locations of production facilities close to and further away from biodiversity sensitive areas;
- sources of wood raw material – share of FSC® / PEFC certified raw material and due diligence procedures for suppliers.

E5 – CIRCULAR ECONOMY AND WASTE

- resources used by the Group;
- data on waste generation, recovery and recycling rates.

As part of the update to the double materiality analysis process carried out in 2025, the materiality threshold for actual positive impacts has changed from 30% in 2024, to 50% in 2025. The Group plans to carry out further updates to its double materiality analysis processes when changes in strategy and business model occur.

Step 5: Members of the Arctic Paper Group Management Board were involved in deciding on the final materiality or lack of materiality of the sustainability topics analysed, and the results were then presented to the Supervisory Board. A list of significant impacts, risks and opportunities is presented in the table for *SBM-3 Material sustainability impacts, risks and opportunities*. The list of impacts and risks reviewed during the work with Board members and the conclusions on the identification of the main business opportunities for the company related to the topic of sustainability form the basis for the Arctic Paper Group to identify a list of ESRS indicators (so-called disclosures), the selection of which is based on confirmation of the materiality of the issue.

The Management Board of the Arctic Paper Group is responsible for the proper organisation and conduct of the impact, risk and opportunity management process. His or her is responsible for managing these areas at a strategic level, including the analysis of the impacts, risks and opportunities deemed strategic, and to oversee their operational and project management, carried out by the managers responsible for the Group's various organisational units and production facilities, including sustainability risks.

ANALYSIS OF CLIMATE RISKS

[E1.IRO-1 20a, AR 9 a b, AR 10, 11] In 2024, the Arctic Paper Group performed a detailed analysis of climate risks, which deepened the results of the double materiality analysis. Climate risks were identified in the short, medium and long term, taking as a short horizon the current financial year (1 year), as a medium horizon a period of up to 5 years (in line with the standard horizon for strategic and financial planning) and as a long horizon a period of more than 5 years (up to 15 years, in order to allow for the analysis and assessment of risks over a period of time to take into account the average life cycle of assets and, at the same time, the first years of extreme physical climate risks).

The analysis of climate risks launched in 2024 included, in particular:

- fuel consumption in power and heat generation processes (including natural gas at the Kostrzyn plant's combined heat and power plant);
- electricity consumption at production facilities (own and purchased energy);
- biomass energy production (Grycksbo paper mill);
- emissions related to pulp mill operations (a Rottneros Group company);
- costs and risks associated with the EU ETS and CO₂ emission allowances (included in the risk factors associated with the Arctic Paper Group's operations);
- consumption of key raw materials (pulp, wood, water) and energy as important cost and emission factors.

The structure of the energy sources at each location was also taken into account, including the in-house gas-fired CHP plant at the Kostrzyn plant, the use of biomass at the Arctic Paper Grycksbo plant and the partial coverage of energy requirements in-house at the Vallvik plant.

The Arctic Paper Group has mapped the entire value chain; however, it does not have an analysis of the climate impacts of the value chain links.

The Group's assessment of actual and potential climate change impacts was based on:

- operational data on fuel and energy consumption;
- data from GHG emission calculations;

- the company's development potential and the capacity of pulp and paper mills (current and planned for the time horizon to 2030);
- analysis of energy costs as a significant factor affecting financial performance;
- identifying the regulatory risks associated with a possible reduction or change in the rules for the free allocation of CO₂ emission allowances.

The analysis of climate risks was linked to the Group's investment plans, including investments in renewable energy sources (photovoltaic installations) and the modernisation of production assets as part of the implementation of the "4P" Strategy.

In 2025, the Rottneros Group companies were included in the climate analysis, basing the analysis on the same time horizon as for the Arctic Paper Group. In the Rottneros Group, one climate scenario below 4 C was considered. In the Arctic Paper Group, on the other hand, two scenarios below 2 C and above 4C were considered.

[E1.IRO-1 21, AR 11d] The Arctic Paper Group did not conduct a full scenario analysis but considered two extreme scenarios in its analysis of potential GHG emission and socio-economic development pathways: the scenario with the highest transition risks (SSP1-2.6) and the scenario with the highest physical risks (SSP5-8.5). This approach was intended to provide an insight into a broad spectrum of possible future paths.

The analysis of climate risks was therefore based on a scenario recommended by the regulations and developed in line with current scientific knowledge by the IPCC: SSP5-8.5, which provides for the highest possible physical climate risks, in line with the regulator's intention to approach the assessment of risks as conservatively as possible. Similarly, the process of analysing and qualitatively assessing transition risks was based on the regulatory recommended scenario in line with the Paris Agreement developed with current scientific knowledge by the IPCC: SSP1-2.6, which provides for the relatively highest possible transition risks, in line with the regulator's intention to approach the assessment of risks as conservatively as possible.

[E1.IRO-1 AR 15] These scenarios have served as a general basis to support the assessment of climate risks and will be used in a more detailed and analytical manner in subsequent reporting cycles. The risk identification and assessment process was integrated into the overall risk management processes, enabling the value of climate-related transition risks to be compared with the other risks identified and assessed by the Group.

PHYSICAL RISKS

[E1.IRO-1 20 b] For physical climate-related risks, the Arctic Paper Group has identified the exposure areas of its key assets taking into account their location and the occurrence of physical 28 climate-related risks identified in the EU Taxonomy (Commission Delegated Regulation (EU) 2021/2139). Next, the vulnerability of assets and the elements that support their operation (e.g. transport links, power lines) was analysed by examining the sensitivity of these elements to physical events.

For climate-related risks, the Arctic Paper Group determined the nature of the effect and the scale of the potential financial consequences based on subjective assessments by the undertaking's experts. For the quantitative analysis of physical risks, the magnitude of the financial effect of each risk was defined in terms of financial thresholds, which are the inputs to the model for quantitative assessment of climate-related physical risks. For the qualitative analysis of transition risks, the scale of the financial effect is determined in relation to the predetermined financial impact ranges used to analyse all risks in the Group.

The likelihood assessment for the quantitative assessment of physical risks was based on conclusions drawn from the analysis of a variety of sources: global climate change modelling results, historical data, empirical scientific studies, official analyses and climate change adaptation strategies produced by authorities at various levels, and queries on historical climate-related events in the immediate vicinity of the location under study. The extensive review of information sources was intended to capture as accurately as possible the rationale for determining the point likelihood of a hazard over the three time horizons. The point likelihood values served as inputs to a model for quantifying climate-related physical risks.

[E1.IRO-1 AR 11 c] In the course of the analysis of climate-related physical risks, 106 potential physical risks were analysed in detail and the presence of 3 risks assessed as high in the locations of key assets, the Arctic Paper Group business processes or for the systemic dependencies that enable their operation was diagnosed.

Physical risks rated as high are:

- risk of damage to the roof and stored products/materials in the production hall in Kostrzyn due to flooding,
- risk of interruption to the operation/repair of the Kostrzyn production building due to flooding,
- the risk of repair costs due to damage, including flooding of the basement, lower warehouses and their contents in the Kostrzyn warehouse due to flooding.

In 2025, as part of the analysis of climate-related physical risks for the Rottneros Group, 82 potential climate risks were analysed, among which 2 risks were assessed as high in a time horizon of 1 to 15 years:

- risk of damage to non-replaceable machinery or parts of machinery as a result of heavy precipitation at Vallviks Bruk AB,
- risk of damage to machinery and the production hall caused by flooding at Vallviks Bruk AB,

The analysis identified the following climate-related risks as being significant over a time horizon of more than 5 years and up to 15 years:

- risk of damage to the roof and stored products/materials in the production building as a result of heavy rainfall at Rottneros Bruk and Vallviks Bruk,
- risk of disruption to operations or temporary stoppage of production or storage buildings as a result of heavy rainfall at Rottneros Bruk and Vallviks Bruk,
- risk of damage to non-replaceable machinery caused by heavy rainfall at Rottneros Bruk AB,
- risk of operational disruption or temporary closure of the Rottneros Bruk plant as a result of machinery repairs caused by heavy rainfall,
- the risk of damage to production or storage buildings at Vallviks Bruk as a result of erosion caused by flooding,
- risk of disruption to operations or temporary closure of buildings: production or storage as a result of flooding at Vallviks Bruk,
- risk of disruption to the sewage treatment plant as a result of structural erosion caused by flooding.

TRANSITION RISKS

[\[E1.IRO-1 20 c, AR 12 a\]](#).

Transition risks were identified based on an analysis of the links between the Group's key business areas and climate-related transition events as classified by the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD classification in the process of identifying and analysing transition risks was adapted and developed based on the current diagnosis of the Group's regulatory, political, legal, technological, market and reputational environment.

To assess transition risks, the Arctic Paper Group used the Company's overall risk management policy and a detailed procedure dedicated to climate-related risks. The risk identification and assessment process is integrated into the overall company-wide risk management processes, enabling the value of climate-related transition risks to be compared with other risks identified and assessed by Arctic Paper.

The determination of likelihood for transition risks is based on an analysis of trends and available data (such as industry reports) and is expressed on the basis of the scale of risk likelihood ranges adopted in Arctic Paper's overall risk assessment procedure. The extensive review of information sources is intended to capture as accurately as possible the rationale for establishing point likelihood of hazard occurrence over three time horizons (1 year, 5 years, 10 years) and under two climate scenarios (SSP1-2.6; SSP5-8.5).

[\[E1.IRO-1 AR 11 c\]](#) As a result of the transition risks analysis, 22 potential transition risks were analysed in terms of the various reasons for the materialisation of a given risk and several specific impacts of a given risk for each of Arctic Paper's individual business areas.

The transition risks rated as high are:

- the risk of rising raw material costs,
- the risk of a change in consumer purchasing preferences.

Details of the results of the materiality assessment are presented in the following subsection SBM-3 Material sustainability impacts, risks and opportunities. Their implications and links to the strategy and business model are described at the beginning of the relevant thematic chapter within this Statement. Unless otherwise specified, material impacts, risks and opportunities apply to all Group locations as described in subsection SBM-1 Strategy, business model and value chain.

G1 IRO-1 DESCRIPTION OF PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

[\[G1 IRO-1 6\]](#) At the Arctic Paper Group, we see sustainability management as an integral part of business management. We are committed to ensuring that the Group's operations are performed in accordance with the highest standards of conduct and legal regulations, providing transparent information. Identifying risks and opportunities in the area of corporate governance enables them to be properly managed, responding to the real needs of our stakeholders. The process for identifying impacts, including the assessment criteria used, is described in section IRO-1 Description of the process used to identify and assess material impacts, risks and opportunities. The double materiality analysis considered the entire Arctic Paper Group and all operational processes, including primarily those related to paper and pulp production. material impacts, risks and opportunities related to direct and indirect business relationships in the value chain (Europe, South America) are also considered.

IRO-2 ESRS DISCLOSURE REQUIREMENTS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT

[\[IRO-2 56 AR 19\]](#) A list of the disclosure requirements applied is included in the annexes to this report.

[\[IRO-2 59\]](#) ESRS disclosures and data points were mapped to material impacts, risks, and opportunities in accordance with the approach outlined in AR 16, and EFRAG guidance on the application of the ESRS was also considered. The starting point for preparing the disclosure list was the result of the double-materiality analysis (described in ESRS 2 IRO-1). The Group assigned significant data points to each of the relevant IROs and then considered the wording of the transitional provisions. This assessment was qualitative in nature.

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

[SBM-3 48] [E4.. SBM-3 16] [E1.SBM-3 18, 19, AR 8b]

Table- Material sustainability impacts, risks and opportunities for the Arctic Paper Group

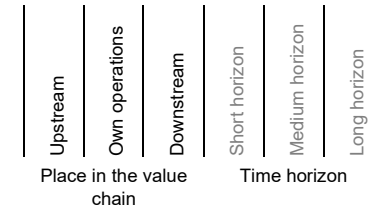
Type of IRO	Material impact, risk or opportunity – Description	Place in the value chain			Time horizon		
		Upstream	Own operations	Downstream	Short horizon	Medium horizon	Long horizon
ESRS E1 Climate change							
Adaptation to climate change							
Actual negative impact	GHG: emissions increased energy consumption for the cooling process (servers, factory hall).		•				•
Risk – transitions	Financial risk: - increase in energy costs, - the potential increase in the cost of maintaining operations, - increase in the price of GHG emissions.		•	•			•
Climate change mitigation							
Actual negative impact	GHG emissions across the value chain, including: - purchase and production of raw materials (synthetic fibres, pulp, chemicals), - purchase of goods and services, - transport, distribution, - disposal of used disposable packaging.	•	•	•			•
Risk – transitions	Reputation and market positioning risk – changes in customer preferences for products with lower carbon footprints and failure to align products with customer expectations.			•			•
Risk – transitions	Legal risk: - extended emissions reporting obligations, - the risk of incomplete or incorrect information, - exposure to legal and administrative proceedings and possible financial penalties.		•				•

Type of IRO	Material impact, risk or opportunity – Description	Place in the value chain			Time horizon		
		Upstream	Own operations	Downstream	Short horizon	Medium horizon	Long horizon
Risk – physical	High physical risk: - an increase in extreme weather events, such as cyclones and floods, droughts and fires (e.g. in logging areas), which may affect the smooth running of operations.	•	•				•
Risk – physical	Chronic physical hazards. Possible disruption to own operations and increased costs caused: - changes in rainfall distribution and extreme variability in weather conditions; - increase in average temperatures; - lowering of the groundwater level		•				•
Opportunity	Competitive positioning for low-carbon products and services – climate change-conscious brand reputation.		•	•			•
Opportunity	Access to new markets		•	•			•
Opportunity	Efficient use of resources		•				•
Opportunity	Reducing operating costs by improving energy efficiency		•				•
Power							
Risk – transitions	Technological/financial risks: costs of switching to lower emission technologies, failed investments in new technologies.		•				•
Opportunity	Lower-energy costs – the potential to reduce energy costs in the long term (resulting from the development of low carbon energy sources).		•				•
ESRS E2 Pollution							
Pollution of air							
Actual negative impact	Atmospheric pollution by compounds such as: SO ₂ , NO _x , N ₂ O, particulate matter (PM), H ₂ S, ozone-depleting substances, CO, NH ₃ , volatile organic compounds (VOCs), benzene and other aromatic hydrocarbons released during the production process and the use of transport vehicles (value chain).	•	•				•
Water pollution							
Actual negative impact	Water pollution caused by maritime transport of the target.	•					•
Actual positive impact	Supporting scientific projects on restoration, regeneration and transformation of ecosystems in cooperation with NGOs.		•				•

Type of IRO	Material impact, risk or opportunity – Description	Place in the value chain			Time horizon		
		Upstream	Own operations	Downstream	Short horizon	Medium horizon	Long horizon
Substances of concern							
Actual negative impact	Use of hazardous and potentially hazardous substances from the following hazard classes: carcinogenicity category 1 and 2, reproductive toxicity category 2, respiratory sensitisation category 1, long-term aquatic hazard category 1, 2 and 3, specific target organ toxicity – single and repeated exposure category 1.		•				•
ESRS E3 Water and Water Resources							
Water: Water consumption							
Actual negative impact	Water consumption within its own operations, especially in the production process (pulp and paper production).		•				•
Actual negative impact	Water consumption in the supply chain – especially in areas with high water consumption.	•					•
Risk – physical	Chronic physical hazards – droughts and rising temperatures can affect the availability of water resources for paper production or reduce the quality of wood raw materials.	•	•	•			•
Water: Water withdrawal							
Actual negative impact	Transport of purchased pulp by sea – potentially includes ballast water intake.	•	•				•
Water: Water discharges							
Actual negative impact	Water discharges associated with paper and pulp production (including purchased pulp, excluding packaging).	•	•				•
Marine resources: Discharges of water into seas and oceans							
Actual negative impact	Water discharges into the seas and oceans.	•	•				•
ESRS E4 Biodiversity and ecosystems							
Direct drivers of biodiversity loss: Climate change							
Actual negative impact	Indirect impacts on biodiversity loss and ecosystem health through operational emissions.	•	•	•			•
Direct drivers of biodiversity loss: Land use change, fresh water use change and sea use change							

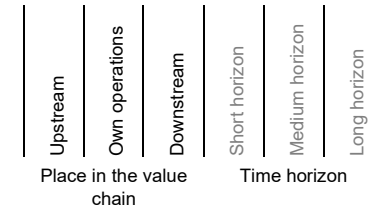
Type of IRO	Material impact, risk or opportunity – Description	Place in the value chain			Time horizon		
		Upstream	Own operations	Downstream	Short horizon	Medium horizon	Long horizon
Risk – transitions	Legal and operational/financial risks related to compliance with regulatory requirements on due diligence and deforestation (including EUDR).	•	•				•
Direct drivers of biodiversity loss: Direct use							
Actual negative impact	Direct impact on biodiversity loss – logging for pulp.	•					•
Actual positive impact	Obtaining wood and pulp from certified suppliers and from sustainably managed forests. This is an activity that generates higher costs. By choosing to purchase certified raw material, the Arctic Paper Group has an impact on the entire value chain.	•					•
Risk – transitions	Financial risk - Increase in capital acquisition costs in case of environmental degradation and adverse impacts on biodiversity - Penalties, damages, fines and civil proceedings related to adverse impacts on biodiversity		•				•
Direct drivers of biodiversity loss: Invasive species							
Actual negative impact	Transport of pulp and products by sea – potentially includes ballast water intake with simultaneous transport of invasive species.	•	•	•			•
Impacts on the extent and condition of ecosystems							
Actual negative impact	Impact on soil degradation, desertification or soil sealing – impact mainly in the supply chain	•					•
Impacts on and dependence on ecosystem services							
Actual negative impact	Strong dependence of activities on ecosystem services – wood raw material as a basis for activities	•					•
Risk – transitions	Financial/operational risk: Risk of raw material loss due to high dependence on ecosystem services (wood as the primary raw material).	•	•				•
ESRS E5 Resource use and the circular economy							
Resources introduced, including use of resources							
Actual negative impact	High reliance on non-renewable resources, including chemicals, wood and fossil fuel energy (33% of the company's energy mix).	•	•	•			•
Discharged resources related to products and services							
Actual negative impact	There is a percentage of waste for disposal that cannot be reused or recycled.	•		•			•

Type of IRO	Material impact, risk or opportunity – Description	Place in the value chain			Time horizon		
		Upstream	Own operations	Downstream	Short horizon	Medium horizon	Long horizon
Actual positive impact	Actions for the reuse of renewable raw materials.		•				•
Waste							
Actual negative impact	Production of disposable packaging for perishable products such as food (Rottneros packaging).		•	•			•
Actual negative impact	The end product, i.e. the food packaging, usually ends up in a waste incinerator after use due to the packaging's synthetic coating and the contamination caused by use.			•			•
Actual positive impact	Circularity and its impact on product design.		•				•
ESRS S1 Own workforce							
Working conditions: Job security							
Actual positive impact	Employees feel secure in the company: providing employees with a safe working environment, stable employment contracts, competitive salaries.		•				•
Working conditions: Working time							
Potential negative impact	Potentially increased work outside standard working hours. Potentially more demanding and less beneficial for the employee night shifts.		•				•
Actual positive impact	We are one of the largest local employers. We do not work overtime, it occurs infrequently. Production employees work a three-shift system, which ensures rotation and increases safety. Clerks are offered flexible working hours and the possibility of hybrid working.		•				•
Working conditions: Adequate wage							
Actual positive impact	Competitive remuneration, adequate to market rates and commensurate with the employee's experience and education.		•				•
Working conditions: Social dialogue							
Actual positive impact	Engaging in dialogue with employees, involving them in the day-to-day operations and surveying their opinions on the company's performance and operations in the form of surveys, employee idea boxes, and employee satisfaction surveys. We try to translate the conclusions of the research into real action.	•	•	•			•
Working conditions: Work-life balance							
Actual positive impact	Caring for employees' well-being (physical and mental), work-life balance.		•				•



Type of IRO	Material impact, risk or opportunity – Description						
Working conditions: Occupational health and safety							
Actual negative impact	Accidents at work occur.		•				•
Actual positive impact	High health and safety standards, health and safety system, emergency services (employees with emergency qualifications)		•				•
Equal treatment and equal opportunities: Gender equality and equal pay for work of equal value							
Actual negative impact	With few women in managerial positions, there are few opportunities for promotion.		•				•
Actual positive impact	Gender equality and equal pay for equal work.		•				•
Equal treatment and equal opportunities: Training and skills development							
Actual positive impact	Employee training and skills development		•				•
Equal treatment and equal opportunities: Employment and integration of people with disabilities							
Actual positive impact	Favourable working conditions for people with disabilities		•				•
Equal treatment and equal opportunities: Measures to prevent violence and harassment in the workplace							
Risk (concerns all sub-topics “Equal treatment and equal opportunities”)	Operational/financial risks: Lack of appropriate competences in the organisation – resulting from the shortage of employees in the region: increased wage costs, incentives and higher recruitment costs. Staffing problems - Low attractiveness of the company as an employer - Losses due to absenteeism - Increasing employee turnover (and thus increasing costs of recruiting and inducting new employees) - Decrease in employee productivity		•				•
ESRS S2 Those working in the value chain							
Working conditions: Job security							

Type of IRO	Material impact, risk or opportunity – Description	Place in the value chain			Time horizon		
		Upstream	Own operations	Downstream	Short horizon	Medium horizon	Long horizon
Actual positive impact	Value chain code of conduct: working to create a sustainable supply chain, auditing suppliers on environmental practices and respect for human rights	•					•
Working conditions: Job security, Working time, Adequate pay, Social dialogue, Work-life balance, Health and safety at work.							
Risk	Operational risk – failure by suppliers to comply with legal requirements for employees in the value chain may result in the inability to supply raw materials to the Group. Potential increase in costs and the need to find new suppliers – an issue of raw material availability.	•					•
ESRS S3 Affected Communities							
Topic specific to the Arctic Paper Group							
Actual negative impact	Noise generation		•				•
Actual positive impact	An important employer for the local community		•				•
ESRS S4 Consumers and end-users							
Personal safety of consumers and/or end-users							
Actual negative impact	Adverse impact on the health of the products on offer (migration of hazardous substances, especially in oily and moist product packaging, where migration is greater).			•			•
Information-related impacts on consumers or end-users							
Opportunity	Better alignment of offerings and expansion of customer base.		•	•			•
ESRS G1 Business conduct							
Corporate culture							
Actual positive impact	Strong ethical culture of the company's organisation. We are one of the largest local employers, we promote and share corporate values among our employees and community. We work with suppliers who represent the same values as us.		•				•
Topic specific to the Arctic Paper Group: Responsible marketing practices							
Actual positive impact	Promotion of environmentally friendly and ethically produced products.		•	•			•



Type of IRO	Material impact, risk or opportunity – Description	Upstream	Own operations	Downstream	Short horizon	Medium horizon	Long horizon
		Place in the value chain			Time horizon		
Topic specific to the Arctic Paper Group							
Actual positive impact	An efficient system for reporting feedback and complaints. Surveying customers and taking their opinions into account.			•			•
Topic specific to the Arctic Paper Group							
Opportunity	Alignment with CSDD – Implemented actions may have an impact on ratings and potentially lower cost of raising capital in the future		•				•

[SBM-3 48 g] As a result of the 2025 update of the double materiality analysis, the following changes have occurred:

Material topic and sub-topic	Change in 2025 (relative to 2024)
E-1 Climate change	
Climate change mitigation	<p>Positive impact non-material in 2025:</p> <ul style="list-style-type: none"> • Striving for zero emissions: investing in solutions that minimise the negative impact of operations on the environment and climate, low carbon equipment • Implementing more environmentally friendly means of transport and goods distribution processes <p>Opportunity in 2025:</p> <ul style="list-style-type: none"> • Reducing operating costs by improving energy efficiency
Energy	<p>Positive impact non-material in 2025:</p> <ul style="list-style-type: none"> • Use of renewable energy sources, improvement of energy efficiency <p>Opportunity non-material in 2025:</p> <ul style="list-style-type: none"> • Resilience to physical threats – by identifying them and initiating mitigating actions
E-2 Pollution	
Water pollution	<p>Negative impact non-material in 2025:</p> <ul style="list-style-type: none"> • Water contamination in the production process <p>Negative impact material in 2025:</p> <ul style="list-style-type: none"> • Water contamination caused by maritime transport of pulp
E-3 Water and Water Resources	
Water: Water withdrawal	<p>Positive impact non-material in 2025:</p> <ul style="list-style-type: none"> • Actions in line with the European Green Deal (or other EU/global initiatives) on clean water • Reuse of water that has already been used, whenever possible
Water: Water discharges	<p>Positive impact non-material in 2025:</p> <ul style="list-style-type: none"> • Create products and services that respect water resources and/or reduce water discharges; improving water quality
E-4 Biodiversity and ecosystems	
Direct drivers of biodiversity loss: Other	<p>Positive impact non-material in 2025:</p> <ul style="list-style-type: none"> • Supporting initiatives to promote biodiversity
Direct drivers of biodiversity loss: Land use change, fresh water use change and sea use change	<p>Positive impact non-material in 2025:</p> <ul style="list-style-type: none"> • Measures to support the protection and restoration of biodiversity aligned, for example, with the EU's 2030 Biodiversity Strategy. Naturally clean water, advanced treatment processes for contaminated water
Direct drivers of biodiversity loss: Direct use	<p>Actual negative impact in 2025:</p> <ul style="list-style-type: none"> • Direct impact on biodiversity loss – logging for pulp
Impacts on the extent and condition of ecosystems	<p>Positive impact non-material in 2025:</p> <ul style="list-style-type: none"> • Actions to support biodiversity conservation and restoration aligned, for example, with the EU's 2030 Biodiversity Strategy; Initiatives to support the conservation and restoration of biodiversity (Kostrzyn, Swedish rivers) • Positive impact on biodiversity – afforestation
E-5 Resource use and the circular economy	
Discharged resources related to products and services	<p>Non-material risk in 2025:</p> <ul style="list-style-type: none"> • Regulatory risk – e.g., regulations regarding deforestation
Waste	<p>Positive impact non-material in 2025:</p> <ul style="list-style-type: none"> • Eliminate waste in the production process wherever possible (including in the production phase, during use and at the end of the product life cycle) – producing as little waste as possible <p>Actual negative impact in 2025:</p>

- The end product, i.e. the food packaging, usually ends up in a waste incinerator after use due to the packaging's synthetic coating and the contamination caused by use

S-1 Own workforce

Working conditions: Freedom of association, the existence of works councils and workers' rights to information, consultation and participation

Positive impact non-material in 2025:

- There are trade unions, and European Works Council (at group level)

Working conditions: Collective bargaining, including percentage of employees covered by collective agreements

Positive impact non-material in 2025:

- There are also agreements at company level.

Equal treatment and equal opportunities: Measures to prevent violence and harassment in the workplace

Positive impact non-material in 2025:

The Group counteracts harassment and violence in the workplace by implementing policies and providing anonymous channels for reporting misconduct.

Equal Treatment and Equal Opportunities: Diversity

Positive impact non-material in 2025:

Nurturing diversity in the organisation by building diverse teams.

Working conditions: Working time

Actual positive impact in 2025:

We are one of the largest local employers. We do not work overtime, it occurs infrequently. Production employees work a three-shift system, which ensures rotation and increases safety. Clerks are offered flexible working hours and the possibility of hybrid working.

S-2 Employees in the supply chain

Working conditions: Job security

Positive impact non-material in 2025:

Educating suppliers on ESG issues by implementing surveys and sharing the Code of Conduct in the value chain

S-3 Affected communities

Other

Positive impact non-material in 2025:

Supporting charitable initiatives important to the local community, helping those in need and marginalised people

Economic, Social and Cultural Rights of Communities: Water and Sanitation

Positive impact non-material in 2025:

Cleaning up the river so the local community can enjoy it – fishing and other recreational activities

Civil and political rights of communities: Freedom of expression

Positive impact non-material in 2025:

Consultation with the local community on matters affecting it

S-4 Consumers and end-users

Personal safety of consumers and/or end-users

Actual negative impact in 2025:

Adverse impact on the health of the products on offer (migration of hazardous substances, especially in oily and moist product packaging, where migration is greater)

Information-related impacts on consumers or end-users

Opportunity in 2025:

Better alignment of offerings and expansion of customer base

G1 – Business conduct

Protection of whistleblowers

Positive impact non-material in 2025:

An effective whistleblowing and whistleblower protection system in the value chain (not in its own operations)

Supplier relationship management, including payment practices

Positive impact non-material in 2025:

There is a Code of Conduct in the value chain, no arrears to suppliers

Corruption and bribery: Prevention and detection, including training, Incidents

Positive impact non-material in 2025:

Staff training on the value chain code of conduct, internal payment authorisation procedures, anti-corruption policy, increasing positive impact and ESG opportunities

Other

Positive impact non-material in 2025:

ESG management; High transparency (e.g. through reporting)

Opportunity material in 2025:

Compliance with CSDDD - implemented actions may have an impact on ratings and potentially lower costs of raising capital in the future.

Topic specific to the Arctic Paper Group	<p>Actual positive impact in 2025:</p> <p>An efficient system for reporting feedback and complaints. Surveying customers and taking their opinions into account</p>
Topic specific to the Arctic Paper Group: Responsible marketing practices	<p>Actual positive impact in 2025:</p> <p>Promotion of environmentally friendly and ethically produced products</p>

Some of the sub-topics were changed, which was due to, among other things:

- Revising the double materiality assessment, including the stakeholder survey and updating the catalogue of material impacts, risks and opportunities, as well as from changing the materiality threshold for actual positive impacts from 30% to 50%;
- Some of the positive impacts identified in 2024 were actions to mitigate adverse impacts.

Some positive impacts, due to regulatory change, are legal obligations and therefore should not be considered as positive impacts.

2. ENVIRONMENT-RELATED INFORMATION.

ESRS E1 Climate change

SBM-3 Linking material sustainability impacts, risks and opportunities to the strategy and business model

[SBM-3 48b, c, d, f] Material climate change impacts, risks and opportunities are closely aligned with the Arctic Paper Group's strategy and business model, in particular through the Energy Pillar, which focuses on developing RES, improving energy efficiency and reducing GHG emissions in the organisation's operations and value chain. An increase in average temperatures can increase energy demand, especially for cooling processes, which affects emissions and operating costs and forces a redefinition of the resilience of the business model in a low-carbon direction. The energy transition generates transition risks, including rising energy and commodity prices and tighter emissions and reporting regulations, leading to increased operating and investment costs. Investments in RES, long-term energy contracts and innovative emission-reducing technologies strengthen the resilience of the business model, despite the increase in capital expenditure, and contribute to lower energy costs in the long term. material physical risks, such as extreme weather events, rising temperatures and lowering groundwater levels, can disrupt production, transport and the supply chain. Resilience analyses, infrastructure upgrades and supplier diversification are the answer to these threats. Emissions associated with manufacturing and supply chain activities influence the need to work with business partners ensuring environmentally sustainable business operations. Changes in customer preferences and growing awareness in the context of climate change present a risk of reduced demand, but at the same time create an opportunity to develop sales of premium paper and sustainable packaging, in line with the Pillars Paper, Packaging and Pulp. Taken as a whole, climate change is both a financial and operational challenge for AP as well as an impetus to transform its business model towards a more resilient and competitive one.

[E1.SBM-3 19, AR 6, 7, 7b, 7c]

In 2025, the Arctic Paper Group conducted an analysis of the resilience of the Strategy to risks arising from climate change. The resilience analysis was based on linking actions arising from the Arctic Paper Group's "4P" Strategy to identified climate risks. Each initiative resulting from the strategy was assessed in terms of exposure to material physical risks and transitions in the perspective of adequate and regulatory-required climate scenarios: SSP1-2.6 and SSP5-8.5 to cover the widest possible spectrum of potential risks and opportunities. The resilience of each initiative to specific risks in the short term (1 year), medium term (5 years) and long term (10 years) was then considered.

In its analysis, the Arctic Paper Group considered its own operations, production buildings, warehouses, office buildings, indoor and outdoor workers, machinery, servers, regional and global transport links, electricity supply, water supply, wastewater treatment plants, heat supply, Group-owned solar farms. To the best of its knowledge, the Group has not excluded from the analysis, any material physical risks or transitions.

During the analysis, the Group made assumptions in line with the SSP1-2.6 scenario reflecting an ambitious decarbonisation path both globally and locally. In line with the indicated scenario, rapid electrification, regulatory and economic pressure on the energy efficiency of production processes and reliance on renewable energy were assumed. These assumptions are reflected in the Group's existing practices and planned strategic actions in the form of increasing the energy efficiency of machinery and production processes, water efficiency and sourcing renewable energy from its own production. The decarbonisation targets developed as part of the decarbonisation strategy were developed in accordance with the guidelines of the Science Based Targets initiative. The reduction targets adopted are in line with the Paris Agreement for the relevant emission bands (band 1, band 2 and band 3). Details of the objectives are included in subsection *E1-4 Mitigation objectives*.

The estimated expected financial impact from material physical and transition risks was determined in accordance with the risk assessment methodology used in the Group and the ERM system as a whole in a qualitative form by assigning a rating based on predefined financial impact ranges. The estimation of the financial impact of the risks was based on the value of the assets analysed, which could be destroyed, and the costs of slowing down or stopping production and business processes in the form of falling revenues, rising operating costs, rising insurance prices or rising capital costs. Related mitigation actions are described below in subsection *E1-3 Actions and resources in relation to climate issue management*.

Based on the results obtained, the level of resilience was determined for each initiative according to the following thresholds: very high, high, moderate and low resilience. The analysis showed that the resilience of the "4P" Strategy in each of the four pillars (Energy, Packaging, Paper, Pulp) against the physical risks associated with climate change is generally high, with one area of risk rated as moderate: the risk of operational disruption or production stoppage due to heavy rainfall or flooding.

In the case of the strategy's resilience against transition risks, there was more variation across the strategy pillars. For the Paper and Pulp pillars, the resilience of the strategy was assessed as high and moderate in relation to two transition risks: rising raw material costs and a shift in consumer purchasing preferences. Pillar Packaging

has demonstrated a high degree of resilience to both risks. In the case of the Energy pillar, the resilience of the strategy was classified as moderate against the risk of rising raw material costs and very high for changes in customer purchasing preferences. The analysis indicates resilience in the face of transition risks, although some areas may require more monitoring and adaptation actions.

[E1.SBM-3, AR 8]

The Arctic Paper Group sees the main area of uncertainty associated with the resilience analysis as not knowing which climate scenario will ultimately materialise. The Group plans its strategy in a resilient way, i.e. in such a way that it creates the conditions for business success for the Group, regardless of which scenario materialises. At the same time, through consistent monitoring of the regulatory, market and climate environment, cyclical updates of the risk assessment and resilience analysis, the Group assumes that early signals of the materialisation of any of the scenarios considered will be caught and that further optimisation of the strategy will be carried out under conditions of reduced uncertainty.

The physical risks that have been identified as significant for the Group – the risk of flooding in Kostrzyn – have a long potential horizon of materialisation (10 years). Therefore, in response to the effects of the risk in the form of damage to buildings, stored products and materials, as well as the associated costs of interrupting operations to carry out repairs to the production building and the costs of repairs, the Group anticipates taking action in the medium term to select the optimal adaptation strategy and reduce this risk to an acceptable level.

The conclusions for the strategy resulting from the identified material transition risks: the increase in the cost of materials and changes in consumer preferences require further analysis and quantification on the Group's part. The conclusions of the analyses and selected actions based on these conclusions will be incorporated into the Group's updated strategy to ensure continued access to finance at an affordable cost of capital, the ability to redeploy, modernise or decommission existing assets, change the product and service portfolio and retrain employees where necessary. Actions dedicated to correcting or adapting the Arctic Paper Group's strategy and business model to climate change in the short, medium and long term are a task foreseen for the next few years.

E1-1 Climate change mitigation transition plan

[E1-1 14, 17, AR 1] The Arctic Paper Group has not adopted a Transition Plan for climate change mitigation in 2025. The Group is in the process of developing the Plan and aims to adopt it by 2028. The element that supports the Group in gradually building the Transition Plan is the Decarbonisation Strategy adopted in 2025, which sets reduction targets for Scope 1, 2 and 3 GHG emissions. The objectives arising from the adopted strategy are described in section *E1-4 Mitigation objectives*.

E1-2 Policies related to climate change mitigation and adaptation

[E1-2 24, 25] [MDR-P 65 a] In 2025, the Arctic Paper Group did not have a separate Policy related to climate change mitigation and adaptation but plans to adopt one by the end of 2026. Currently, the most important documents governing the approach to climate change mitigation and adaptation are *The Arctic Paper Group's "4P" Strategy 2022-2030* (adopted in September 2021 and updated in 2023) and Arctic Paper Group's Decarbonisation Strategy (developed in December 2025). These documents also refer to areas related to energy efficiency and the use of renewable energy in the Group.

As part of the "4P" Strategy, the Arctic Paper Group is committed to, among other things, working to mitigate climate change by providing products and solutions based on energy and renewable materials, while replacing plastics.

As part of the Decarbonisation Strategy, the Arctic Paper Group commits to reduce GHG emissions by 42% in Scope 1 and 2 and by 25% in selected Scope 3 categories by 2030, as further described in section *E1-4 Mitigation targets*. The strategy also sets out a number of operational initiatives for the Group's value chain to help it achieve its ambitious decarbonisation targets.

Another document that indirectly regulates the approach to climate change is also the Arctic Paper Group Value Chain Code of Conduct, described under *ESRS 2 GOV-4 and G1-1*. The document commits the production facilities to operate in accordance with the ISO 14001 and EMAS environmental management system, and the Grycksbo and Munkedal mills additionally to have an ISO 50001 certified energy management system. In addition, according to the Code, Group employees are required to:

- familiarise yourself with the Sustainability Policy (described below),
- act in accordance with the Sustainability Policy, with applicable environmental standards (laws, environmental management system obligations); to manage and conscientiously document information on our environmental impact in accordance with legal requirements
- ensure that the relevant environmental permits are in place,

- to put forward ideas for improvements in production processes, use of raw materials that contribute to the Group's wider contribution to environmental protection,
- monitor the use of resources e.g. energy, water, chemicals materials and adjusting their use to improve efficiency,
- minimise business travel, using online meeting platforms.

The Arctic Paper Group, in its Sustainability Policy, clearly states that reducing its climate impact is a priority for the organisation. The Policy's provisions also refer to the analysis and management of climate change risks, the monitoring of GHG emissions and the implementation of solutions to reduce them. The Group also declares its commitment to reducing GHG emissions across the supply chain. In addition, the Environmental Policy indicates that at every stage of the process, from the purchase of raw materials for production through to quality development, marketing and distribution to end customers, the overriding objective must be, among other things, to have the least possible adverse impact on the climate.

[E1-2 24, 25] [MDR-P 65] The scope of the Strategies and Policies described above covers the entire Arctic Paper Group's operations, and the Group's Management Board is responsible for implementing the provisions of the regulations. The adopted Climate Change Policies do not refer to third party standards or initiatives. In preparing the content of the documents, the Arctic Paper Group took into account the opinions and interests of the Group's stakeholders. The Group makes the regulations available by posting them on its website and on the internal communication channels of each organisational unit.

In the Rottneros Group, climate change issues are described directly in *Sustainable Development Policy*. In the document, the Group indicates that it attaches great importance to reducing its environmental impact, with the aim of operating in a sustainable manner in the long term. In addition, Policy has been implemented in the Rottneros Group, which identifies the use and production of renewable energy as an objective. With regard to energy consumption, an analogous approach applies to the choice of energy sources. The desire to reduce energy consumption in both the production and use of the Group's products is indicated. Energy and environmental targets are regularly monitored in conjunction with financial reporting, and stakeholders are consulted on the impact of business activities and products on the environment and energy consumption.

The scope of the aforementioned Policies covers the entire activities of the Rottneros Group, and the Management Board of Rottneros is responsible for implementing the provisions of the regulations. The adopted Climate Change Policies do not refer to third party standards or initiatives. In preparing the content of the Policies, the Rottneros Group took into account the opinions and interests of the Group's stakeholders. The Group makes the regulations available by posting them on the website and on the internal communication channels of each organisational unit.

E1-3 Actions and resources in relation to managing climate issues

[E1-3 28, 29a] [MDR-A 68] Key activities related to climate issues focus at Arctic Paper Group on reducing GHG emissions and improving the energy efficiency of its processes:

Name of the action	Description of the action
Conclusion of PPAs, acquisition of guarantees of origin	At Rottneros, part of the electricity demand was covered by a long-term wind PPA in 2025, which is an important part of the efforts to decarbonise the energy mix. In addition, in order to ensure that the remaining electricity consumption is covered, the Company acquired guarantees of origin for non-fossil electricity in 2025. The use of these instruments makes it possible to increase the share of renewable energy in the Rottneros factory's electricity consumption. These actions contribute to reducing Scope 2 GHG emissions and the carbon footprint of operations.
Installation of photovoltaic panels	As part of its decarbonisation efforts, the Arctic Paper Group is investing in renewable energy sources by installing and expanding photovoltaic installations at selected locations. PV installations commissioned in 2024 at the Grycksbo plant provided additional electricity production of around 350 MWh in 2025, contributing to a reduction in the need for electricity from conventional sources. In parallel, the photovoltaic installation at the Kostrzyn plant was expanded by an additional 9 MWh in 2025, significantly increasing the share of renewable energy in the Company's energy mix. The ongoing investments in photovoltaics support the reduction of Scope 2 GHG emissions and contribute to the diversification of energy sources and increased energy efficiency. These actions strengthen the Group's operational resilience to energy price volatility and are an important part of a long-term decarbonisation strategy.
Increasing the energy flexibility of the plant and supporting the stability of the electricity system	In 2024, the installation of electricity storage in the form of a battery system was realised at Rottneros as part of efforts to increase the efficiency of energy management. This solution has enabled better balancing of electricity production and consumption, including renewable energy, and reduced energy losses. The 8 MW energy storage facility was actively used in the wholesale energy markets and to provide services to the Swedish transmission system operator in 2025. In addition, the plant temporarily reduced pulp production during periods of high electricity prices, increasing the elasticity of demand. These actions bring economic benefits to the company, support the stability of the national electricity system and indirectly contribute to the reduction of Scope 2 GHG emissions.

Name of the action	Description of the action
Installation of vehicle charging stations	As part of its efforts to support the reduction of emissions from mobile combustion, the Arctic Paper Group is developing electric vehicle charging infrastructure at selected locations. In 2025, a project to expand the electric car charging network by installing an additional charger was completed at the Munkedals factory, bringing the number of charging points to two and enabling the operation of electric company cars. In parallel, two electric vehicle charging stations have been installed at Rottneros, extending the availability of infrastructure for fleet users. The development of charging infrastructure is an important element in supporting the progressive electrification of the fleet and the reduction of GHG emissions in Scope 1. These actions also favour optimising energy consumption and increasing the use of electricity, including energy from renewable sources.
Expansion and optimisation of the compressed air system	At the Kostrzyn factory, an expansion of the compressed air system was realised through the installation and commissioning of a ZR700 variable speed compressor as part of actions to improve the energy efficiency of production processes. In parallel, the exchanger in the cooling system was verified to ensure optimal operation of the compressor and dryer. The solutions used enable the system operation to be better matched to actual compressed air demand. According to the energy analysis carried out, the expected effect of the project is a reduction in electricity consumption of approx. 6.4 MWh per week, which translates into a reduction in indirect emissions of 2.
Implementation of LED lighting	As part of its efforts to improve energy efficiency, the Arctic Paper Group is implementing projects to replace traditional lighting with energy-efficient LED solutions at selected locations. At the Kostrzyn plant, LED lighting was installed with control automation, including a system for regulating operation based on sunrise and sunset, and limiting the illumination of the railway siding during nighttime hours when shunting work is not taking place. The solutions used optimise energy consumption and translate into an expected reduction in electricity consumption of 25.16 MWh per year. At the Munkedals factory, the replacement of old lighting with LED technology has continued into 2025, achieving savings of 18.77 MWh per year to date, with the calculations also taking into account projects started in earlier years and completed in 2025. The project remains ongoing and the results to date are as intended and have been determined by comparing energy consumption before and after implementation. In parallel, lighting retrofitting work continues at Rottneros in 2025, supporting further reductions in energy consumption and indirect emissions in Scope 2.
Planned actions	
Construction of bio-pellet production	An investment is underway at Arctic Paper Grycksbo to build a bio pellet plant as part of efforts to decarbonise energy processes. The new facility is scheduled to be operational in spring 2026 and will enable increased use of renewable fuels in place of fossil fuels. The investment will contribute to reducing Scope 1 GHG emissions and improving the efficiency of raw material and energy use in operations.
Low-carbon maritime transport in the supply chain	A new vessel for the transportation of pulp and wood has been contracted at the Vallviks pulp mill and will begin operations in the summer of 2026. The vessel will be equipped with a hybrid propulsion system, enabling it to reduce CO ₂ emissions by around 50% compared to the conventional vessels used to date. This investment will contribute to a significant reduction in greenhouse gas emissions associated with maritime transport. The action supports the achievement of the reduction targets for 3 and the transformation of maritime logistics towards more sustainable solutions.
Hydrogen land transport in the supply chain	At the Vallviks pulp mill, it is planned to implement a low-carbon transport solution using a hydrogen-powered truck to transport pulp to customers within Sweden and to ports. The project is scheduled to commence operation in November 2026. This initiative aims to reduce Scope 3 GHG emissions by reducing emissions associated with road transport and supporting the transition towards zero-emission logistics technologies.
Energy recuperation for the paper machine	At the Kostrzyn mill, an energy recuperation project is planned for paper machine no. 2 (MP2), aimed at reducing energy consumption and noise in the production process. A conceptual phase including an assessment of the potential for energy and environmental savings with the calculation of the energy effect has been completed. At the same time, a request for proposals was sent out for the development of the detailed design, with the aim of phasing the investment and spreading the capital expenditure over at least three years. The planned actions will improve energy efficiency and comfort in the production area.
Preparation for the construction of an electrode boiler	In 2025, preparatory work for the electrode boiler project was carried out at the Kostrzyn plant, including contacts with technology manufacturers, reference visits and discussions with potential contractors. In 2026, the plan is to select a contractor, sign the contract and start the project. The project aims to increase the share of electricity in process heat generation and reduce emissions associated with the use of fossil fuels. The project is scheduled for completion in the second half of 2027.
Decarbonisation of purchased process steam by changing the fuel mix of the supplier	The Munkedals plant covers around 75 per cent of its energy needs with process steam supplied by an external CHP plant, of which Arctic Paper is the only steam customer. This supplier is planning to change its fuel mix (switching to biogenic fuels) at Arctic Paper's initiative due to the Group's commitments to reduce its carbon footprint. Arctic Paper will contribute to the costs of changing the fuel mix, enabling a gradual increase in the share of biogenic fuels to 95% by the end of the first quarter of 2027. This action will significantly reduce indirect GHG emissions associated with the purchase of steam.

[E1-3 29 b] The Group did not analyse the expected or achieved reductions in GHG emissions that result from the implementation of the above actions.

[E1-3 29 b, c, AR 21, 22] [MDR-A 69 a, b] The activities of the Kostrzyn factory concerning the expansion of the photovoltaic installation and the expansion of the compressed air system through the installation and commissioning of a ZR700 variable speed compressor required expenditure of approx. PLN 22 million. The remaining activities do not involve the need for significant capital or operational expenditure during the reporting period.

The planned activities with regard to the management of climate issues are described in part above. Other planned activities and the resources needed to implement them are currently being developed as part of the Transition Plan.

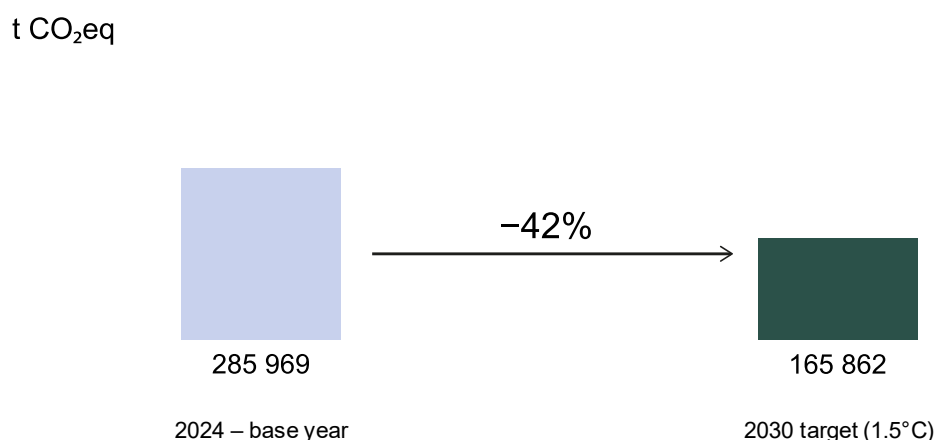
E1-4 Mitigation targets

[E1-4 32] [MDR-T 80] In 2025, the Arctic Paper Group adopted a comprehensive Decarbonisation Strategy, covering all three GHG scopes. The strategy sets quantitative targets for the Arctic Paper Group's climate change mitigation until 2030, with 2024 as the adopted base year. GHG emissions calculations for the base year were based on the GHG Protocol methodology. The decarbonisation strategy has been developed in line with the Science Based Targets initiative (SBTi) guidelines for setting GHG reduction targets. The reduction targets adopted are in line with the Paris Agreement for the relevant emission bands (band 1, band 2 and band 3). Details of targets, emission scopes and time horizons are provided in the following sections of the disclosure.

In the base year, direct emissions (scope 1) amounted to 133 ktCO₂e. Their main source was the combustion of fuels in stationary sources, such as boilers for the generation of electricity and heat and steam, with smaller contributions from combustion in mobile sources and refrigerant leaks. Indirect energy-related emissions (scope 2), calculated according to the market-based method, amounted to approx. 153 ktCO₂e and included emissions from the purchase of electricity and process steam. Together, Scope 1 and Scope 2 emissions accounted for approx. 24% of the Group's total emissions in the base year.

Scope 3 emissions, related to the value chain, reached approx. 834 ktCO₂e (including non-material categories) and accounted for approx. 74.5 % of the Group's total emissions. Key sources of emissions in this area include purchased goods and services and the processing of sold products, as well as energy-related activities, upstream transport and distribution, end-of-life processing of sold products.

Figure 1 – GHG emission reductions in scope 1 and 2 by 2030

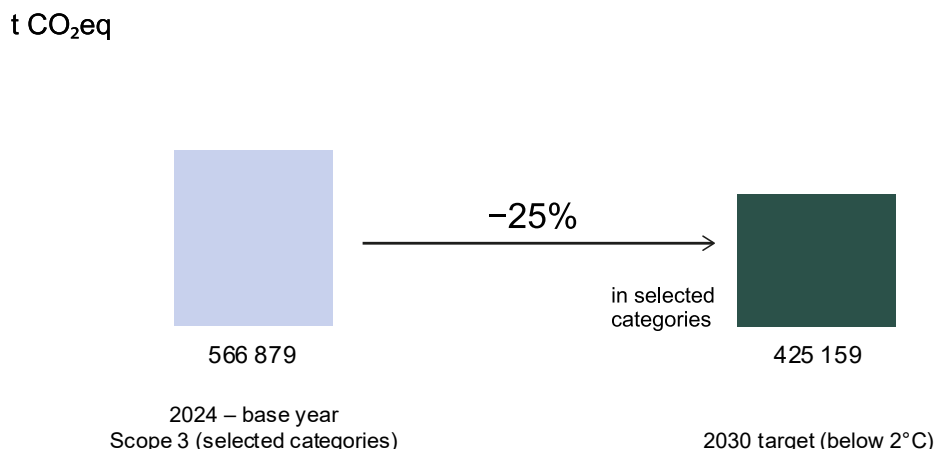


As part of its Decarbonisation Strategy, the Arctic Paper Group commits to reduce absolute GHG emissions, expressed in carbon dioxide equivalent, in Scopes 1 and 2 by 42% by 2030 (taking 2024 as the base year). The proposed target is in line with the scenario of limiting temperature increase to 1.5°C resulting from the Paris Agreement and the requirements of the SBTi initiative for setting targets for Scope 1 and 2 emissions.

The choice of 2030 as the target year reflects the shortest possible implementation horizon while maintaining a reduction ambition level of 42%. Achieving the 42% reduction target for Bands 1 and 2 by 2030 requires an absolute reduction of 120,107 tCO₂e, which will translate into a target for Bands 1 and 2 of 165,862 tCO₂e in 2030.

Due to the significant share of emissions from stationary combustion (45.9%) and purchased electricity (38.9%) in the total Scope 1 and 2 emissions, decarbonisation actions will primarily focus on reducing emissions from these sources. The main levers for implementing the Decarbonisation Strategy in this area will be to increase the share of renewable electricity through the purchase of green electricity in selected organisational units, the purchase of process steam with a lower carbon footprint (generated using biofuels) and the reduction in fossil fuel consumption resulting from the partial replacement of existing installations with lower carbon solutions.

Figure 2 – Reduction in Scope 3 GHG emissions by 2030



For selected Scope 3 categories, the Arctic Paper Group commits to reduce absolute GHG emissions expressed in carbon dioxide equivalent by 25% by 2030 (taking 2024 as the base year). The proposed target is in line with the 'below 2°C' scenario of the Paris Agreement and the requirements of the SBTi initiative for setting Scope 3 targets.

The scope of the target includes the following Scope 3 categories along with their contribution to total Scope 3 emissions¹:

- Category 1: Purchased goods and services (38.2%),
- Category 3: Category 3: Fuel and energy-related activities (8%).
- Category 4: Upstream transport and distribution (12.4%),
- Category 12: End of life of products sold (9.4%),

Together, the categories listed account for 68% of Scope 3 emissions, meeting the 67% coverage threshold of the SBTi guidelines.

In the base year 2024, total Scope 3 emissions amounted to 834,469 tCO₂e, of which 566,879 tCO₂e fell into the reduction target categories. Achieving the 25% reduction target in the selected categories by 2030 requires an absolute reduction of 141,720 tCO₂e, which will translate into a Scope 3 emissions target of 425,159 tCO₂e in 2030 within the targeted categories.

The main levers for decarbonisation in Scope 3 are actions aimed at decarbonising the supply chain, including proactively engaging suppliers by monitoring their GHG emissions and progress in implementing decarbonisation actions, in order to support more informed decisions on supplier selection. The organisation plans to maintain an active dialogue with transport and distribution service providers on the use of more sustainable forms of transport and, where possible, the implementation and contracting of routes with lower emission potential compared to fossil fuel-based solutions.

The Arctic Paper Group's decarbonisation goals have been set to address and manage the significant impacts, risks and opportunities associated with climate change (as listed earlier in Table SBM-3 Material Impacts, Risks and Opportunities for Sustainable Development), including in particular the significant negative actual impacts associated with GHG emissions across the entire value chain. Progress in achieving decarbonisation goals is monitored and reported on an annual basis using quantitative measures such as greenhouse gas emissions and the degree of achievement of the adopted goals. Monitoring covers Scope 1, Scope 2 and Scope 3 GHG emissions. The process of monitoring, analysing performance and reporting progress is the responsibility of the Sustainability team, which reports the results to the Group Board.

Decarbonization targets have been defined for 1) Scope 1 and 2, and 2) selected Scope 3 categories (categories 1, 3, 4, and 12). Therefore, the key measures of progress are the percentage changes in GHG emissions (tCO₂e) in these scopes/categories relative to emissions generated in the base year (2024). Due to the significantly greater availability of actual data and operational control in Scope 1 and 2, as well as the inclusion of a significant portion of emissions in the EU ETS, monitoring actual changes in GHG emissions is not subject to significant limitations. Calculations of Scope 1 and 2 emissions, and therefore their changes, are based primarily on data on fuel, heat, and electricity consumption, which are reliably monitored due to the production nature of the Group's operations.

Key limitations relate to monitoring emissions, and therefore their changes, in Scope 3. Beyond category 3 related to the acquisition of fuels and energy, the accuracy of emission calculations in the remaining categories is

¹ Shares refer to non-FLAG band 3, i.e. band 3 excluding FLAG emissions occurring in category 1 of band 3

strongly dependent on the availability of supplier data, particularly data on the carbon footprint of the products and services provided (categories 1 and 4). The Group has taken active steps to increase the share of supplier data in the calculations, particularly in the area of purchased chemical raw materials and pulp (category 1). Monitoring changes in category 12 is based primarily on updated statistical data on the treatment of paper waste at the end of its life cycle.

The calculations and GHG reduction targets for Scopes 1, 2 and 3 have not been verified by an independent third party other than the assurance provider.

E1-5 Energy consumption and the energy mix

[MDR-M 77 a] Energy is a core component of the Arctic Paper Group's business, conditioning the continuity and efficiency of production processes across all facilities. The level and structure of energy consumption are important from both a cost and environmental perspective, affecting the Group's GHG emissions and operational competitiveness.

Below is a summary of the Arctic Paper Group's energy consumption as a basis for assessing energy efficiency and identifying areas for further optimisation. Included in this consumption are fuels used in the production process (including biomass such as wood bark, black liquor, methanol, natural gas, LNG, etc.), electricity from purchase and from the company's own renewable energy installations (photovoltaic installations and hydroelectric power plant), used for production and infrastructure maintenance, steam used in production and transport fuels. Compared to 2024, the report does not include energy consumption in leased offices or vehicles used by sales offices. In 2024, this represented less than 0.1% of the Group's total energy consumption and included estimated data, so the decision was made to exclude it from the report. This exclusion does not affect the overall picture of the Group's energy consumption or the ability to compare key trends year-on-year. In connection with the reporting of emissions under the European Emissions Trading Scheme (EU ETS), the calculation of emissions from EU ETS installations and the input data used are subject to external verification.

In cases where the base unit was other than MWh, energy consumption was recalculated using calorific values. These values were obtained from the emission factor databases used in the GHG emission calculations (e.g. databases of the Swedish Environmental Protection Agency (version 2025), the National Balancing and Emission Management Centre (KOBIZE), DEFRA (2025)). Calorific values specific to the supplier were also used.

The breakdown of the electricity consumed into renewable, nuclear and fossil sources was made using the structure of the electricity generated specific to the supplier in the case of so-called 'green tariffs'. When Group entities did not purchase electricity under the green tariff, the source-specific structure of electricity not covered by guarantees of origin or other credible instruments (the so-called residual mix) was used. The structure data was obtained from the European Residual Mixes 2024 study published by the Association of Issuing Bodies and the Swedish Energy Markets Inspectorate (Nordic Mix).

Following the ESRS guidelines, the Arctic Paper Group adopts a conservative way of differentiating between renewable and non-renewable energy sources. Energy is only classified as renewable or nuclear if its origin is clearly stated in contracts with suppliers. If the energy source is uncertain, it is classified as being from fossil fuels.

Energy consumption and the energy mix	Unit	2025	2024	2025/2024
1) Fuel consumption from coal and coal products	MWh	0	0	0
2) Fuel consumption from oil and petroleum products	MWh	22 051.89	31 094.40	-29.1%
3) Fuel consumption from natural gas	MWh	587 526.63	567 241.73	3.6%
4) Consumption of fuel from other fossil sources	MWh	0	0	0
5) Consumption of purchased or procured electricity, heat, steam and cooling from fossil sources	MWh	317 732.09	369 705.68	-14.1%
6) Total fossil energy consumption (calculated as the sum of lines 1-5)	MWh	927 310.61	968 041.81	-4.2%
Share of fossil sources in total energy consumption (%)	%	28.96%	31.10%	-6.9%
7) Energy consumption from nuclear sources	MWh	243 867.33	195 951.01	24.5%
Share of energy consumption from nuclear sources in total energy consumption (%)	%	7.62%	6.30%	21%
8) Fuel consumption for renewable sources, including biomass (which also includes industrial and municipal bio-waste, biogas, renewable hydrogen, etc.)	MWh	1 813 991.66	1 715 107.99	5.8%
9) Consumption of purchased or procured electricity, heat, steam and cooling from renewable sources	MWh	185 210.71	224 703.50	-17.6%
10) Self-produced renewable energy consumption without fuel	MWh	31 274.50	8 853.12	253.3%
11) Total renewable and low-carbon energy consumption (calculated as the sum of lines 8-10)	MWh	2 030 476.87	1 948 664.61	4.2%
Share of renewable sources in total energy consumption	%	63.42%	62.60%	1.3%
Total energy consumption (calculated as the sum of lines 6, 7 and 11)	MWh	3 201 654.81	3 112 657.44	2.9%

[E1-5 42, 43] 100% of the Arctic Paper Group's activities fall within the sector with a material climate impact – NACE 17 (production of pulp, paper and board), therefore the Group's total sales as reported in the financial statements – PLN 3,197,594,000 – are used to determine energy intensity (according to the item *Revenue from sales of paper and pulp* – Note 4.1.1.).

Energy intensity	Unit	2025	2024	2025/2024
Total energy consumption associated with activities in sectors with a material climate impact	MWh	3 201 654.81	3 112 657.44	2.9%
Energy intensity resulting from activities in sectors with material climate impacts climate (total energy consumption per net revenue)	MWh/PLN thousand	1,0013	0,9062	10.5%

[MDR-T 77 b] The above indicators have not been verified by an external body other than the assurance provider.

E1-6 Gross scope 1, 2 3 and Total GHG emissions.

[E1-6 47, AR 39b] The following section contains the results of the Arctic Paper Group's greenhouse gas (GHG) inventory and shows the total emissions associated with the Group's operations in the current reporting year. The emissions, measured in tonnes of carbon dioxide equivalent (tCO₂e), were calculated according to the international Greenhouse Gas Protocol methodology. Key guidelines used in the calculations include the GHG Protocol (2004 version), GHG Protocol Scope 2 Guidance (2015 version), Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011 version) and Scope 3 Calculation Guidance (2013 version).

The Group has operational and financial control over the entities in its structure, leading to full consolidation of Scope 1, Scope 2 and Scope 3 emissions in the Group's GHG inventory. The data used to calculate GHG emissions was sourced from the Group's internal records and was provided by employees from across the organisation.

The following entities were excluded from the Scope 1 and 2 GHG emissions inventories: Arctic Paper Polska Sp. z o.o., Arctic Paper Deutschland GmbH, Arctic Paper UK Limited, Arctic Paper Sverige AB, Arctic Paper

Benelux S.A., Arctic Paper Norge AS, Arctic Paper Baltic States SIA, Arctic Paper Danmark A/S, Arctic Paper France SAS, Arctic Paper Schweiz AG, Arctic Paper Italia srl, and Arctic Paper Espana SL. These entities are trading companies that have not experienced significant operational or organizational changes. In the base year (FY2024), they generated a total of 165.71 tCO₂e, out of the Group's total Scope 1 and 2 emissions (market-based approach) of 285,968.77 tCO₂e. The share of these entities in Scope 1 and 2 emissions was 0.06%, which is significantly below the exemption threshold (5%).

Scope 1 applies to all direct GHG emissions from sources owned or controlled by companies within the Group. This category includes emissions from mobile combustion sources, including transport fuels such as diesel and gasoline, and combustion in stationary sources of fuels such as natural gas, LPG, LNG, fuel oil and industry-specific fuels such as black liquor, methanol, wood bark or tar oil. In addition, Scope 1 also includes emissions associated with refrigerant replenishment. Emissions were calculated on the basis of real liquid and solid fuel consumption (also including biofuel) using emission factors obtained from, among others, the Swedish Environmental Protection Agency (version 2025), the UK DEFRA (2025), the National Balancing and Emissions Management Centre (KOBIZE, version for 2024 and 2025) and information from suppliers.

For activities covered by the European Emissions Trading Scheme (EU ETS), Scope 1 emissions are calculated in accordance with the EU ETS methodology. Several entities within the Group report their CO₂ emissions according to the EU ETS. These are: Arctic Paper Kostrzyn S.A., Arctic Paper Munkedals AB, Arctic Paper Grycksbo AB, Rottneros Bruk AB, Vallviks Bruk AB. In connection with the reporting of emissions under the European Emissions Trading Scheme (EU ETS), the calculation of emissions from EU ETS installations and the input data used are subject to external verification.

Scope 2 includes indirect GHG emissions associated with the consumption of purchased electricity and steam. The Group uses both a market-based and a location-based approach, in line with the GHG Protocol Scope 2 Guidance, to ensure a comprehensive assessment of the emissions associated with the purchase of energy that is classified as renewable or nuclear only when its origin is explicitly stated in contracts with suppliers. If the energy source is uncertain, it is classified as being from fossil fuels. Selected Arctic Paper Group entities purchase electricity, under so-called green tariffs (60.1%), guarantees of origin of energy from renewable sources (0.4%) and guarantees of origin from nuclear sources (17.2%). Emissions were calculated based on real electricity and heat consumption. Emission factors were obtained through, among others, the UK DEFRA (2025), the National Balancing and Emissions Management Centre (KOBIZE, version for 2024 and 2025, the Swedish Environmental Protection Agency (version 2025) and from information from suppliers and were calculated based on real electricity and heat consumption.

[E1-6 AR 46 h] Scope 3 emissions include all indirect emissions outside of Scope 1 and 2 that occur throughout the Group's value chain. Emissions in material categories arise from a variety of sources, including the purchase of goods and services, capital goods, energy and fuel activities not included in Scope 1 or 2, transport and distribution (upstream), processing of sold intermediates and the management of waste arising from sold products at end-of-life.

The following entities were excluded from the Scope 3 greenhouse gas emissions inventory: Arctic Paper Polska Sp. z o.o., Arctic Paper Deutschland GmbH, Arctic Paper UK Limited, Arctic Paper Sverige AB, Arctic Paper Benelux S.A., Arctic Paper Norge AS, Arctic Paper Baltic States SIA, Arctic Paper Danmark A/S, Arctic Paper France SAS, Arctic Paper Schweiz AG, Arctic Paper Italia srl, Arctic Paper Espana SL, Arctic Paper Mochenwangen GmbH, Arctic Power AB (formerly Munkedals Kraft AB), Kalltorp Kraft Hb, Arctic Paper S.A. Sverige filial. There were no significant operational or organizational changes to these entities. In the base year (FY2024), they generated a total of 663.49 tCO₂e of the Group's total Scope 3 emissions (market-based approach) of 889,241.47 tCO₂e. Their share of Scope 3 emissions was 0.07%, which falls significantly short of the 5% exemption threshold.

[E1-6 AR 46 g] Emissions were calculated on the basis of real consumption expressed in physical units such as tonnes, litres, MWh where such data were available and on an expenditure basis, in the corresponding currency. Estimates of the calculations were mainly made for categories 10 and 12 (Processing sold products and Processing sold products at end-of-life, respectively), where the most likely uses and disposals of the products sold by the Group were modelled, using employee expertise and available studies. Emission estimates were also made in Category 4, Upstream Transport and Distribution, where, in the absence of accurate data on routes travelled, the distance was estimated based on the distance from the production facility to a central point in the country or from the specific location of the supplier. 48.7% of the Scope 3 emissions have been calculated from the estimated inputs and are mainly related to the estimation of categories 10 and 12. Calculations for categories 10 and 12 are based entirely on estimates. The only actual data used in the calculations is the mass of products sold. 19% of emissions were calculated based on primary data, i.e., data obtained directly from suppliers and business partners. Supplier-specific emission factors were assumed as primary data. Emission factors were obtained through, among others, the Swedish Environmental Protection Agency (version 2025), the National Balancing and Emissions Management Centre (KOBIZE, version 2024 and 2025), the Association of Issuing Bodies (AiB, version 2024), the European Environment Agency (EEA, version 2024) and the UK DEFRA (2025). In addition, the Group uses

emission factors from the International Energy Agency (IEA, version 2025), Exiobase (version 3.8.2) and Ecoinvent (version 3.11) databases and, where possible, supplier-specific emission factors.

[E1-6 AR 46 i] Certain Scope 3 categories are not material due to the nature of the Group's business. Include downstream transport and distribution, leased downstream assets and franchises (no activity matching the classification criteria for these categories). In the methodology for calculating GHG emissions, 5% of total emissions was used as the materiality threshold. The materiality analysis of scope 3 showed, according to the calculations in the base year (FY2024), that the following scope 3 categories are below the materiality threshold: category 2 Capital goods, category 5 Waste generated from operations, category 6 Business travel, category 7 Employee commuting, category 8 Leased senior assets, category 11 Use of products sold and category 15 Investments. The categories considered material are, in turn, category 1 Purchased goods and services, category 3 Fuel and energy activities (not included in scope 1 or 2), category 4 Upstream transport and distribution, category 10 Processing of products sold, category 12 End-of-life processing of products sold.

[E1-6 AR 39 b] Where possible, the Group's emissions calculations consider the full spectrum of greenhouse gases, including carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and trifluoride nitride (NF₃). Due to data limitations, some sources of emission factors only provide aggregate emissions in CO₂ equivalent (CO₂e), rather than a detailed breakdown of individual gases (e.g. location-based indicator for electricity (KOBIZE)).

To ensure accuracy, the Group's GHG emissions calculations are based on emission factors from a number of recognised sources. These include the Swedish Environmental Protection Agency (version 2025), the National Balancing and Emissions Management Centre (KOBIZE, version 2024 and 2025), the Association of Issuing Bodies (AiB, version 2024), the European Environment Agency (EEA, version 2024) and the UK's DEFRA (2025). In addition, the Group uses emission factors from the International Energy Agency (IEA, version 2025), Exiobase (version 3.8.2) and Ecoinvent (version 3.11) databases and, where possible, supplier-specific emission factors.

GHG emissions calculations are based on Global Warming Potential (GWP) values from the IPCC Sixth Assessment Report (AR6, 2021). However, when using the DEFRA database, GWP values from AR5 are used due to the fact that DEFRA does not provide values for all indicators broken down by individual greenhouse gas. Conversions to AR6 were not carried out for DEFRA-related emission factors due to data limitations.

GHG emissions	2025	2024 – after recalculation (base year)	2024 before recalculation	% 2025/2024 after recalculation	Reduction goal 2030	% Goal/ base year
Scope 1 GHG emissions						
Gross Scope 1 (t CO ₂ e)	135 306.18	133 442.79	133 442.79	1.4%	N/A	N/A
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%)	92.2%	92.4%	92.4%	-0.2%	N/A	N/A
Scope 2 GHG emissions						
Scope 2 by location-based method (t CO ₂ e)	48 170.38	45 939.28	45 939.28	4.9%	N/A	N/A
Scope 2 by market-based method (t CO ₂ e)	88 289.18	152 525.98	152 525.98	-42.1%	N/A	N/A
Scope 3 GHG emissions						
Gross scope 3 by location-based method (t CO ₂ e)	776 163.65	795 056.07	849 828.72	-2.4%	N/A	N/A
Scope 3 gross by market-based method (t CO ₂ e)	789 779.49	829 986.35	884 759.00	-4.8%	N/A	N/A
1 Purchased goods and services (t CO ₂ e)	294 680.96	318 414.62	373 187.27	-7.5%	N/A	N/A
2 Capital goods (t CO ₂ e)	18 393.39	24 262.31	24 262.31	-24.2%	N/A	N/A
3 Fuel and energy-related activities (not included in scope 1 or 2) by location-based	30 341.62	31 652.39	31 652.39	-4.1%	N/A	N/A
3 Fuel and energy activities (not included in scope 1 or 2) by market-based method (t CO ₂ e)	43 957.45	66 582.67	66 582.67	-34.0%	N/A	N/A
4 Upstream transport and distribution (t CO ₂ e)	111 191.64	103 422.44	103 422.44	7.5%	N/A	N/A
10 Processing of products sold (t CO ₂ e)	246 630.52	238 844.88	238 844.88	3.3%	N/A	N/A
12 End-of-life processing of products sold (tCO ₂ e)	74 925.53	78 459.43	78 459.43	-4.5%	N/A	N/A
Total GHG emissions						
Total GHG emissions by location-based method (t CO ₂ e)	959 640.22	974 438.14	1 029 210.79	-1.5%	N/A	N/A
Total GHG emissions under the market-based method (t CO ₂ e)	1 013 374.85	1 115 955.12	1 170 727.77	-9.2%	N/A	N/A

The Scope 3 greenhouse gas emissions data presented for 2024 reflects a change in the emissions calculation methodology, which involves the use of a more precise calcium carbonate emissions factor that better reflects the calcium carbonate production process. This change affected the reported emissions in the base year. Because the use of the more precise factor resulted in a change in Scope 3 emissions of more than 5%, emissions for the base year were recalculated to ensure data comparability. The emission values presented in this disclosure for 2024 represent recalculated data and are consistent with the Group's current greenhouse gas emissions calculation methodology. The change in methodology is described in BP-2. In 2025, total greenhouse gas emissions using the market-based approach amounted to 1 013 374,85 tCO₂e, a decrease by over 9% compared to the base year of 2024. Scope 1 and 2 emissions decreased by over 21% compared to the base year, reaching 223 595,36 tCO₂e. The Arctic Paper Group's 2030 Scope 1 and 2 target is to reduce emissions using the market-based approach by 42% by 2030, compared to 2024. Therefore, a significant portion of the Scope 1 and 2 decarbonization target was achieved in 2025. This significant reduction is primarily related to changes in the structure of purchased electricity sources, which is reflected in the over 42% decrease in Scope 2 emissions calculated using the market-based approach. In 2025, Vallviks Bruk and Rottneros Bruk covered a portion of their purchased electricity with nuclear guarantees. Significant reductions in Scope 3 emissions were recorded in Category 3, which is related to the acquisition of purchased electricity, heat, and fuels (so-called upstream emissions). Compared to the base year,

Scope 3 emissions decreased by 34%. This is directly related to activities related to purchasing Scope 2 electricity – reducing Scope 2 emissions directly leads to a reduction in Scope 3 emissions. Over 7% reduction in emissions compared to the base year was recorded in Category 1, which is related to purchased products and services, primarily raw materials used in production (technological chemicals, pulp, wood). This is related to suppliers' decarbonization efforts and reducing the carbon footprint of their products. The Group's Scope 3 decarbonisation targets are to reduce emissions in categories 1, 3, 4, and 12 by 25% by 2030 compared to the base year of 2024. Emissions in the categories covered by the decarbonisation target amounted to 524 755,58 tCO₂e, representing over 7% decrease compared to the base year.

GHG intensity	Unit	2025	2024	2025/2024
Total GHG emissions by location-based method per net revenue	t CO ₂ e/PLN thousand	0.3001	0.3009	-0.3%
Total GHG emissions by market-based method per net revenue	t CO ₂ e/PLN thousand	0.3169	0.3422	-7.4%

[E1-6 55] The Group's total sales as reported in the financial statements – PLN 3 197 594 000 (as per *Paper and Pulp Sales Revenue – Note 4.1.1*) were used to determine the GHG intensity.

[E1-6 AR 43 c, 45 e, 46 j] Biogenic emissions are disclosed separately, as 'out-of-range' emissions, as the combustion of bioenergy sources is considered carbon neutral throughout their life cycle. This classification is based on the assumption that biomass absorbs during the growth phase an equivalent amount of CO₂ released during combustion. However, non-CO₂ GHG emissions from biomass combustion, including methane (CH₄) and nitrous oxide (N₂O), are covered under Scope 1, according to ESRS E1 (AR 43). In 2025, biogenic Scope 1 emissions amounted to 635 742.00 tCO₂e, of which almost 100% came from combustion in stationary sources. Biogenic Scope 2 emissions amounted to 25,655.36 tCO₂e and were associated with purchased process steam. Biogenic Scope 3 emissions amounted to 139,496.22 tCO₂e and were associated with the use of sold biofuels.

E1-7 GHG removal and mitigation projects financed through carbon credits

The Arctic Paper Group had no GHG capture and storage projects in 2025.

E1-8 Internal carbon pricing

The Arctic Paper Group did not use internal carbon pricing in 2025 and did not assign a specific financial value to its CO₂ emissions as part of its decision-making processes.

E1-9 Projected financial impacts from material physical and transition risks and potential climate-related opportunities

The Arctic Paper Group benefits from the possibility to omit the information set out in ESRS E1-9 in the first three years of the Sustainability Statement on the basis of the "List of phased-in disclosure requirements" (Appendix C in ESRS 1) and the Commission Delegated Regulation (EU) 2025/1416 of 11 July 2025 amending Delegated Regulation (EU) 2023/2772 as regards the deferral of the start date of application of the disclosure requirements for certain companies ("Quick fix").

ESRS E2 Pollution

SBM-3 Linking Material sustainability impacts to strategy and business model

[SBM-3 48b, c, d, f] The material impacts described in relation to pollution are primarily due to the specific nature of the Arctic Paper Group's production and logistics activities, and are linked to a business model based on production and distribution. Production processes affect air pollution, water pollution and toxic emissions into the air, water and soil. Atmospheric pollution from production and transport processes affects the level of investment and the setting of strategic objectives. Potential water pollution in production processes does not currently affect the change in the business model, due to the investments made in water purification and recycling technologies, the optimisation of production processes and the implementation of environmental management standards. Arctic Paper conducts continuous monitoring of the quality of water discharged into the environment and plans to

continue doing so. The use of potentially hazardous substances is now strictly controlled within the framework of current standards and regulations. Actions concerning the regeneration of ecosystems and the reduction of the use of certain substances do not currently affect the strategic objectives or the business model. At the same time, it is not ruled out that the strategy will in future incorporate objectives to minimise the use of potentially hazardous substances by investing in safe alternatives and risk management systems.

E2-1 Pollution-related policies

[E2-1 14, 15] [MDR-P 65] In 2025 the Arctic Paper Group does not have a separate policy on pollution, including mitigation of adverse effects or avoidance of pollution incidents and emergencies. The Group does not currently identify a need for such a policy. The main principles regarding the use of chemicals are contained in the Sustainable Development Policy. The Group is committed to limiting the use of such substances. The policy does not refer to specific agents or chemicals. In line with the stipulations of this policy, as well as based on legislation and environmental management systems, the Arctic Paper Group strives to introduce actions in the production process that reduce the generation of pollutants and continuously monitors emissions to water and air.

Another document indirectly governing the approach to pollution is the Arctic Paper Group Code of Conduct for the value chain. The document commits the production facilities to operate in accordance with the ISO 14001 and EMAS environmental management system, and the Grycksbo and Munkedal mills additionally to have an ISO 50001 certified energy management system. These certificates introduce specific environmental and energy criteria for the Group's suppliers and require them to undergo environmental audits, hence the impact also applies to the supply chain.

The scope of the policies covers the operations of the Arctic Paper Group, excluding the Rottneros Group. The Group Management is responsible for implementing the provisions of the policies. The policies adopted refer to the Sustainable Development Goals 2030, the principles of the UN Global Compact, the Best Practices for WSE Listed Companies. In preparing the content of the document, the interests and opinions of the Group's stakeholders were taken into account. The Group makes the adopted regulations available by posting them on the website and on the internal communication channels of the various organisational units.

The Rottneros Group does not have a policy dedicated to pollution, including mitigating its negative effects, replacing potentially hazardous substances and phasing out substances of particular concern, and avoiding pollution-related incidents and emergencies. In its *Sustainability Policy*, the Group refers to minimising environmental impact, operating in accordance with environmental certifications such as ISO 14001 and ISO 50001, and monitoring the pollution generated.

The scope of the policy covers the activities of the Rottneros Group. The Management Board of the Rottneros Group is responsible for implementing the provisions of the policy. The adopted policy does not refer to third-party standards or initiatives. In preparing the content of the document, the interests and opinions of the Group's stakeholders were taken into account. The Group makes the regulations available by posting them on its website and on the internal communication channels of each organisational unit.

E2-2 Pollution-related activities and resources

[E2-2 18, AR 13] [MDR- 68].

At the Arctic Paper Group, key pollution-related activities focus primarily on upgrading and investing in new, less polluting production infrastructure:

Name of the action	Description of the action
Modernisation of the aeration system at the wastewater treatment plant	In 2024, a project began at the Kostrzyn plant to retrofit the wastewater treatment plant with a new air supply system to improve the efficiency of the treatment processes. In 2025, the activities continued and were completed with the upgrade of the blower station, enabling a more stable and efficient operation of the plant. The solutions used support more efficient removal of pollutants from wastewater and improved performance of the treatment plant. In addition, the new blower has been adapted to be powered by a generator, which increases the reliability of the plant's operation in the event of power cuts. Modernisation contributes to reducing the risk of disruption to treatment processes and strengthens the environmental safety of operations.
Installation of an EGSB reactor in a wastewater treatment plant	In 2024, a project to install a new EGSB (Expanded Granular Sludge Bed) reactor in the anaerobic section of the wastewater treatment plant began at the Rottneros mill. Installation work was carried out in 2025, while commissioning and start-up of the plant is scheduled for early 2026. The reactor used enables the production of biogas, which will be used in the pulp drying process in flash dryers, thus reducing chemical oxygen demand and air pollution such as suspended solids, nitrogen and phosphorus. The implementation of EGSB technology supports improvements in wastewater treatment efficiency by reducing the organic pollutant load and reducing air emissions associated with suspended solids, nitrogen and phosphorus. The project contributes to a more integrated approach to water, energy and emissions management in plant operations.
Upgrading the waste water tank at the bleaching plant	In 2025, a project was implemented at the Vallviks plant to rebuild the wastewater tank at the bleaching plant, aimed at improving control over process wastewater parameters. The scope of activities included upgrading infrastructure to reduce chlorate emissions to water. The solutions used support a more stable operation of the plant and a reduction in the pressure associated with the discharge of pollutants into the water environment.
Biomass boiler modernisation at a pulp plant	A biomass boiler upgrade was carried out at the Rottneros plant in 2024 to improve the energy efficiency of the unit. The solutions used have enabled more efficient combustion of fuel and reduced emissions of selected air pollutants, including carbon monoxide (CO) and nitrogen oxides (NOx). The project has contributed to increasing the stability of energy processes and improving environmental parameters related to air pollutant emissions. The effects of the modernisation can be seen in the emissions data: CO ₂ emissions from stationary combustion fell from 1,915 tonnes per year in 2024 to 235 tonnes per year in 2025, while CO emissions decreased from 24.1 to 21.5 tonnes per year and NOx emissions from 31.9 to 25.1 tonnes per year.
Planned actions	
Modernisation of the fresh water treatment plant	An upgrade of the freshwater treatment plant at the Munkedals plant is planned for 2026, aimed at improving control of the quality of water discharged into the environment. The scope of the project includes reducing sediment losses and stabilising flows in the river, which will reduce the variability of water parameters. The planned actions aim to reduce water pollution pressures and improve environmental conditions in the area of influence of the installation.

The investment in the project to upgrade the wastewater tank at the Vallviks plant amounted to MSEK 1.3, which the Group considers to be a significant capital expenditure. The remaining activities do not involve the need for significant investment or operational expenditure.

E2-3 Pollution targets

[E2-3 22] [MDR-T 81] The Arctic Paper Group has not set quantitative targets for water, air and soil pollution. To date, no such need has been identified either in a regulatory or strategic context. The emission levels of the individual compounds do not exceed the permitted values set out in the integrated permits in force for the individual production facilities. Monitoring of the progress and effectiveness of the actions undertaken in this area is done through the monitoring systems in place at the production facilities for emissions to air, water and soil.

E2-4 Contamination of air, water and soil.

[E2-4 30 b, AR 27] [E2-4 30 c] The following are emissions of polluting agents from facilities for which the relevant threshold value specified in Annex II to Regulation (EC) No. 166/2006 of the European Parliament and of the Council is exceeded, excluding greenhouse gas emissions, which are disclosed in Part E1-6 GHG Emissions of Bands 1, 2 and 3 gross and total GHG emissions. These data were based primarily on direct measurements from automated systems and, where this was not possible, on periodic measurements or calculations based on location-specific data. Where automated measurement systems are used, calibration studies have been carried out. In the case of Arctic Paper Kostrzyn, pollution measurements are carried out on the basis of the undertaking's integrated permit.

The Arctic Paper Group does not identify changes in the production process that may result in the appearance of new pollutants or the disappearance of existing ones.

Emissions of pollutants to air	Unit	Arctic Paper Munkedals	Arctic Paper Grycksbo	Arctic Paper Kostrzyn	Rottneros	Vallvik	Total in 2025	Total in 2024
Carbon monoxide (CO) ¹	kg	246.85	62 823.00	30 988.40	1 713.28	374 272.91	470 044.43	484 385.17
Hydrofluorocarbons (HFCs)	kg	17.50				16.70	34.20	67.80
Ammonia (NH ₃)	kg				1 027.97	67 841.93	68 869.90	64 840.98
Non-methane volatile organic compounds (NMVOCs)	kg			286.22	6 853.10	464 941.77	472 081.09	444 471.80
Nitrogen oxides (NO _x /NO ₂) ²	kg	2 040.00	20 038.00	133 979.30	25 125.00	312 078.54	493 260.84	479 840.74
Sulphur oxides (SO _x /SO ₂) ²	kg		15.00	2 051.11	6 006.54	43 604.94	51 677.58	67 997.55
Hydrochlorofluorocarbons (HCFCs)	kg		10.00				10.00	4.60
Arsenic and its compounds (as As)	kg				0.07	5.22	5.29	4.98
Cadmium and its compounds (as Cd)	kg				0.17	3.26	3.43	3.26
Chromium and its compounds (as Cr)	kg				0.51	8.16	8.67	8.24
Copper and its compounds (as Cu)	kg				3.43	18.65	22.08	21.35
Mercury and its compounds (as Hg)	kg				0.07	0.56	0.63	0.60
Nickel and its compounds (as Ni)	kg				1.71	18.65	20.36	19.42
Lead and its compounds (as Pb)	kg				3.43	18.65	22.08	21.35
Zinc and its compounds (as Zn)	kg				34.27	74.64	108.90	108.39
Chlorine and inorganic compounds (as HCl)	kg					2 104.87	2 104.87	2 046.68
Particulate matter (PM ₁₀) ²	kg		13.00	651.07	2 195.10	46 088.42	48 947.59	46 608.30

¹ The measurement was verified by an accredited laboratory.

Emissions of pollutants to water	Unit	Arctic Paper Munkedals	Arctic Paper Grycksbo	Arctic Paper Kostrzyn	Rottneros	Vallvik	Total in 2025	Total in 2024
Nitrogen ²	kg	2 582.00	7 690.00	21 322.90	15 501.00	24 126.00	71 221.90	71 956.28
Phosphorus ²	kg	312.00	87.00	1 328.20	311.15	6 349.56	8 387.91	7 506.59
Arsenic and its compounds (as As) ²	kg	0.09			1.91	9.20	11.20	11.65
Cadmium and its compounds (as Cd) ²	kg	0.01			0.32	9.78	10.11	7.15
Chromium and its compounds (as Cr) ²	kg	0.48		70.90	30.75	20.76	122.89	63.39
Copper and its compounds (as Cu) ²	kg	3.37		126.40	36.60	54.82	221.19	173.34
Mercury and its compounds (as Hg) ²	kg	0.04			0.20	0.00	0.24	0.43
Nickel and its compounds (as Ni) ²	kg	1.47		24.80	141.54	16.88	184.69	159.71
Lead and its compounds (as Pb) ²	kg	0.40		27.10	3.20	10.27	40.97	43.86
Zinc and its compounds (as Zn) ²	kg	16.86		121.50	463.66	897.75	1 499.77	1 744.39
Halogenated organic compounds (as AOX) ²	kg	240.00	244.00			11 265.96	11 749.96	9 372.60
Total organic carbon (TOC) (as total C or COD/3) ²	kg	21 998.00	20 367.00	22 045.70	911 010.00	851 322.75	1 826 743.45	1 535 890.70
Chlorides (as total Cl)	kg			525 392.00	571 032.54	1 181 928.73	2 278 353.26	1 761 875.12

The Group identifies no material emissions of pollutants to soil.

E2-5 Substances of concern and substances of very high concern

The table below shows the quantities of potentially hazardous substances produced, purchased, used, and sold on their own and as part of a product in 2025. This information is presented by class, according to the highest hazard category of the substance. As a result of the double materiality analysis described in ESRS General Section 2, the general disclosure of quantities of substances of very high concern was considered to be insignificant.

Hazard class	Unit	Produced	Purchased	Applied	Sold as its own	Sold as part of a product	They left the Group in the form of waste
Carcinogenicity category 1	kg	0,00	1 106 067.97	1 105 907.71	0.00	0.00	148.26
Reproductive toxicity category 1	kg	0,00	44,30	44.30	0.00	0.00	0.00
Carcinogenicity category 2	kg	0,00	108 693.60	108 693.60	0.00	0.00	0.00
Reproductive toxicity category 2	kg	0,00	2 430,16	2 430.16	0.00	0.00	0.00
Toxic effects on target organs, repeated exposure category 1	kg	0,00	27 257,00	0.00	0.00	0.00	23 525.00
Toxic effects on target organs, single exposure category 1	kg	1 643 390,00	317 014,50	1 960 404.50	0.00	0.00	0.00
Toxic effects on target organs, repeated exposure category 2	kg	0,00	267,21	267.21	0.00	0.00	0.00
Respiratory sensitisation category 1	kg	0,00	3 500.90	3 500.90	0.00	0.00	0.00
Skin sensitisation category 1	kg	975 337,50	2 177 273.92	2 210 466.90	846 214.00	58 533.60	15 644.40
Long-term hazard to aquatic environment category 1	kg	46 954,00	365 747.48	386 834.78	0.00	0.00	875.60
Long-term hazard to aquatic environment category 2	kg	0,00	2 989 299,56	2 989 243.06	0.00	13.20	0.00
Long-term hazard to aquatic environment category 3	kg	0,00	187 111.39	174 220.79	0.00	0.00	12 890.60
Total for 2025	kg	2 665 681.50	7 284 708.00	8 942 013.91	846 214.00	58 546.80	53 083.86
Total for 2024(corrected values)	kg	2 624 166.00	5 769 584.96	6 822 120.33	942 246.00	558 523.06	39 939.94

During the analytical work, discrepancies were identified in the presentation of data on the quantities of hazardous substances. These involved the incorrect assignment of some volumes to specific hazard classes. As a result, the table structure did not fully reflect the actual material flows, which affected the level of some aggregate values. After verifying the source data, corrections to the classification and conversions were made, and the corrected data were included in the current E2-5 disclosure.

The correction concerned hazard classes because, according to the ESRS, hazardous substances and substances of very high concern are subject to disclosure by hazard class. Changes were also made to the stages (i.e., manufactured, purchased, used, and sold); however, these changes are not material, as confirmed by the structure of the ESRS requirements, which do not consider the stage as a factor determining the scope of required disclosures. The table below presents the reported and corrected values for each substance class for 2024. The error correction was described in BP-2.

Hazard class	Unit	Produced	Purchased	Applied	Sold as its own	Sold as part of a product	They left the Group in the form of waste
Respiratory sensitisation category 1 (reported 2024)	kg	0.00	957 665.20	360.20	0.00	955 205.00	2 100.0
Respiratory sensitisation category 1 (corrected 2024)	kg		3 460.20	360.20		3 100.00	0.00
Skin sensitisation category 1 (reported 2024)	kg	942 246.00	1 622 395.68	823 628.89	942 246.00	859 097.21	56 469.57
Skin sensitisation category 1 (corrected 2024)	kg	942 246.00	371 348.68	11 468.89	942 246.00	355 319.21	4 560.57
Long-term hazard to aquatic environment category 1 (reported 2024)	kg	58 400.00	63 954.59	89 494.74		32 840.80	19.05
Long-term hazard to aquatic environment category 1 (corrected 2024)	kg	46 720.00	352 222.09	365 314.74		32 840.80	786.55
Total for 2024 (reported)	kg	2 635 846.00	7 405 939.84	7 241 660.33	942 246.00	2 014 406.06	190 473.44
Total for 2024 (corrected values)	kg	2 624 166.00	5 769 584.96	6 822 120.33	942 246.00	558 523.06	39 939.94

The data on substances of concern come from purchasing data, sales data and safety data sheets of purchased products, as well as information related to the nature of the production processes at each undertaking. The data from Vallvik, Rottneros, Arctic Paper Grycksbo and Arctic Paper Munkedals, as well as Arctic Paper Kostrzyn, are of high quality and include the CAS number (*Chemical Abstracts Service* – a numerical designation to identify a chemical) and the annual consumption of the substance. As the concentration of substances of concern in preparations containing such substances is not reported at Arctic Paper Kostrzyn, the full weight of the preparations was used for the calculation. The use of potentially hazardous substances is based on estimates, except when substances are incinerated, for which the data are very accurate. Many substances are reactants that will undergo a chemical reaction and will not be detectable in the product or emissions. The simple inorganic salts and acids used will be completely dissociated in the process and will not exist in the added form, thus remaining undetectable.

E2-6 Anticipated financial impacts arising from material risks and opportunities associated with pollution

The Arctic Paper Group benefits from the possibility to omit the information set out in ESRS E2-6 in the first three years of the Sustainability Statement on the basis of the “List of phased-in disclosure requirements” (Appendix C in ESRS 1) and the Commission Delegated Regulation (EU) 2025/1416 of 11 July 2025 amending Delegated Regulation (EU) 2023/2772 as regards the deferral of the start date of application of the disclosure requirements for certain companies (“Quick fix”).

ESRS E3 Water and marine resources

SBM-3 Linking Material sustainability impacts and risks to the strategy and business model

[SBM-3 48b, c, d, f] The material water resource impacts and risks described stem from the specific nature of AP’s business model based on pulp and paper production, which are highly water-intensive processes. The high reliance on water as a key raw material means possible operational risks, as droughts or limited water availability can lead to temporary production stoppages. High water consumption generates significant costs for water abstraction, treatment and disposal, and increases in water prices and environmental charges can affect the profitability of

operations. The limited availability of water in water-scarce regions can also increase the price of raw materials, such as pulp and paper pulp, and force modifications to the supply chain, including the search for alternative suppliers in regions with greater water availability. Water pollution associated with the maritime transport of pulp is an additional aspect of risk linked to the business model. Increasing regulatory requirements and market pressure for sustainable production are prompting the Group to further invest in water-saving technologies, water recycling and treatment, and process optimisation. The Arctic Paper Group continuously monitors the quality of water discharged into the environment, focusing on discharging water of high quality. In the future, it is possible to implement sustainable transport strategies, including cooperation with suppliers using ballast water treatment systems, which may affect logistics costs. These actions increase operational resilience to water shortages, mitigate financial and reputational risks and support the Group's long-term financial sustainability.

E3-1 Policies related to water and marine resources

[E3-1 11, 12, 14] [MDR-P 65] In 2025 the Arctic Paper Group did not have a separate water, marine and ocean resources policy. The Group currently manages the water and marine resources topic based on the provisions of the *Sustainable Development Policy*. In line with this policy, Group companies make efforts to reduce water consumption and wastewater discharge, and to reuse water used in the production process. The policy also represents the Arctic Paper Group's commitment to strive to ensure that the water used is treated first and only then reintroduced into the environment. The policy notes that the quality of water abstracted and discharged is monitored. The monitoring requirement also stems from the water permits in both Poland and Sweden (Swedish: Vattendom). The document refers to the use and supply of water within its own operations, water treatment and a commitment to reduce water consumption. It also applies to value chain operations that may be carried out in areas at risk of water scarcity.

The scope of the policy covers the operations of the Arctic Paper Group. The Group Management is responsible for implementing the provisions of the policy. The adopted policy does not refer to third-party standards or initiatives. In preparing the content of the document, the interests and opinions of the Group's stakeholders were taken into account. The Group makes the regulations available by posting them on its website and on the internal communication channels of each organisational unit.

E3-2 Activities and resources related to water and marine resources

[E3-2 17, 19] [MDR-A 68] Key water resource activities focus at Arctic Paper Group on optimising water consumption:

Name of the action	Description of the action
Optimisation of water and wastewater management, reduction of water consumption in production processes	In 2024, the Arctic Paper Group continued its efforts to minimise water use in its production processes, increase water reuse and reduce the load of pollutants discharged with wastewater. A key element of these activities was the modernisation of the wastewater treatment infrastructure at Arctic Paper Kostrzyn, which included equipping the plant with a new air supply system, resulting in improved efficiency of the treatment processes. The upgrade of the blower station was completed in 2025 and was a continuation of the work started earlier. The initiatives undertaken support more efficient management of water resources and reduce pressure from water discharges, which is important in the context of the high water intensity of paper and pulp production processes and the increasing physical risks associated with water availability.
Installation of a water metering system	In 2024, the infrastructure at the Rottneros plant was upgraded with the installation of a metering system at the water intake. This solution allowed for more accurate monitoring of the amount of water abstracted and better control of its use in operational processes in 2025. The measure supports more efficient management of water resources and the identification of potential areas for further optimisation of water use.
Regulation of water resources	In 2025, Arctic Paper Munkedals obtained a permit enabling more efficient and economical use of the existing water storage capacity and the introduction of new rules for its regulation and retention in connection with the hydropower plant. This action will allow better management of water resources in the future, particularly during dry summer periods, reducing the risk of water shortages. The new conditions will allow more rational management of water abstraction and storage, increasing the plant's resilience to climatic variability.

The above activities did not require significant capital or operating expenditure.

The Group will consider the next steps and the resources needed to implement them.

E3-3 Water and marine resources objectives

[E2-3 22] [MDR-T 81] Arctic Paper Group has not currently set quantitative targets for water and marine resources due to a lack of identified need. Monitoring the progress and effectiveness of the actions undertaken in this area is done by monitoring water consumption, reuse and recycling. Water consumption levels do not exceed the permitted values set out in the integrated permits in force for the individual production facilities.

E3-4 Water consumption

[E3-4 28] The table below shows the water consumption of the Arctic Paper Group's own operations, the amount of water recycled and reused and the Group's water intensity.

Water consumption	Unit	2025	2024
Total water consumption	m ³	1 322 510.77	1 337 498.51
Water abstraction	m ³	32 256 987.56	34 150 489.32
Water discharge	m ³	30 933 576.79	32 812 990.81 ¹
Total water consumption in areas at risk of water scarcity, including areas with significant water scarcity ²	m ³	0	0
Total amount of water recycled and reused	m ³	48 060 751.88	47 541 104.99
Total amount of water stored ³	m ³	0	0
Changes in water storage	m ³	0	0
Water absorption	EUR m ³ /1million ⁴ net revenue	1 764.69	1 676.95

The value of total water consumption consists of:

- Steam from the drying process of the main product
- Vapours from drying in side operations (causticizing and regeneration boiler)
- Water in the product
- Water in waste, such as sludge from sewage treatment.

The water intake value consists of water taken into the factory through the factory's own preparation of fresh water from the river on the basis of water licences issued in Poland and Sweden (Vattendom) and water purchased from an external supplier (city water).

The water discharge value consists of two streams:

- Wastewater treated at the factory's wastewater treatment plant. Volume is measured using a built-in continuous flow meter. The values shown in the table do not include rainwater.
- Unpolluted cooling water returning to the river. This flow is calculated as a residual value for the entire factory, except for Vallvik, where it is measured.

TOTAL AMOUNT OF WATER RECYCLED AND REUSED

Water recycling in paper mills involves returning water from the paper machines to the pulp preparation department. Recycling is calculated on the basis of the dry content in the raw material stream. Water recycling at the *fibres line* pulp mill consists of water used in counter current from screening to bleaching to washing. In the pulp mill's chemical recovery system (Vallvik only), the condensation water from the evaporation plant is used as wash water on the white liquor lime sludge filter. The lime-mud filter filtrate is used as solvent water for the soda melt. All volumes are measured using in-line flowmeters.

E3-5 Anticipated financial impacts arising from impacts, risks and opportunities related to water and marine resources

The Group benefits from the possibility to omit the information set out in ESRS E3-5 in the first three years of the Sustainability Statement on the basis of the "List of phased-in disclosure requirements" (Appendix C in ESRS 1) and the Commission Delegated Regulation (EU) 2025/1416 of 11 July 2025 amending Delegated Regulation (EU)

¹ Corrected value for 2024. During the preparation of the 2025 Sustainability Statement, an issue was identified regarding incorrect reporting of wastewater discharges for 2024. This error resulted from an incorrect formula reference in the source Excel file. Instead of including the value "Discharge of treated wastewater to river," the line item reported for Arctic Paper Kostrzyn used data from the previous year referring to the category "Sludge from wastewater treatment plant." Consequently, the volume of wastewater discharged at the Kostrzyn mill was incorrectly reported. Additionally, the volume of uncontaminated cooling water discharged to the river was not included in the reported water discharges. The total wastewater discharge reported for fiscal year 2024 was 23,078,936.75 m³, while the corrected value is 32,812,990.81 m³. The correction of the error is described in BP-2.

² According to the WRI Aqueduct Water Risk Atlas tool, none of the Group's locations are situated in a region of high baseline water stress.

³ The Group does not store water.

⁴ According to the euro exchange rate in 2025 – 4,2267; 2024 – PLN 4.3064. Source: NBP.

2023/2772 as regards the deferral of the date of application of the disclosure requirements for certain companies ("Quick fix").

ESRS E5 Resource use and the circular economy

SBM-3 Linking Material sustainability impacts to strategy and business model

[SBM-3 48b, c, d, f] The material impacts described in the area of resource use and the circular economy are linked to Arctic Paper's business model through the manufacturing nature of its operations and its high dependence on raw materials, including non-renewable resources. These issues are partly linked to the Group's strategy through the Packaging Pillar, which includes the development of renewable resource-based and recyclable packaging as an alternative to plastic packaging. These actions provide opportunities to reduce the consumption of primary raw materials, reduce waste and adapt the offering to growing customer expectations and regulatory requirements. The use of recycled materials and the efficient recovery of raw materials can contribute to lower production costs and improved resource efficiency in the long term. At the same time, production processes produce a percentage of non-reusable or recyclable waste. These wastes require specialised disposal methods, which generate costs for transport, storage or incineration and may incur additional environmental charges. Rising raw material prices and waste management costs can increase operating costs. Increasing regulatory requirements and market pressures may require the further development of circular economy solutions. In the future, it is possible to incorporate waste minimisation targets into the strategy and gradually redefine the business model towards less dependence on non-renewable resources. Growing environmental awareness among consumers is encouraging demand for products in more sustainable packaging, supporting the development of new business areas.

E5-1 Policies related to resource use and the circular economy

[E5-1 14, 15] [MDR-P 65] In 2025, the Arctic Paper Group did not have a separate policy on resource use or the circular economy. The Group currently manages this related topic on the basis of the provisions of the *Sustainability Policy*. In this policy, the Arctic Paper Group emphasises the organisation's co-creation of a sustainable, closed-loop production system. The Group declares the use of renewable resources such as pulp fibre – these resources are reused and recycled with little or no waste generation. Another document governing the approach to managing the resource topic is the *Environmental Policy*. It obliges the Group to buy pulp from certified and controlled sources and to check the origin of the wood raw material used in its production. The Group declares its efforts to purchase pulp from sustainably managed forests. This commitment is also enshrined in the Sustainable Development Policy as part of responsible sourcing.

The scope of the policies covers the operations of the Arctic Paper Group. The Group Management is responsible for implementing the provisions of the policies. The policies adopted do not refer to third-party standards or initiatives. In preparing the content of the documents, the interests and opinions of the Group's stakeholders were taken into account. The Group makes the regulations available by posting them on its website and on the internal communication channels of each organisational unit.

The Rottneros Group has adopted a *Resource Policy* in which it declares actions to exclude wood from:

- Illegal sources;
- Forests whose protected natural values are threatened by logging. In Sweden, this concerns all wood originating from key forest habitats harvested contrary to the recommendations of the Swedish Forest Agency.
- Forests that have been substantially converted to plantations or other land uses;
- Forest management using genetically modified trees;
- Forest management that violates any of the ILO core conventions on forced or child labour, freedom of association, collective bargaining, discrimination and harassment;
- Forests that are being cut down in violation of human rights;
- Sources which do not comply with the EU Timber Regulation

The Rottneros Group has certification to international FSC® and PEFC standards for its supply chain.

The *raw materials policy* applies throughout the Rottneros Group, and the parent company's Board of Directors is responsible for implementing and complying with its provisions. The provisions of the Policy refer, inter alia, to International Labour Organisation standards. In preparing the content of the document, the Rottneros Group took into account the opinions and interests of its stakeholders. The Group makes the contents of the Policy available by posting them on the website and in the internal communication channels of each organisational unit.

E5-2 Activities and resources related to resource use and the circular economy

[E5-2 19] [MDR-A 68] Key activities related to resource utilisation and the circular economy focus on raw material certification or waste segregation in the Arctic Paper Group:

Name of the action	Description of the action
Maintaining FSC® certification for paper trays	In both 2024 and 2025, the Rottneros Group maintained FSC® certification and food contact compliance for paper trays produced in Sweden. This action confirms responsible sourcing of wood raw materials and compliance with high safety standards for products intended for food contact. Maintaining certification supports sustainable forest management and reinforces a circular approach to packaging design and production.
Supervision of certified pulp sourcing	In 2024 and 2025, the Arctic Paper Group used mainly FSC® or PEFC certified wood pulp in the production process at all paper mills in Poland and Sweden. This approach aims to ensure that the wood raw material comes from sustainably managed forests. In 2025, these actions continued through ongoing supply chain oversight and systematic verification of FSC® and PEFC certifications, maintaining a 100% share of certified pulp in raw material purchases. In addition, at the Arctic Paper Grycksbo mill, the pulp used must meet the Nordic Ecolabel (Nordic Swan), which confirms the efficient use of resources, including lower consumption of raw materials and energy in the production process.
Construction of a thallium oil production facility	In 2024, a new thallium oil plant was commissioned at the Vallvik mill. The project makes it possible to obtain cleaner and more useful fractions of by-products from the pulp production process. This measure increases the efficiency of raw material use and promotes the reuse of materials that previously had a lower use value. Following the commissioning of the new plant, a major customer of talc oil confirmed in 2025 that the quality of the supply had improved – the moisture content is significantly lower and the resin content and acid index are higher, resulting in a better use value of the product.
Cooperation on fly ash recycling	In 2025, Arctic Paper Grycksbo has partnered with the municipality-owned company Falu Energi to recycle fly ash from the steam boiler by reusing it on forest land as fertiliser. This action allows the by-product of the energy process to be managed in a way that supports a closed loop, contributes to reducing the amount of waste sent for disposal.
Extension of the waste separation system	In 2025, Arctic Paper Munkedals implemented an extended waste separation system, including municipal waste fractions. This action improves the separation of waste streams at the waste generation stage and increases opportunities for further waste management.

The activities did not involve significant investment or operational expenditure.

Further activities and the resources needed to implement them are currently being planned. These activities primarily involve internal stakeholders (employees) as well as upstream stakeholders in the value chain (suppliers) and will continue to do so.

E5-3 Objectives related to resource use and the circular economy

[E5-3 24, 25, 27] [MDR-T 80] The Arctic Paper Group's resource use and circular economy (resource impact) goal is to source pulp for paper production from FSC® or PEFC certified suppliers at 100%. The objective relates to the sustainable extraction and use of renewable resources.

As of 2017, the Group declares to source almost 100% of the raw material with the indicated certificates. This was 98% in 2025 (98% in 2024).

The target is measured on the basis of completed orders for FSC® or PEFC certified pulp, in the same way since the beginning of its implementation. The metric is not linked to scientific evidence or validated by an external body other than the assurance provider.

The purpose of supply chain verification is to gain assurance that:

- the wood does not originate from illegal sources,
- the wood does not originate from endangered areas or areas of high conservation value,
- the wood does not originate from genetically modified trees,
- indigenous peoples' traditions and rights are not violated in the harvesting of timber.

The Group's internal stakeholders were involved in setting the adopted target. The objective is linked to the policies described earlier but is not driven by external regulatory obligations. A description of the methodology for measuring the achievement of the objective is provided in the next subsection (*E5-4 Resources introduced*).

E5-4 Input resources

[E5-4 32, AR 24] Material resources introduced to the Arctic Paper Group used in the production of paper and pulp are outlined below.

Resources introduced into the organisation	Unit	2025	2024
Total weight of products entering the organisation	t	0	0
Total weight of technical material entering the organisation	t	259 653.45	266 007.36
Total mass of biological materials entering the organisation	t	1 533 165.70	1 526 617.19
including materials from sustainable sources	t	1 502 875.92	1 497 073.57
Total mass of products, technical and biological materials introduced into the organisation	t	1 792 819.79	1 792 624.69
Percentage of biological materials used to provide services and manufacture products (including packaging) from sustainable sources	%	98%	98%
Percentage of biological materials used in the production of pulp from sustainable sources	%	100%	100%
Percentage of biological materials used in paper production from sustainable sources*	%	92%	92%
*Including starch, wrapping paper, pallets			
Total weight of products, materials, components reused or recycled in the manufacture of products (including packaging) or services	t	0	0
Percentage of products, materials, components reused or recycled in the manufacture of products (including packaging) or services	%	0	0

The weight was estimated on the basis of purchase invoices and product sheets.

TOTAL WEIGHT OF TECHNICAL MATERIAL ENTERING THE ORGANISATION

The technical materials assessed in this disclosure are:

- Filling and coating pigments,
- Process chemicals used in processing,
- Packaging materials except those listed under biological material.

TOTAL MASS OF BIOLOGICAL MATERIALS ENTERING THE ORGANISATION

The following biological/compostable materials are included in this category:

- Wood raw material,
- Starch,
- Paper material.

SUSTAINABLY SOURCED MATERIALS

The materials whose mass is included in this category are FSC® and PEFC-certified wood and pulp.

TOTAL WEIGHT OF PRODUCTS ENTERING THE ORGANISATION

The reported mass of input resources is limited to raw materials and related process materials, mainly process chemicals consumed in the manufacturing process and packaging materials for finished goods leaving the production facilities, due to the lack of relevant data (kg/year). The following consumed resources are not included in this statement:

- IT equipment,
- Textiles such as workwear and machine clothing,
- Furniture,
- Building materials,
- Storage and transport equipment and facilities,
- Spare parts and consumables.

E5-5 Resources discharged

[E5-5 35] The key recyclable and degradable products offered by the Arctic Paper Group are:

- Sheets and scrolls,
- Coated and uncoated, wood-free and wood-based paper,
- CTMP pulp from the Rottneros Mill,

- ECF and UKP pulp from the Vallvik Mill,
- Injection-moulded packaging products from Rottneros Packaging.

[E5-5 36] The Arctic Paper Group's products are primarily intended for printers, paper distributors, book and magazine publishers, the advertising industry and packaging manufacturers, so the expected durability of end products, reparability or recyclable content ratios cannot be precisely determined. The sustainability of the final products depends primarily on how they are stored and the method of further processing and handling by customers, as part of their own business operations and production processes.

Arctic Paper products are manufactured with the development of a circular economy in mind. The Group draws on the methodology and experience of third parties to develop new ways of producing different types of paper, based on the identification of chemical risks and the impact of particular solutions on product quality, taking into account both the manufacturing process and the use and end-of-life of the product. Selected Arctic Paper products have been tested and approved for use in Nordic Ecolabel-certified products. Products from the Arctic Paper Kostrzyn mill are EU Ecolabel certified.

In 2025, the total volume of waste in the Arctic Paper Group was 63,435.98 tonnes, of which approx. 69% was prepared for reuse, recycling or other recovery processes. Details of the waste are included in the table below.

Resources drained from the organisation	Unit	2025	2024
Waste for which disposal has been avoided	t	43 978.53	57 306.85
Hazardous waste, including:	t	326.80	231.01
prepared for re-use	t	0	0
recyclable	t	244.29	87.24
subject to other recovery processes	t	82.51	143.76
Non-hazardous waste, including:	t	43 651.73	57 075.84
prepared for re-use	t	1 978.25	2 262.09
recyclable	t	29 074.35	43 768.52
subject to other recovery processes	t	12 599.13	11 045.24
Waste sent for disposal	t	19 457.45	21 073.92
Hazardous waste, including:	t	54.60	7.76
burnt	t	1.52	3.65
stored	t	42.88	0.19
subjected to other disposal processes	t	10.20	3.91
Non-hazardous waste, including:	t	19 402.85	21 066.16
burnt	t	1 381.99	1 482
stored	t	17 970.73	19 546.38
subjected to other disposal processes	t	50.13	37.78
Total amount of radioactive waste	t	0	0
Total waste generated	t	63 435.98	78 323.77
Total quantity of hazardous waste	t	381.40	238.76
Total amount of non-recycled waste	t	34 117.34	34 468.01
Percentage of waste not recycled	%	53.78%	44.01%
Total non-hazardous waste	t	63 054.58	78 085.01

The main waste streams for the Group are packaging waste, production waste, pallet waste and municipal waste from office operations. The Group's waste structure is dominated by biomass (pulp fibres), wood and plastics (packaging tape, stretch film). The Group does not generate radioactive waste.

[E5-5 40, AR 33] Waste data are obtained from waste recipients and collected at the level of production facilities. Waste volumes from the production facilities are monitored on an ongoing basis and their weight is reported in the respective reporting systems – BDO (Polish Waste Database) for Arctic Paper Kostrzyn and Naturvårdsverket for the other production facilities. Most of the waste generated is waste associated with the paper and pulp production process – sewage sludge from on-site treatment plants. Paper and cardboard packaging and wooden packaging also represent significant amounts of waste.

E5-6 Anticipated financial impacts from material risks and opportunities related to resource use and the circular economy

The Arctic Paper Group benefits from the possibility to omit the information set out in ESRS E5-6 in the first three years of the Sustainability Statement on the basis of the "List of phased-in disclosure requirements" (Appendix C in ESRS 1) and the Commission Delegated Regulation (EU) 2025/1416 of 11 July 2025 amending Delegated Regulation (EU) 2023/2772 as regards the deferral of the start date of application of the disclosure requirements for certain companies ("Quick fix").

Taxonomy

The EU Taxonomy is a classification system that establishes criteria for environmentally sustainable economic activities. It plays an important role in helping to scale up sustainable investments and implement the European Green Deal. The EU taxonomy provides businesses, investors and policymakers with the relevant definitions of how an economic activity can be considered environmentally sustainable. In this way, it provides security for investors, protects private investors, and helps companies become more climate-friendly.

Regulation 2020/852 of the European Parliament and of the Council on the EU taxonomy was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020.

It lays the foundations for the EU Taxonomy by setting out 4 overarching conditions that an economic activity must meet in order to qualify as environmentally sustainable. An economic activity qualifies as environmentally sustainable if it:

- a) it makes a substantial contribution to one or more of the environmental objectives;
- b) does not cause significant harm to any of the environmental objectives;
- c) it is carried out in accordance with minimum guarantees;
- d) meets the technical qualification criteria.

The Taxonomy Regulation sets out the following environmental objectives:

- a) climate change mitigation;
- b) adaptation to climate change;
- c) the sustainable use and protection of water and marine resources;
- d) the transition to a circular economy;
- e) pollution prevention and control;
- f) protecting and restoring biodiversity and ecosystems.

In accordance with the Taxonomy Regulation, the Arctic Paper Group discloses in its annual report:

- the percentage of turnover derived from products or services related to environmentally sustainable activities;
- the percentage of capital expenditures (CapEx) corresponding to assets or processes related to environmentally sustainable activities;
- the percentage of operating expenditure (OpEx) corresponding to the assets or processes associated with environmentally sustainable activities.

In this Sustainability Statement 2025, the Arctic Paper Group discloses the percentage of turnover, capital expenditure and operating expenditure eligible for the EU taxonomy and reviews the criteria for environmentally sustainable economic activities set out in Article 3 of Regulation 2020/852 of the European Parliament and of the Council to determine what percentage of these three values are related to environmentally sustainable activities.

The core business of the Arctic Paper Group is the production and sale of paper and pulp. These activities are not covered by the EU Taxonomy.

1. Qualification and Taxonomy Compliance Assessment Process

We have divided the evaluation process into 4 stages:

1. Identification - an overview of all activities carried out by all Arctic Paper Group entities and determining whether and which activities qualify as Taxonomy-compliant activities. The review covered Arctic Paper Group's revenues, capital expenditures and operating expenses. The basis for considering a given activity as eligible was a comparison of the actual activity with the description of the activity detailed under Annex I or Annex II to the Commission Delegated Regulation (EU) 2021/2139, taking into account the Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending the above Regulation and with the description of the activities contained in the Commission Delegated Regulation (EU) 2023/2486

2. Allocation – assigning the value of turnover, capital expenditures and operating expenditures to specific activities, identified in the first stage.

3. Verification – examination of the criteria of significant contribution and non-significant harm for all identified activities, using the technical screening criteria referred to in the Annexes to Commission Delegated Regulation (EU) 2021/2139.

Verification of compliance with the technical screening criteria was carried out for activities eligible for the EU Taxonomy. and consisted of an analysis of the different criteria for significant contribution and non-significant harm and checking to what extent the activity complies with the technical screening criteria set out in Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, as extended by Commission Delegated Regulation (EU) 2022/1214, Commission Delegated Regulation (EU) 2023/2485 and 2023/2486.

According to the analysis, none of the activities qualified in 2025 meet the technical qualification criteria. Given that the taxonomy does not cover its main activities, the Group does not have documentation confirming the compliance of its other activities. Arctic Paper Group carried out a climate risk analysis for all production facilities located in Poland and Sweden, which is part of the DNSH principle for most eligible activities.

4. The next step was to assess whether the Minimum Guarantees were met.

According to Article 18 of Regulation (EU) 2020/852 of the European Parliament and of the Council: "minimum safeguards, (...), are the procedures applied by an enterprise conducting business activities to ensure compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions set out in the International Labour Organization's Declaration on Fundamental Principles and rights at work and the principles and rights set out in the International Bill of Human Rights."

The test of compliance with minimum safeguards was carried out in accordance with the recommendations included in the Final Report on Minimum Safeguards prepared by the Platform on Sustainable Finance.

According to the recommendations, failure to meet the minimum guarantees is at least one of the following four conditions:

- insufficient or non-existent human rights due diligence processes, including labour rights, corruption, taxation and fair competition;
- the company or its top management has been found guilty of violations of labor law or human rights laws in certain types of labor law or human rights court cases;
- lack of cooperation with the OECD National Contact Point (OECD NCP; NCP OECD) on the notification received by the OECD NCP;
- The Business and Human Rights Resource Center (BHRRC) made an allegation against the company, which the company did not respond to within 3 months.

During the verification process at Arctic Paper Group, non-compliance with the above premises was tested as follows:

1. as a result of the internal analysis, it was determined that the Arctic Paper Group has a due diligence process in place and in place.

- Arctic Paper Group has a whistleblowing system in place;
- mandatory training for all employees in the field of anti-corruption and anti-competitive practices;
- Arctic Paper Group implements a supplier sustainability assessment system;
- The Arctic Paper Group's Code of Conduct in the value chain, the Sustainability Policy and the Diversity Policy were implemented.

2. as a result of verification whether no final convictions were issued in relation to the persons mentioned in the content of the premise, in the period to which the verification relates.

3. A review of the OECD NCP (National Contact Point) notification database was carried out, which showed that there were no notifications concerning the Arctic Paper Group during the review period – <https://mneguidelines.oecd.org/database/>.
4. A verification of the Business and Human Rights Resource Center (BHRRC) application database was carried out, which showed no notifications regarding the Arctic Paper Group during the verification period - <https://www.business-humanrights.org/en/companies/>.
5. Calculation – using the information obtained in the second and third stages to prepare tables containing the required information and to develop supplementary information in accordance with the requirements of Annexes I and II to Commission Delegated Regulation (EU) 2021/2178, as amended by Annex V of Commission Delegated Regulation (EU) 2023/2486.

The process was led by a team of representatives of Arctic Paper Group companies, coordinated by the Sustainability Team.

The eligibility assessment found that the Arctic Paper Group carries out the following activities:

- CCM 1.3 – Forest management – services in the field of wood management provided by Rottneros;
- CCM 4.1 Energy production with the use of photovoltaic energy – production of electricity from photovoltaic farms located in Poland and Sweden;
- CCM 4.5 Hydropower Generation – at the Munkedals Hydroelectric Power Plant;
- CCM 4.8 Production of electricity from bioenergy – expenditures on pellet energy generation installations at the factory in Grycksbo;
- CCM 4.10 Energy storage – turnover and capital expenditure related to the installation of battery storage facilities in Rottneros;
- CCM 4.13 Production of biogas and biofuels for transport and bioliquids – revenues, capital expenditures and operating expenditures from the production of tall oil by the Rottneros plant;
- CCM 4.20 Cogeneration of heat/cooling energy and electricity from bioenergy – capital expenditures related to the investment in a boiler based on cogeneration from bioenergy at the plant in Vallvik and turbine in a boiler in Grycksbo;;
- CCM 4.24 Generation of heat/cooling energy from bioenergy – capital expenditure on the renovation of the heat recovery boiler and turbine at the Vallvik plant;
- CCM 5.1 Construction, expansion and operation of water abstraction, treatment and supply systems – expenditures related to the modernization and expansion of water intake infrastructure in Grycksbo;
- CCM 5.3 Modernization of wastewater collection and treatment systems in Grycksbo;
- CCM 5.9 Recovery of materials from hazardous waste;
- CCM 6.5 Transport by motorcycles, passenger cars and light commercial vehicles, which evaluates vehicles belonging to the Arctic Paper Group's own and leased fleets used in Arctic Paper's own operations;
- CCM 6.14 Infrastructure for rail transport – capital expenditures and operating costs of maintenance of the section of railway infrastructure for the transport of raw materials in the factories in Kostrzyn and Rottneros;
- CCM 7.2 Renovation of existing buildings – capital expenditures incurred for the renovation of buildings belonging to mills;
- CCM 7.3 Installation, maintenance and repair of energy efficiency equipment;
- CCM 7.4 Installation, maintenance and repair of electric vehicle charging stations in the Group's buildings (and car parks);
- WTR 1.1 Manufacturing, installation and related services of leak control technologies to reduce and prevent leakage in water supply systems;
- BIO 1.1 conservation, including the restoration of habitats, ecosystems and species as part of the restocking of the Munkedals River.

2. Accounting policies

The requirements of Delegated Regulation 2021/2178 were applied to the calculation of individual key indicators.

At the stage of identifying Taxonomy-eligible activities and accompanying activities, it was ensured that none of them qualifies for more than one activity, i.e. for example, no investment project meets the definition of more than one activity. In practice, the different activities eligible for the Taxonomy and the related activities relate to separate areas, which eliminates the risk of double inclusion in them.

At the stage of preparation for the process of identifying types of activity, and then allocation and verification, persons responsible for individual business areas were informed about such theoretical risk and instructed that if a given activity meets more than one definition of activity, they should assign it to the definition of this type of activity, which best reflects the specificity and nature of a given activity.

In the reported 2025, no changes were made to the accounting policy.

The following rules are used to calculate the percentage of turnover, CapEx and OpEx eligible for the Taxonomy:

Turnover – in terms of turnover, the basis was the total consolidated revenues of the Arctic Paper Group in 2025, disclosed in the consolidated financial statements under "Revenue from sales of paper and pulp" described in Note 4.1. The numerator for turnover KPIs in the field of eligible activities consists entirely of the values derived from revenues from contracts with customersP. Revenues from Taxonomy-eligible activities are assigned to the numerator.

In 2025, the Arctic Paper Group identified 9 activities from which revenues qualify for the taxonomy.

In 2025, Arctic Paper generated Taxonomy-eligible revenues mainly from the services provided by Rottneros in the areas of timber management services (activity 1.3) and and tall oil production (activity 4.13) at the Vallvik pulp mill.

Arctic Paper derives from its own electricity production as indicated in the eligible descriptions of activities 4.1 CCM, 4.5 CCM, 4.8 CCM, 7.6 CCM and biogas/biofuels produced by activities 4.13 CCM. The corresponding amounts were accordingly excluded from taxonomic reporting. In the course of the analysis, no other cases of self-consumption were found that would require disclosure.

in thousand PLN	December 31, 2025
Revenues from Taxonomy-eligible activities	116 283
Consolidated revenues	3 197 594
Revenue indicator of Taxonomy-eligible activities	3.64%

The percentage of revenues related to Taxonomy-eligible activities is 3.64%.

Percentage of turnover from products or services related to economic activities in accordance with the taxonomy

Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria						DNSH criteria (‘Does Not Significantly Harm’)						Minimum safeguards (17)	Proportion of Taxonomy - aligned (A.1.) or - eligible (A.2.) turnover, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
		ths zł	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
		0	0%																
<i>Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)</i>		0	0,00%	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %								0,00%		
<i>Of which enabling</i>		0	0,00%	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %								0,000%	E	
<i>Of which transitional</i>		0	0,00%	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %										T
A.2 Taxonomy-Eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Forest management	CCM 1.3	87 837	2.75%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.28%		
Electricity generation using solar photovoltaic technology	CCM 4.1	2 159	0.07%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Electricity generation from hydropower	CCM 4.5	2 348	0.07%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		

Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria						DNSH criteria (‘Does Not Significantly Harm’)						Minimum safeguards (17)	Proportion of Taxonomy - aligned (A.1.) or - eligible (A.2.) turnover, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
Electricity generation from bioenergy	CCM 4.8	115	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Storage of electricity	CCM 4.10	1 295	0.04%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	22 411	0.70%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,94%		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	45	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Construction, extension and operation of waste water collection and treatment	CCM 5.3	61	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	13	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Turnover of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (a.2)		116 283	3.64%	3.64 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %								3.33%		
Turnover of taxonomy-eligible activities (A.1 + A.2)		116 283	3.64%	3.64 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %								3.33%		
B. Taxonomy-non-eligible activities																			
Turnover of Taxonomy-non-eligible activities (B)		3 081 312	96.4%																
Total (A+B)		3 197 594	100.0%																

The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:

CCM — Climate Change Mitigation

CCA — Climate Change Adaptation

WTR — Water and Marine Resources

CE — Circular Economy

PPC — Pollution Prevention and Control

BIO — Biodiversity and ecosystems

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective

N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective

N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives:

	Proportion of turnover/Total turnover	
	Taxonomy aligned per objective	Taxonomy eligible per objective
CCM	0,00%	3.64%
CCA	0,00%	0,00%
WTR	0,00%	0,00%
CE	0,00%	0,00%
PPC	0,00%	0,00%
BIO	0,00%	0,00%

EL – Taxonomy-eligible activity for the relevant objective

N/EL – Taxonomy-non-eligible activity for the relevant objective.

CapEx – with respect to capital expenditures (CapEx), the basis was capital expenditures settled in the Arctic Paper Group in individual factories and at the headquarters, which consisted of increases in intangible assets of PLN 47,448 thousand, rights of use of PLN 3,963 thousand and increase in fixed assets of PLN 269,742 thousand. The denominator includes an increase in property, plant and equipment and intangible assets during a given financial year before depreciation, amortisation and any revaluation, including those resulting from revaluation and impairment, for a given financial year, excluding changes in fair value.

in thousand PLN	December 31, 2025
CapEx related to Taxonomy-eligible activities	120 799
Total capital expenditure	321 153
CapEx ratio of Taxonomy-eligible activities	37.61%

The percentage of capital expenditures related to eligible activities is 37.61%.

In 2025, Arctic Paper's key taxonomy-eligible capital expenditures were related to the installation of photovoltaic farms (activity 4.1) at the Arctic Paper Group's paper mills and the investment in the construction of a pellet production unit (activity 4.8) at Arctic Paper Grycksbo.

The entire CapEx is included in the consolidated financial statements under the following increase items:

- fixed assets – Note 5.1
- right-of-use assets - Note 5.2
- intangible assets – Note 5.4

The numerator is assigned the part of CapEx that relates to activities eligible for the taxonomy.

The percentage of capital expenditure (Capex) for products or services related to business activities in accordance with the taxonomy.

Economic activities (1)	Code(s) (2)	Absolute Capex (3)	Proportion of CapEx (4)	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)	
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)					
	ths zł	%		Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy eligible activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)	0	0%																		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	0,00%		0,00%	0,00%	0,00%	0,00%	0,00%	0,00%									0,00%		
Of which enabling	0	0,00%		0,00%	0,00%	0,00%	0,00%	0,00%	0,00%									0,00%	E	
Of which transitional	0	0,0%		0,00%	0,00%	0,00%	0,00%	0,00%	0,00%											T

Economic activities (1)	Code(s) (2)	Absolute Capex (3)	Proportion of CapEx (4)	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
A.2 Taxonomy-Eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Electricity generation using solar photovoltaic technology	CCM 4.1	21 216	6,61%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							9,73%			
Electricity generation from bioenergy	CCM 4.8	78 573	24,47%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							8,84%			
Storage of electricity	CCM 4.10	49	0,02%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							4,09%			
Manufacture of biogas and biofuels for use in transport	CCM 4.13	2 754	0,86%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							5,45%			

Economic activities (1)	Code(s) (2)	Absolute Capex (3)	Proportion of CapEx (4)	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
and of bioliquids																			
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	6 456	2,01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							1,50%			
Production of heat/cool from bioenergy	CCM 4.24	367	0,11%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							3,74%			
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	2 582	0,80%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0,59%			
Construction, extension and operation of waste water collection and treatment	CCM 5.3	476	0,15%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0,43%			
Transport by	CCM 6.5	1 646	0,51%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0,16%			

Economic activities (1)	Code(s) (2)	Absolute Capex (3)	Proportion of CapEx (4)	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
motorbikes, passenger cars and light commercial vehicles																			
Infrastructure for rail transport	CCM 6.14	572	0,18%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,09%		
Renovation of existing buildings	CCM 7.2	2 159	0,67%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2,24%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	3 472	1,08%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,88%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking	CCM 7.4	442	0,14%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,87%		

Economic activities (1)	Code(s) (2)	Absolute Capex (3)	Proportion of CapEx (4)	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
spaces attached to buildings)																			
Conservation, including restoration, of habitats, ecosystems and species	BIO 1.1	35	0,01%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								0,00%		
CapEx of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (a.2)		120 799	37,61%	37,60%	0,00%	0,00%	0,00%	0,00%	0,01%								39,30%		
CapEx of taxonomy-eligible activities (A.1 + A.2)		120 799	37,61%	37,60%	0,00%	0,00%	0,00%	0,00%	0,01%								39,30%		
B. Taxonomy-non-																			

Economic activities (1)	Code(s) (2)	Absolute Capex (3)	Proportion of CapEx (4)	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
eligible activities																			
CapEx of Taxonomy-non-eligible activities (B)		200 354	62.4%																
Total (A+B)		321 153	100.0%																

The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:

CCM — Climate Change Mitigation

CCA — Climate Change Adaptation

WTR — Water and Marine Resources

CE — Circular Economy

PPC — Pollution Prevention and Control

BIO — Biodiversity and ecosystems

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective

N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective

N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives:

Proportion of CapEx/Total CapEx

	Taxonomy aligned per objective	Taxonomy eligible per objective
CCM	0,00%	37.60%
CCA	0,00%	0,00%
WTR	0,00%	0,00%
CE	0,00%	0,00%
PPC	0,00%	0,00%
BIO	0,00%	0.01%

EL – Taxonomy-eligible activity for the relevant objective

N/EL – Taxonomy-non-eligible activity for the relevant objective.

OpEx – with respect to operating expenditure (OpEx), the basis was the costs of day-to-day servicing, repairs and maintenance of the assets of the Group companies. They include such costs as: personnel costs of persons responsible for maintenance and repairs, costs related to repairs and overhauls of equipment/installations, operating leases and research and development costs. The part of OpEx that relates to activities eligible for taxonomy has been assigned to the numerator. The OPEX numerator includes those denominator items that relate to taxonomy-compliant or taxonomy-eligible activities. The vast majority were costs related to the ongoing maintenance of property, plant and equipment (maintenance, repairs, conservation, etc.).

in thousand PLN

December 31, 2025

Operational expenditure related to Taxonomy-eligible activities	42 336
Total operating expenses	219 317
Indicator of operational expenditure related to Taxonomy-eligible activities	19.30%

The percentage of operating expenses related to eligible activities is 19.30%.

In 2025, Arctic Paper's key Taxonomy-eligible operating expenditure was related to, m.in others, the maintenance of the tall oil production facility at the pulp mill in Vallvik (activity 4.20).

The data used for the calculations came from the financial and accounting systems of the Arctic Paper Group's operating units. Arctic Paper Group does not use estimates or allocations in the preparation of KPIs in accordance with the EU Taxonomy.

The analysis showed that there is no need for a detailed disaggregation of KPIs among the operating units of the Arctic Paper Group in accordance with point 1.2.2.3 of Annex I to Commission Delegated Regulation (EU) 2021/2178.

Percentage of operating expenses (Opex) for products or services related to business activities in accordance with the taxonomy

Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2024 (18)	Category (enabling activity) (19)	Category (transitional) (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
	thszł	%		Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)		0	0%																
<i>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</i>		0	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%								0,00%		
<i>Of which enabling</i>		0	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%								0,000%	E	
<i>Of which transitional</i>		0	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%								0,00%		T
A.2 Taxonomy-Eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Forest management	CCM 1.3	2 132	0,97%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3,48%		
Electricity generation using solar photovoltaic technology	CCM 4.1	80	0,04%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Electricity generation from hydropower	CCM 4.5	216	0,10%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1,10%		

Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2024 (18)	Category (enabling activity) (19)	Category (transitional) (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
Electricity generation from bioenergy	CCM 4.8	172	0,08%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,97%		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	524	0,24%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,68%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	13 297	6,06%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								19,62%		
Production of heat/cool from bioenergy	CCM 4.24	1 840	0,84%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	5 692	2,60%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								9,30%		
Construction, extension and operation of waste water collection and treatment	CCM 5.3	3 601	1,64%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5,55%		
Material recovery from non-hazardous waste	CCM 5.9	19	0,01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	225	0,10%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,91%		
Infrastructure for rail transport	CCM 6.14	70	0,03%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3,54%		
Renovation of existing buildings	CCM 7.2	2 973	1,36%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6,24%		

Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2024 (18)	Category (enabling activity) (19)	Category (transitional) (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	263	0,12%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,70%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	11 134	5,08%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,02%		
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	WTR 1.1	82	0,04%	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0,05%		
Conservation, including restoration, of habitats, ecosystems and species	BIO 1.1	15	0,01%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								0,00%		
OpEx of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (a.2)		42 336	19,30%	19,25%	0,00%	0,04%	0,00%	0,00%	0,01%								57,67%		
OpEx of taxonomy-eligible activities (A.1 + A.2)		42 336	19,30%	19,25%	0,00%	0,04%	0,00%	0,00%	0,01%								57,67%		
B. Taxonomy-non-eligible activities																			

Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2024 (18)	Category (enabling activity) (19)	Category (transitional) (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
OpEx of Taxonomy-non-eligible activities (B)		176 981	80.7%																
Total (A+B)		219 317	100.00%																

The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:

CCM — Climate Change Mitigation

CCA — Climate Change Adaptation

WTR — Water and Marine Resources

CE — Circular Economy

PPC — Pollution Prevention and Control

BIO — Biodiversity and ecosystems

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective

N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective

N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives:

	Proportion of OpEx/Total OpEx	
	Taxonomy aligned per objective	Taxonomy eligible per objective
CCM	0,00%	19,25%
CCA	0,00%	0,00%
WTR	0,00%	0,04%
CE	0,00%	0,00%
PPC	0,00%	0,00%
BIO	0,00%	0,01%

EL – Taxonomy-eligible activity for the relevant objective

N/EL – Taxonomy-non-eligible activity for the relevant objective.

Activities of the Arctic Paper SA Group related to nuclear energy and natural gas in the context of the EU Environmental Taxonomy

Disclosure in accordance with Annex III of Commission Delegated Regulation (EU) 2022/1214, supplementing Commission Delegated Regulation (EU) 2021/2178 with Annex XII on standard templates for the disclosure of information referred to in Article 8(6) and (7). – i.e. for activities related to nuclear energy and natural gas.

Nuclear energy related activities

1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

Fossil gas related activities

1	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
2	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
3	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

3. SOCIAL INFORMATION

ESRS S1 Own workforce

S1 SBM-3 material impacts and risks and their interrelationship with the strategy and with the business model

[SBM-3 48b, c, f] The material impacts and risks described in relation to the Group's own employee resources are linked to the Arctic Paper Group's business model through the manufacturing nature of its operations and its reliance on human capital. The Group focuses on building employee confidence, respecting diversity and providing safe and stable working conditions, including shift work. These actions promote long-term employment, allow knowledge and experience to accumulate in the organisation and translate into higher operational efficiency and product quality. Attention to security, job stability and competitive salaries promotes employee retention. The need to ensure safety and proper working conditions requires constant monitoring and investment in HR processes and safety systems. These activities enable the development of human capital, which is a key element of the Group's business model. In the long term, maintaining a competent and committed workforce supports operational stability and production quality. As a whole, the employee resource strategy supports both operational efficiency and the attractiveness of the company in the labour market.

The positive impacts identified are the result of a trust-building approach that manifests itself in the provision of good working conditions that take into account employment stability, competitive salaries, high safety standards and dialogue with employees. The adverse impacts are mainly related to the specific nature of the Group's operations, i.e. manufacturing activities being an environment where there is a risk of accidents and potentially more demanding conditions related to physical, shift and night work. In addition, due to the nature of the industry and the location of its production plants, the Arctic Paper Group identifies the risk of a potential shortage of employees with specific competencies in the region and the low proportion of women in managerial positions, which the Group has addressed in the Diversity Policy of the Management Board and the Supervisory Board of Arctic Paper, aiming to have a proportion of women in the bodies of no less than 30%. This aspect will be taken into account in future recruitment processes.

[S1 SBM-3, 14, 15, 16] All persons who are owned employee resources of the Arctic Paper Group that may be materially affected by it are included in the scope of disclosure under ESRS 2. These material impacts and risks include impacts related to the Arctic Paper Group's own operations and value chain, including through its products or services and business relationships, to the extent that the Group has access to such information. The predominant group of employees significantly affected by the Group's activities are those employed directly by the Arctic Paper Group, mainly in production and operational areas, including sales, logistics, finance, HR, among others. The Group does little work with employees classified by the ESRS standard as non-owner employees. At the time of publication of this Statement, the Arctic Paper Group has not yet developed a Climate Change Mitigation Transition Plan and therefore cannot make a description of the material impact on employees that may result from transition plans to reduce adverse environmental impacts and achieve climate-neutral operations. In the course of the work on the double materiality analysis, the Arctic Paper Group did not identify the presence of material risks of forced or compulsory labour or child labour in its business or value chain.

S1-1 Policies related to own workforce

[S1-1, 21, AR12, MDR-P, 65] The Arctic Paper Group manages its material impacts and risks on its own employee resources based on the following policies:

- The Arctic Paper Group's Value Chain Code of Conduct contains the Arctic Paper Group's core principles of conduct, ethics and values such as compliance with the law, reporting of potential violations, respect for human rights including working conditions, health and safety rules, protection against discrimination, respect for the environment. The Code addresses the following important issues: job security, working time, adequate pay, social dialogue, health and safety at work, measures to prevent violence and harassment in the workplace, work-life balance;
- Diversity policy; Management Board and Supervisory Board members and employees (promotes openness to diversity and the provision of equal opportunities in recruitment and development, irrespective of characteristics such as, inter alia, age, gender, nationality, disability). The policy addresses the following important issues: training and skills development, diversity, gender equality and equal pay for work of equal value, employment and integration of people with disabilities;
- Remuneration policy for Management Board and Supervisory Board members (principles for the remuneration of top management employees in the Group, such as description of the components of remuneration for Management Board and Supervisory Board members, general principles for the award of variable remuneration for members of the Management Boards, prevention of conflicts of interest). In addition Arctic Paper Group entities have in place remuneration regulations in accordance with the legal provisions in force in a given country of specific entity;

- Sustainability Policy (explains the approach to managing sustainability topics in the Arctic Paper Group, including general principles for managing environmental, social and business impacts). It addresses the following material issues: health and safety at work, measures to prevent violence and harassment in the workplace;
- The Whistleblowing and Whistleblower Protection Policy describes the approach to business ethics and explains the ways and channels for whistleblowing. Addresses the following important issue: measures to prevent violence and harassment in the workplace.

The scope of the policies covers the operations of the Arctic Paper Group, excluding the Rottneros Group. The Group Management is responsible for implementing the provisions of the policies. The policies adopted do not refer to third-party standards or initiatives. In preparing the content of the documents, the interests and opinions of the Group's stakeholders were taken into account. The Group makes the regulations available by posting them on its website and on the internal communication channels of each organisational unit.

The Rottneros Group manages its material impacts and risks on its own workforce on the basis of the following policies:

- Code of Conduct (description of Rottneros's key principles and values, including diversity among employees). The Code addresses the following important issues: health and safety at work, gender equality and equal pay for work of equal value, employment and integration of people with disabilities, social dialogue;
- Sustainability policy (Rottneros's principles of environmental and social responsibility). The policy addresses the following important issues of training and skills development;
- Diversity policy of the Management Board (principles for maintaining diversity in the management and supervisory bodies). The policy addresses the following important issues gender equality and equal pay for work of equal value;
- The Whistleblowing and Whistleblower Protection Policy (anonymous whistleblowing). The policy addresses the following material issues: measures to prevent violence and harassment in the workplace;
- Working environment policy (concerning working conditions). The policy addresses the following material issues: health and safety, training and skills development,

Rottneros Group policies do not address the following important issues: job security, working time, adequate pay, work-life balance.

The scope of the policies covers the activities of the Rottneros Group. The Group Management is responsible for implementing the provisions of the policies. The policies adopted do not refer to third-party standards or initiatives. In preparing the content of the documents, the interests and opinions of the Group's stakeholders were taken into account. The Group makes the regulations available by posting them on its website and on the internal communication channels of each organisational unit.

[S1-1 19, 20] [MDR-P, 65] The Arctic Paper Group's commitment to respecting human rights is reflected throughout the Group's operations and business relationships. We develop and implement our policies and internal regulations while adhering to international standards and initiatives as well as local regulations, including but not limited to:

- UN Global Compact principles;
- OECD Guidelines for Multinational Enterprises;
- UN Guiding Principles on Business and Human Rights;
- UN Universal Declaration of Human Rights;
- Charter of Fundamental Rights of the European Union;
- International Labour Organisation Convention.

The Arctic Paper Group respects human rights, individual rights, and the dignity of employees and all third parties. The Arctic Paper Group Value Chain Code of Conduct is based on laws and good business practices, which means that any deviation from the principles described in this document may lead to both disciplinary action and legal action against violators. If an employee notices violations of the Code of Conduct or any other Arctic Paper Group policies, they must discuss their concerns with their superior or the relevant department within the company, i.e. the HR or legal department. If an employee does not feel comfortable reporting the above violations to a supervisor, they can use an anonymous whistleblowing service via a web form or dedicated phone line.

[S1-1, 22, 24] [AR 15, 16] The Arctic Paper Group's policies and internal regulations, and in particular the Arctic Paper Group Code of Conduct for the Value Chain, explicitly address the prohibition of human trafficking, forced or compulsory labour and child labour. The principles expressed in the Arctic Paper Group Code of Conduct for the value chain are intended to aim to eliminate discrimination (including harassment), promote equality of opportunity and otherwise enhance diversity and inclusion. Any discrimination on the basis of racial and ethnic origin, gender,

sexual orientation, gender identity, disability, age, religion, political opinion, national or social origin is stigmatised in the Arctic Paper Group's business and is not tolerated in our operations or those of our value chain entities.

[S1-1, 23] Each Arctic Paper Group organisational unit has implemented its own health and safety policy, supplemented by appropriate policies and procedures..

[S1-1, 24] The aforementioned regulations focus on the inclusion of all groups of employees, do not formulate specific inclusion obligations for people from vulnerable groups within their own workforce, and are implemented with respect for the principles of diversity and inclusion.

The Arctic Paper Group reviews all policies, rules and guidelines at least once every two years.

S1-2 Procedures for working with own workforce and workers' representatives on matters of impact

[S1-2 25, S1-4] The Arctic Paper Group actively and continuously engages and dialogues with its employees and their representatives through various communication channels. Employees have the opportunity to express their opinions and evaluations of the Group's activities by, among other things, participating in surveys, during periodic discussions with their superiors, by submitting proposals to the "Suggestion Boxes", or anonymously by using the whistleblowing service (whistleblower service). The Group assesses the effectiveness of cooperation with employees through periodic employee satisfaction surveys and through ongoing communication with employees.

[S1-2, 27a-27e, 28, AR18-24] The Arctic Paper Group has a European Works Council (EWC) that meets twice a year. The EWC covers all employees (excluding employees of Rottneros) in all EU and EEA member states. The EWC is committed to creating the conditions for greater employee participation among all Arctic Paper employees. Responsibility for organising and conducting employee engagement rests with the HR managers of each organisational unit. The Group Management Board, supported by the managers of the Group's various organisational divisions, is responsible for implementing the results and conclusions of the communication with employees.

S1-3 Processes for remediating the effects of adverse impacts and channels for raising concerns by own workforce.

[S1-3 32, 33] If an employee observes a violation of the Code of Conduct or other Arctic Paper Group policies and rules, he or she should discuss his or her concerns with his or her supervisor or the relevant department within the unit, e.g. HR or Legal. If an employee does not feel comfortable reporting the above violations to a supervisor, they can use the anonymous whistleblowing service. Through a publicly accessible whistleblowing system, via text or voice message, anyone can report suspected serious wrongdoing that is inconsistent with the Arctic Paper Group's values. Reports can be submitted in one of three languages (Polish, English and Swedish) at: [WhistleB. Whistleblower Centre](#).

At the same time, the Arctic Paper Group conducts outreach activities to disseminate knowledge and raise awareness among employees and contractors on the principles set out in the Whistleblowing and Whistleblower Protection Policy by providing information on whistleblower protection. Every report, signal from an employee is dealt with conscientiously and impartially.

All communications received are treated as fully confidential and those working on them shall be bound in writing to maintain confidentiality. The employees responsible for receiving and processing reports keep track of the inflow of applications by accessing the system. Receipt of the report is acknowledged within 7 days of receipt and processed within 3 months, and the whistleblower is then informed of the outcome.

The Arctic Paper Group, together with all of its units, is committed to preventing and responding to retaliation against whistleblowers including discrimination, mobbing and other undesirable behaviour in the work environment. The Arctic Paper Group briefed employees on the implementation of channels for reporting violations and conducted online training on reporting issues. The Arctic Paper Group has not assessed whether individuals within its own workforce are aware of and trust the presence of these structures or processes as a means of raising their concerns or needs and addressing them.

S1-4 Actions taken in relation to material impacts on own workforce and approaches applied to manage material risks and to seize material opportunities related to own workforce, as well as the effectiveness of those actions.

[S1-4, 37, 38, 40, AR 42] [MDR-A 68] The Management Board of the Arctic Paper Group and the managers of the Group's individual organisational units are responsible for taking action regarding material impacts on their own employee resources.

The actions taken in 2025 mainly address the identified adverse real-world impacts and risks in the areas of health and safety and diversity. For the other identified positive impacts, the Arctic Paper Group has continued with

its existing efforts, including offering competitive remuneration, offering employment with permanent contracts and ensuring a functioning whistleblowing channel.

WORKING TIME

In accordance with the applicable working time regulations and the Code of Conduct in the value chain, the Arctic Paper Group pays particular attention to compliance with the applicable working hours and minimizes the amount of overtime work, thus reducing the possibility of accidents caused by fatigue.

ADEQUATE PAY

The Arctic Paper Group awards salaries commensurate with the positions held and competencies held, in accordance with the Group's remuneration policies and regulations. When determining salaries, HR departments review the prevailing market rates for specific job categories and locations.

WORK-LIFE BALANCE

The Arctic Paper Group promotes the mental and physical well-being of its employees by subsidizing comprehensive healthcare, which includes co-financing tests as part of preventive programs, including cancer screenings. The Group offers hybrid work options for administrative employees living outside the locations where the Group's organizational units are located.

OCCUPATIONAL HEALTH AND SAFETY.

In order to prevent occupational safety hazards, the following actions are being taken throughout the reporting period to prevent accidents and incidents with the potential to result in actual adverse consequences:

Encouraging employees to report risky situations in order to identify and prevent potential hazards at production facilities:

Observation of potential risks by employees and reporting them to a common system to strengthen cooperation in risk mitigation across all Group production facilities (PIA system). In 2025, 1,035 observations were reported, each subject to root cause analysis. All risk observations are investigated and addressed (959 observations in 2024). The extent of action taken depends on the level of risk identified. This could be a minor adjustment to minimise risk or a more advanced action requiring an update of procedures;

Submission by employees of proposals to improve and serve to increase work safety to the "Suggestion Box" (122 safety proposals registered in 2025, 160 proposals in 2024), which are then analysed and approved for implementation by the managing directors of the various organisational units.

Take corrective action following reported risk situations to eliminate potential risks:

Meeting targets arising from identified potential safety risks – in 2025 50 safety-related improvements were implemented at Arctic Paper Kostrzyn (61 in 2024); 470 corrective actions were implemented at Arctic Paper Munkedals (204 in 2024) and 270 at Arctic Paper Grycksbo (610 in 2024);

Updating safety procedures – regular reviews of existing safety procedures take place at all Group production facilities and updates are made where necessary; a new fire prevention procedure has been implemented at Arctic Paper Grycksbo – management or designated personnel are required to check fire safety equipment and assess risk areas four times a year, and report deficiencies and take action where necessary; in addition, a management "walk-through" has been carried out to encourage employees to pay more attention to and improve safety issues in the organisation.

Safety training for employees:

The Values-Based Leadership programme for managers covered issues related to creating a safety culture in Group companies;

At Arctic Paper Kostrzyn, safety and fire protection training was conducted for all employees in the production area, as well as competency-enhancing training for the company's paramedics; emergency drills were conducted for employees; and an instructional video on safety in the factory area was prepared for new employees and visitors;

At Arctic Paper Grycksbo, in addition to standard training, training was provided on topics such as fire and safety hazards and CPR;

At Arctic Paper Munkedals, as part of a programme to develop safety competencies in selected positions including electricians, technicians, maintenance workers, machine operators and maintenance supervisors, Lock Out Tag Out (LOTO) training was provided teaching how to safely cut off, lock out and tag out energy sources before servicing machinery. As part of this training, workers practised how to avoid accidents by physically securing and marking equipment, preventing it from accidentally starting up during repairs or maintenance.

DIVERSITY AND EMPLOYMENT STRUCTURE

Activities to activate and encourage younger people and women to apply for positions in the organisation to mitigate the risk of underemployment, increasing employee turnover and lower diversity in the workforce – for example, at Rottneros companies, all applicants are invited to job interviews.

Competence mapping and structured development of competences as part of succession planning for individual posts.

Participation in local job fairs as well as events organised by schools and colleges. The organisation of open days in the Kostrzyn factory for school pupils, presentations in schools and the organisation of traineeships in the factory. The activities undertaken have resulted in the employment of women in management positions in areas such as IT, maintenance.

Arctic Paper Kostrzyn promotes employee referral program that encourages and rewards current employees who will recruit new employees.

TRAINING AND SKILLS DEVELOPMENT

The Group responds to the training needs of its employees by providing comprehensive training and development opportunities through access to training.

FAVORABLE WORKING CONDITIONS FOR PEOPLE WITH DISABILITIES

Due to its operational profile involving the production of paper and pulp, the Arctic Paper Group has limited opportunities to offer employment to people with disabilities. As part of the recruitment process for administrative positions, hybrid or remote work options are offered, thus meeting the needs of people with disabilities.

[S1-4 38 43, AR 38, 39] The effectiveness of the measures is monitored through engagement and dialogue with employees, e.g. through surveys, periodic interviews. None of the activities listed entail plans that would require significant investment or operational expenditure.

[S1-4, AR 43] As at the date of publication of the Sustainability Statement, the Arctic Paper Group has not yet developed a climate transition plan and, therefore, is not able to describe measures taken to mitigate any adverse impacts that may arise from transition plans aimed at reducing adverse environmental impacts and achieving greener and climate-neutral operations on its own workforce.

S1-5 Targets for managing material adverse impacts, enhancing positive impacts and managing material risks and opportunities

DIVERSITY

[S1-5 46] [MDR-T 80] In the Management and Supervisory Board Diversity Policy adopted in 2021, the Arctic Paper Group committed to strive to achieve and maintain the proportion of women on the Group's Management and Supervisory Boards at no less than 30% and to take this aspect into account in future recruitment processes. From 2022 the Arctic Paper Group has met this target and it is monitored at the end of each reporting period. At the end of 2025, the ratio was 30%, as in 2024.

The proportion of women in management positions was calculated on the basis of the number of all members of the Management Board, Supervisory Board and management team.

NUMBER OF ACCIDENTS AT WORK

The Arctic Paper Group (excluding Rottneros) has set an accident frequency rate target (Lost Time Injury Rate "LTIR" per million working hours) of less than 4 in 2021 with a time horizon of 2025. This objective was monitored on an ongoing basis when each accident event in the Group was recorded. The Arctic Paper Group will develop an updated target for this area in the next reporting period.

[MDR-T 81] For the remaining identified material impacts and risks, the Arctic Paper Group has not introduced additional targets to manage them.

The Arctic Paper Group will consider introducing the above targets as shared between Arctic Paper and Rottneros in future years.

Own workforce or workers' representatives were not directly involved in setting targets.

S1-6 Characteristics of the undertaking's employees

[S1-6, 50] The majority of the Arctic Paper Group's own employees are employed under a contract of employment for an indefinite period. Fixed-term contracts are usually used during the probationary period of employment. Most of the Arctic Paper Group's own employees are employed full-time.

Table – employment information by gender

Gender	Number of employees in 2025	Number of employees in 2024
Men	1,122	1,198
Women	377	386
Other	0	0
Not reported	0	0
Total employees	1,499	1,584

Table – number of employees in countries where the company has at least 50 employees, representing at least 10% of its total workforce.

Country	Number of employees in 2025	Number of employees in 2024
Sweden	941	1,045
Poland	520	500
Other	38	39
Total	1,499	1,584

The number of employees is given in terms of persons. Data on the number of employees is given as at the end of the reporting period, including those employed as replacements. The number of employees stated is consistent with the data presented in the financial statements.

In 2025, the number of employees in the Arctic Paper Group decreased by approx. 5% compared to the previous year, mainly due to employee reductions at the Rottneros companies.

Table – information on employees by type of employment contract and working hours, broken down by gender [S1-6, 50b, AR55]

Category	Reporting period	Women	Men	Other	Not disclosed	Total
Number of employees	2025	377	1,122	0	0	1,499
	2024	386	1,198	0	0	1,584
Number of permanent employees	2025	363	1,096	0	0	1,459
	2024	349	1,099	0	0	1,448
Number of temporary employees	2025	14	26	0	0	40
	2024	37	88	0	0	125
Number of employees not guaranteed working hours	2025	0	0	0	0	0
	2024	0	11	0	0	11
Number of full-time employees	2025	374	1,114	0	0	1,488
	2024	383	1,182	0	0	1,565
Number of part-time employees	2025	3	8	0	0	11
	2024	3	16	0	0	19

Table – total number of employees who left the company during the reporting period and employee turnover rate [S1-6, 50c, AR59].

Departures/turnover	2025	2024
Number of employees who left	145	144
Turnover rate	9.67%	9.1%
Turnover rate = (number of employees who left/ number of employees as at 31 December of the year in question) x 100%		

S1-9 Diversity metrics

[S1-9, AR71] The diversity of our workforce is one of the factors contributing to the development of our organisation. Different professional experience or backgrounds encourage the exchange of ideas that can contribute to the improvement of our organisation.

The Arctic Paper Group includes in the definition of the category of top-level employees the members of the Management Board (3 persons) and the members of the advisory team of the Management Board of the Arctic Paper Group (7 persons, including 3 members of the Management Board).

Table – [S1-9, 66a, 66b]

Category	Reporting period	Women	Men
Number of employees (number of persons) at top management level	2025	1	6
	2024	1	6
Percentage of employees at top management level	2025	0.27%	0.53%
	2024	0.26%	0.50%
Number of workers (persons) under 30 years of age	2025	52	153
Percentage of workers under 30 years of age		13.79%	13.64%
Number of employees (number of people) aged between 30 and 50		194	523
Percentage of employees aged between 30 and 50		51.46%	46.61%
Number of employees (number of people) aged over 50		131	446
Percentage of employees aged over 50		34.7%	39.8%
Total employees		377	1122
Number of workers (persons) under 30 years of age	2024	51	166
Percentage of workers under 30 years of age		13.21%	13.86%
Number of employees (number of people) aged between 30 and 50		204	533
Percentage of employees aged between 30 and 50		52.85%	44.49%
Number of employees (number of people) aged over 50		131	499
Percentage of employees aged over 50		33.9%	41.7%
Total employees		386	1198

S1-10 Adequate wage

[S1-10, 69] All Arctic Paper Group employees, regardless of geographic location of employment, receive adequate wages. An adequate wage is a wage that ensures that the needs of the worker and his or her family are met in the light of national economic and social conditions.

S1-14 Health and safety metrics

[S1-14 88, AR 89-91] The Arctic Paper Group is pursuing a systemic approach to safety. We train our employees every year and ensure that our management is well prepared to deal with emergencies in this area. We have implemented programmes for risk assessment and reporting.

100% of the Arctic Paper Group's own employees are covered by a health and safety management system based on legal requirements and/or recognised standards or guidelines.

The most important tool for enhancing safety is the risk assessment carried out before the start-up of any new machine or the implementation of a new working method.

If systemic problems are detected during the production process, we introduce targeted, continuous action plans. In addition, trained rescue teams are in place at all our production facilities. We aim to minimise the number of light and serious accidents at workplaces. Our paper mills have an occupational health service, as well as rescue teams trained to respond to emergencies. Some of our employees also belong to local fire departments, where they have been trained to respond to internal and external incidents and accidents. We carefully analyse all health and safety incidents raised by our employees, and take actions to avoid serious consequences in the future.

In 2025, in spite of the preventive actions implemented, such as observing risk behaviour, monitoring it and introducing corrective actions (described in S1-4), the number of accidents has increased. Injuries occur mainly due to human error. Therefore, it is very important to change behaviour and create a culture of a safe workplace and to create awareness among workers about possible hazards at production facilities.

	2025	2024
Accidents and injuries among workers		
Minor	40	32
Severe	2	2
Fatal	0	0
Total	42	34
Accidents and injuries among employees of subcontractors working on company premises		
Minor	6	6
Severe	0	0
Fatal	0	0
Total	6	6

[S1-14, 88c, AR 89-91] The Lost Time Injury Rate (LTIR) for own employees in 2025 was 17.07, an increase compared to 14.7 in 2024. The Lost Time Injury Rate (LTIR) is the number of lost time accidents per million hours worked.

In order to improve internal risk monitoring, we use an additional classification of accidents distinguishing two categories:

- Light accidents: Minor accidents: work-related incidents that did not result in temporary incapacity for work or resulted in sick leave lasting up to 7 calendar days.
- Serious accidents: work-related incidents resulting in sick leave lasting more than 7 calendar days or leading to permanent disability.

This classification is in addition to our standard reporting of lost time injuries (LTIs), which are defined as any work-related injury that results in an employee being unable to return to work the day after the incident, according to international standards such as ILO guidelines.

By integrating this approach, we aim to go beyond compliance and continuously improve health and safety at all operational levels.

S1-16 Remuneration metrics (pay gap and total remuneration)

The Arctic Paper Group remunerates employees according to their position, qualifications, experience and performance, regardless of diversity factors.

	2025	2024	
Average level of gross hourly pay for men	PLN 134	PLN 130	S1-16, 97a, AR 98 – AR 100
average level of gross hourly pay for women	PLN 116.9	PLN 121	S1-16, 97a, AR 98 – AR 100
Gender pay gap – the pay gap	13%	7%	S1-16, 97a, AR 98 – AR 100
Ratio of top earner's salary to median salary	17.81	10.48	S1-16, 97b, AR 101 – AR 102

THE WAGE GAP WAS CALCULATED USING THE FORMULA:

$((\text{Average level of gross hourly wage of male employees} - \text{average level of gross hourly wage of female employees}) / \text{Average level of gross hourly wage of male employees}) * 100$.

The calculation takes into account average salary levels for men and women across the Arctic Paper Group.

The following factors have contributed to the increase in the wage gap in 2025:

- the start of the employment of women in lower positions in the packaging production company in Poland, Kostrzyn Packaging;
- resignations of women in senior positions;
- use of the benchmark in the calculation for sales organisation positions for 2024.

RATIO OF TOP EARNER'S SALARY TO MEDIAN SALARY

Calculated as: Annual total remuneration of the highest paid person in the Arctic Paper Group divided by median annual total employee remuneration (excluding the highest paid person).

In calculating the remuneration ratio, all employees were taken into account, regardless of the geographical location of the individual units in the Arctic Paper Group where the employees are employed.

In order to determine the top earner, all salaries for the reporting period were reviewed. The full gross salaries of the top earner, including base salary, bonuses and taxed benefits (such as car allowance) paid during the reporting period were analysed.

The median salary was calculated based on the sum of the products of the hourly rate, the number of hours per month and the number of months.

For Rottneros Latvia and the Arctic Paper sales organisations, available estimated data and market benchmarks were used to calculate the median of total remuneration.

Remuneration values expressed in currencies other than PLN have been converted using the exchange rate adopted in the balance sheet section of the financial statements.

S1-17 Incidents, complaints and serious impact on respect for human rights

In 2025, the Arctic Paper Group reported no incidents, labour-related complaints or serious human rights impacts among its employees. The Arctic Paper Group was not a party to the proceedings in this regard.

	2025	2024
Number of cases of discrimination	0	0
Number of complaints made through channels to own employees to express concerns	0	5
Number of complaints submitted to OECD National Contact Points for Multinational Enterprises	0	0
Number of serious human rights problems and incidents related to own workforce	0	0
Number of serious human rights issues and incidents related to own workforce that constitute non-compliance with the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises	0	0
Number of serious human rights cases in which the company secured remedies for those affected	0	0
Amount of significant fines, penalties and compensation for serious human rights issues and incidents related to own workforce	0	0
Amount of material penalties, fines and reparations for damage caused by infringements of social and human rights factors	0	0

ESRS G1 Business conduct

The material impacts and opportunities described in terms of business conduct are linked to the Arctic Paper Group's business model through the Group's ethics and values, which shape the way employees are managed and the relationships with suppliers. A strong ethical culture and applicable codes of conduct support the selection of partners that meet high ethical standards, the building of lasting relationships based on trust, the stable development of the company and its competitive market position. An effective whistleblowing system and whistleblower protection throughout the value chain ensures regulatory compliance and supports risk management.

G1-1 Business conduct policies and corporate culture

[G1-1, 7, 9] [MDR-P 65] We conduct our business in a stable, long-term and trustworthy manner, building on established and trusted relationships with our stakeholders. Our core values include:

Transparency – We operate steadily, transparently and openly, following a long-term plan for how we operate, how we think and how others perceive us. We ensure transparency across all our business operations are transparent – from sustainable sourcing, the production and delivery of our products, to the communication of our results to external stakeholders.

High-quality products and services – The Arctic Paper Group offers products and services that meet specific quality requirements. These enable the implementation of client projects, including those with increased technical requirements, using available technologies and operational solutions.

Respect for natural resources – We protect natural resources and continuously strive to create a healthy balance between stakeholder needs, production and operational activities.

The Arctic Paper Group's principles and values are outlined in the Code of Conduct in the value chain, which applies to every stakeholder in the Group and all areas of its operations. It commits the entire Group and its employees to ethical conduct as well as to acting in full compliance with the laws and regulations applicable to the Group's operations. Policies that complement the provisions of the Code ensure that the principles material to the Group are duly understood and adhered to.

The Arctic Paper Group's policies on business conduct:

- The Arctic Paper Group Value Chain Code of Conduct – sets out the Arctic Paper Group's core principles of conduct, ethics and values that apply to all employees, suppliers and associates of the Group;
- Sustainability Policy – sets out the general principles for approaching ESG issues;
- The Whistleblowing and Whistleblower Protection Policy – sets out the rules for reporting violations, dealing with them and providing protection for whistleblowers.

Policies in place at Rottneros Group:

- Code of Conduct – sets out the basic principles of conduct, ethics and values;
- Anti-corruption and anti-competition policy – sets out rules related to the prevention of corruption and promotes the principles of fair competition;
- The Whistleblowing and Whistleblower Protection Policy – sets out the rules for reporting violations, dealing with them and providing protection for whistleblowers.

These policies address the important topic of corporate culture. They affect the entire value chain. They have been adopted by the Management Board of the Group and they are responsible for their implementation. The contents of the documents are available on the Group's website. In addition, the Group expects suppliers and third parties to sign the "Declaration of Suppliers and Third Parties on Acceptance of and Compliance with the Arctic Paper Group Code of Conduct".

[G1-1 7] We develop and implement our policies and internal regulations in accordance with international standards and initiatives, as well as local regulations, including but not limited to:

- UN Global Compact principles;
- United Nations Convention against Corruption (UNCAC);
- OECD Guidelines for Multinational Enterprises;
- UN Guiding Principles on Business and Human Rights;
- UN Universal Declaration of Human Rights;
- Charter of Fundamental Rights of the European Union;
- International Labour Organisation Convention.

Every manager, employee and collaborator, as well as suppliers and other third parties working with the Arctic Paper Group should be familiar with, understand, and adhere to the Arctic Paper Group Code of Conduct, as well as similar regulations applicable within the Rottneros Group and other applicable regulations. Issues arising in connection with the implementation of policies, as well as any comments or suggestions for improvements, must be

reported to the Management Board of the Arctic Paper Group and the Management Board of the Rottneros Group, whose responsibility is to monitor the functioning of corporate regulations in practice.

[G1-1 10a, 10e] Complaints regarding violations of the Code of Conduct and other regulations applicable to both groups may be made directly to the Management Board of the Arctic Paper Group or the Management Board of the Rottneros Group by all current and potential shareholders, customers, suppliers, contractors, as well as all employees and managers of the company. All received complaints will be treated confidentially. The Management Board of the Arctic Paper Group does not tolerate any illegal or unethical activities. Any violation of the Code of Conduct may be punishable by disciplinary action.

[G1-1 10g] At the Arctic Paper Group, we are committed to ensuring that all our employees know and respect the provisions of the Code of Conduct and other policies. To this end, nano-learning in the form of online training on business ethics, among other topics, is provided to all employees. The Group provides voluntary access to training by making computers available, which can also be used by employees in the production areas. It mainly covers the topics of corruption and bribery, including how to recognise corrupt behaviour and how to behave in such situations, along with information on how to report and how to respond to such situations. The Arctic Paper Group does not have a training policy document and implements training based on current training plans and needs.

[G1-1 10h] The most vulnerable to incidents of corruption or bribery are employees involved in purchasing processes.

BREACH REPORTING AND WHISTLEBLOWER PROTECTION

The Arctic Paper Group strives to maintain openness in its business operations and a high level of business ethics by encouraging the reporting of any irregularities, abuses, and breaches of law, ethics, or internal company regulations through the provision of various anonymous communication channels.

[G1-1 11] Under current legislation, the Arctic Paper Group is subject to legal requirements for whistleblower protection and is required to provide stakeholders with channels to report violations of the law while ensuring whistleblower protection. The existing Whistleblowing and Whistleblower Protection Policy is designed to enable frank dialogue, without fear of potential retaliation. Unfavourable treatment or other retaliation for making an internal or external report is not permitted under applicable law.

The Arctic Paper Group Code of Conduct in the value chain also commits the entire Group to preventing and responding to retaliatory actions against whistleblowers including discrimination, mobbing and other undesirable behaviour in the workplace. In addition, the Arctic Paper Group implements an informational policy aimed at spreading knowledge and raising awareness among employees and contractors regarding the principles set out in the Policy.

Every manager, employee, collaborator, and any person representing the Arctic Paper Group, as well as suppliers and other third parties working with the Arctic Paper Group, should be familiar with, understand, and adhere to the Arctic Paper Group Code of Conduct. Problems arising in connection with the implementation of the Code, any comments, complaints relating to violations or suggestions for improvement may be reported directly to the Management Board of the Arctic Paper Group. It is the responsibility of the Management Board to monitor the operation of the Code of Conduct in practice and all complaints received are treated confidentially and with due attention.

[G1-1 10c] In the event of a suspected or apparent violation of the Code of Conduct or other Arctic Paper Group policies, employees are required to report it to their superiors or to HR or Legal. Both internal and external reports can be made through the publicly available WhistleB platform, which is run by third-party provider Navex Global. The platform guarantees the anonymity of reported cases and is available in several languages to ensure that stakeholders have the widest possible access to this service. Whistleblower reports are anonymised.

[G1-1 10a] All violations are handled with due care and include taking all necessary actions to clarify the report. Employees who act unethically or who breach the Code of Conduct or internal regulations of the Arctic Paper Group or the Rottneros Group may be subject to disciplinary action. Depending on the circumstances and facts, such conduct may lead to the termination of cooperation.

The Whistleblowing and Whistleblower Protection Policy requires the Management Board to appoint members to the Whistleblowing Team. It is an impartial internal unit tasked with follow-up, including verification of the internal report and further communication with the whistleblower. In addition, direct supervisors are obliged to inform subordinate employees of the irregularity. Members of the Whistleblowing Team are subject to annual training on whistleblowing management. The members of the Whistleblowing Teams in the various organisational units of the group are individuals in the roles of HR directors and managers, legal and sustainability managers.

After the initial investigation of the case, the Team may decide whether to accept or reject the report. The application process is conducted with confidentiality and impartiality, carefully listening to the parties involved. The results of the ongoing investigation are presented in the form of a report. Proposals for further actions, including corrective and preventive actions, are also prepared alongside the report. If deemed appropriate, changes to internal operating procedures may be implemented.

Business conduct-related activities and objectives

[G1-1 MDR-A 68] Business conduct activities that have been undertaken in the Arctic Paper Group include:

- promoting adherence to the Value Chain Code of Conduct among Arctic Paper employees and suppliers;
- conducting compliance and anti-corruption training.

These activities have not required significant funding and are ongoing. a

[G1-1 MDR-T] The Arctic Paper Group has not set measurable targets related to business conduct.

Considering the results of the double materiality analysis regarding business conduct, the Group has not identified any such need. The Group regularly monitors the registers maintained by the OECD National Contact Points on Responsible Business for notifications that may relate to its activities and the number of prosecutions or penalties issued in cases involving, inter alia, unfair business practices, unfair competition, non-compliance with human rights, including in the supply chain, corruption or bribery.

G1-3 Prevention and detection of corruption and bribery.

[G1-3 18a] [AR5, AR6, AR7, AR8] In line with the Arctic Paper Group Code of Conduct for the Value Chain, any form of corruption, bribery or anti-competitive activities are not subject to any tolerance. Neither the Arctic Paper Group as a whole nor any person representing the Group (including third parties) are allowed to participate in or support any corrupt practices. Employees are required to report any suspicions or signs of corruption to their superiors, directly to members of the Management Board or through available whistleblowing channels.

The most vulnerable to incidents of corruption or bribery are employees involved in purchasing processes.

Therefore, to minimise the risk of corruption or bribery, a multi-step approach to purchasing has been developed under the P06 procedure based on the ISO 9000 standard. All decisions made in the purchasing process are based on the agreement of a dedicated group of people, not making the final decision dependent on one person.

As all decisions made during this process are never dependent on a single person, the risk of corruption is reduced. For large investment projects, decisions regarding investment purchases are made by a dedicated committee, and we are considering extending this practice to other large purchases. The logistics department has a similar procurement system. The price lists are approved by our management and then passed on to our sales team members. On the other hand, bonuses to members of the sales team are not tied exclusively to their individual sales performance, but also to the overall financial performance of the company. We offer our clients bonuses for six-month and annual periods, but these are linked to sales volumes, the ranges of which are carefully monitored. Arctic Paper does not offer other types of bonuses (for example in-kind) to clients.

[G1-3 18b, 18c.] There are no separate investigative committees specifically dedicated to preventing and detecting corruption or bribery in the Arctic Paper Group. Incidents or suspected corruption can also be reported by external stakeholders through the WhistleB whistleblower platform. Reports are handled by the Whistleblowing Team and other units within the company, if necessary, to ensure that those responsible for the investigation are separate from the management structures involved.

[G1-3, 20] Arctic Paper's Value Chain Code of Conduct and the analogous regulation in place at Rottneros are publicly available documents, in addition also made available on the Group's internal information channels.

[G1-3 21, AR 8] Members of management and supervisory bodies are not provided with additional training on corruption beyond the publicly available training designed for all employees.

Information on how policies are communicated to those to whom they are material (prevention and detection of corruption or bribery)

	Functions at risk	Managers	Administrative, management and supervisory bodies	Other employees and collaborators (contract of employment/B2B, contract of mandate, etc.)	
Reporting period 2025					
Total number of people at risk of corruption	62	16	33		13
Percentage of functions at risk covered by training programmes					79%
Number of people at risk of corruption and trained to deal with it	49	13	24		12
Reporting period 2024					
Total number of people at risk of corruption	66	15	40		11
Percentage of functions at risk covered by training programmes					94%
Number of people at risk of corruption and trained to deal with it	62	15	37		10

Delivery method and duration of training

Work shops		NO	NO	NO	NO
Online		NO	NO	NO	NO
Training platform		YES	YES	YES	YES

Topics covered

Definition of corruption		YES	YES	YES	YES
Suspicion/detection procedures		YES	YES	YES	YES
Policy		YES	YES	YES	YES
Frequency		Once a year	Once a year	Once a year	Once a year

Data comes from the Group's training system, not validated by an external body other than the assurance provider

G1-4 Incidents of corruption or bribery

[G1-4, 24a, 24b] No cases of corruption or bribery were identified in the current reporting year.

	2024	2025
Number of convictions for violations of anti-corruption laws	0	0
Level of fines for violations of anti-corruption legislation	0	0
Incidents	0	0

The data comes from the Group's records and has not been validated by an external body other than the assurance provider.

[IRO-2.56, AR19] Index of disclosure requirements met in preparing the sustainability statement

Number and title of the Standard	ESRS number	Name of disclosure	Page in the report
ESRS 2 General disclosures	BP-1	General basis for making sustainability statements	59
	BP-2	Disclosure of information in relation to specific circumstances	59
	GOV-1	Role of administrative, management and supervisory bodies (including G1.GOV-1).	61
	GOV-2	Information provided to the undertaking's administrative, management and supervisory bodies and the sustainability issues they undertake	68
	GOV-3	Inclusion of sustainability-related outcomes in incentive schemes (including E1.GOV-3).	69
	GOV-4	Due diligence statement	69
	GOV-5	Risk management and internal controls over sustainability reporting	70
	SBM-1	Strategy, business model and value chain	71
	SBM-2	Stakeholder interests and opinions (including S1-S3.SBM-2).	76
	SBM-3	Important impacts, risks and opportunities and their interrelationship with the strategy and with the business model (including E1.SBM-3, E4.SBM-3, S1-S3.SBM.3).	84
	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities (including E1-E5.IRO-1 and G1.IRO-1).	77
	IRO-2	ESRS Disclosure Requirements covered by the undertaking's sustainability statement	83
	MDR-P	Policies adopted to manage material sustainability issues	
	MDR-A	Actions and resources related to material sustainability issues	
	MDR-M	Metrics related to material sustainability issues	
MDR-T	Monitoring the effectiveness of policies and actions using targets		
ESRS E1 Climate change	E1-1	Transition plan for climate change mitigation	96
	E1-2	Policies related to climate change mitigation and adaptation	96
	E1-3	Actions and resources related to climate policy	97
	E1-4	Climate change mitigation and adaptation objectives	99
	E1-5	Energy consumption and the energy mix	101
	E1-6	Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions	102
	E1-7	GHG removal and mitigation projects financed through carbon credits	106
	E1-8	Internal carbon pricing	106
ESRS E2 Pollution	E2-1	Policies related to pollution	107
	E2-2	Pollution-related activities and resources	107
	E2-3	Targets related to pollution	108
	E2-4	Pollution of air, water and soil	108
	E2-5	Substances of concern and substances of very high concern	110
ESRS E3 Water and	E3-1	Policies related to water and marine resources	113

Number and title of the Standard	ESRS number	Name of disclosure	Page in the report
marine resources	E3-2	Actions and resources related to water and marine resources	113
	E3-3	Targets related to water and marine resources	113
	E3-4	Water consumption	113
ESRS E5 Resource use and the circular economy	E5-1	Policies related to resource use and circular economy	115
	E5-2	Actions and resources related to resource use and circular economy	116
	E5-3	Targets related to resource use and circular economy	116
	E5-4	Resources introduced	117
	E5-5	Resources discharged	117
ESRS S1 Own workforce	S1-1	Policies related to own workforce	136
	S1-2	Procedures for working with own workforce and workers' representatives on matters of impacts	138
	S1-3	Processes for remediating the effects of adverse impacts and channels for raising concerns by own workforce	138
	S1-4	Addressing the material impacts on its own workforce and applying approaches to manage material risks and opportunities related to its own workforce and the effectiveness of these actions	138
	S1-5	Targets for managing material adverse impacts, enhancing positive impacts and managing material risks and opportunities	140
	S1-6	Characteristics of the undertaking's employees	140
	S1-9	Diversity metrics	142
	S1-10	Adequate wage	143
	S1-14	Health and safety metrics	143
	S1-16	Remuneration metrics (pay gap and total remuneration)	144
S1-17	Incidents, complaints and serious impacts on respect for human rights	144	
ESRS G1 Business conduct	G1-1	Business conduct policies and corporate culture	146
	G1-3	Prevention and detection of corruption and bribery	148
	G1-4	Incidents of corruption or bribery	149

The following is an index of all data points derived from other EU legislation used in this Sustainability Statement, based on ESRS 2 Appendix B.

Disclosure requirement and associated data point	Reference to the regulation on disclosure of information relating to sustainable development in the financial services sector	Reference to the third pillar	Reference to the Reference Indicators Regulation	Reference to European climate law	MATERIAL TOPIC / NOT MATERIAL TOPIC	PAGE IN THE STATEMENT
ESRS 2 GOV-1 Gender diversity of board members para. 21(d)	Indicator No 13 in Table 1 in Annex I		Annex II of Commission Delegated Regulation (EU) 2020/1816 (5)		Material	61
ESRS 2 GOV-1 Percentage of body members that are independent para. 21(e)			Annex II of Delegated Regulation (EU) 2020/1816		Material	61
ESRS 2 GOV-4 Due diligence statement para. 30	Indicator No 10 in Table 3 in Annex I				Material	70
ESRS 2 SBM-1 Participation in fossil fuel activities para. 40(d)(i)	Indicator No 4 in Table 1 in Annex I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6), Table 1: Qualitative information on environmental risks and Table 2: Qualitative information on social risks	Annex II of Delegated Regulation (EU) 2020/1816		Not material	
ESRS 2 SBM-1 Participation in chemical production activities para. 40(d)(ii)	Indicator No 9 in Table 2 in Annex I		Annex II of Delegated Regulation (EU) 2020/1816		Material	76
ESRS 2 SBM-1 Participation in controversial weapons activities para. 40(d)(iii)	Indicator No 14 in Table 1 in Annex I		Article 12(1) of Delegated Regulation (EU) 2020/1818 (7), Annex II of Delegated Regulation (EU) 2020/1816		Not material	
ESRS 2 SBM-1 Participation in tobacco cultivation and production activities para. 40(d)(iv)			Article 12(1) of Delegated Regulation (EU) 2020/1818, Annex II of Delegated Regulation (EU) 2020/1816		Not material	
ESRS E1-1 Transition plan to achieve climate neutrality by 2050 para. 14				Article 2(1) of Regulation (EU) 2021/1119	Material	96
ESRS E1-1 Units excluded from the scope of the Paris Agreement-adapted benchmarks para. 16(g)		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1: Banking portfolio – Climate change transition risk: credit quality of exposures by sector, emission and residual maturity	Article 12(1)(d) to (g) and 12(2) of Delegated Regulation (EU) 2020/1818		Not material	

Disclosure requirement and associated data point	Reference to the regulation on disclosure of information relating to sustainable development in the financial services sector	Reference to the third pillar	Reference to the Reference Indicators Regulation	Reference to European climate law	MATERIAL TOPIC / NOT MATERIAL TOPIC	PAGE IN THE STATEMENT
ESRS E1-4 GHG emission reduction targets para. 34	Indicator No 4 in Table 2 in Annex I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking portfolio – Transition risks associated with climate change: metrics of adaptation	Article 6 of Delegated Regulation (EU) 2020/1818		Material	99
ESRS E1-5 Fossil energy consumption disaggregated by source (only for sectors with material climate impacts) para. 38	Indicator No 5 in Table 1 and Indicator No 5 in Table 2 in Annex I				Not material	
ESRS E1-5 Energy consumption and the energy mix para. 37	Indicator No 5 in Table 1 in Annex I				Material	101
ESRS E1-5 Energy intensity linked to activities undertaken in sectors with material climate impact para. 40-43	Indicator No 6 in Table 1 in Annex I				Material	101
ESRS E1-6 Scope 1, 2, 3 gross GHG emissions and total GHG emissions para. 44	Indicators 1 and 2 in Table 1 in Annex I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1: Banking portfolio – Climate change transition risk: credit quality of exposures by sector, emission and residual maturity	Article 5(1), Article 6 and Article 8(1) of Delegated Regulation (EU) 2020/1818		Material	102
ESRS E1-6 Gross GHG intensity para. 53-55	Indicator No 3 in Table 1 in Annex I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking portfolio – Transition risks associated with climate change: metrics of adaptation	Article 8(1) of Delegated Regulation (EU) 2020/1818		Material	106
ESRS E1-7 GHG removal and carbon credits para. 56				Article 2(1) of Regulation (EU) 2021/1119	Not material	
ESRS E1-9 Reference portfolio exposure to physical climate-related risks para. 66			Annex II to Delegated Regulation (EU) 2020/1818, Annex II to Delegated Regulation (EU) 2020/1816		Not material	

Disclosure requirement and associated data point	Reference to the regulation on disclosure of information relating to sustainable development in the financial services sector	Reference to the third pillar	Reference to the Reference Indicators Regulation	Reference to European climate law	MATERIAL TOPIC / NOT MATERIAL TOPIC	PAGE IN THE STATEMENT
ESRS E1-9 Disaggregation of monetary amounts according to sudden and prolonged physical risk paragraph 66(a) ESRS E1-9 Location of significant assets with material physical risk para. 66(c) Article		449a of Regulation (EU) No 575/2013; para. 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Model 5: Banking portfolio – Physical risk related to climate change: exposures subject to physical risk.			Not material	
ESRS E1-9 Breakdown of the book value of property by energy efficiency class para. 67(c)		Article 449a of Regulation (EU) No 575/2013; para. 34 of Commission Implementing Regulation (EU) 2022/2453; Model 2: Banking portfolio – Climate change transition risk: loans secured by real estate – energy efficiency of collateral			Not material	
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities para. 69			Annex II of Delegated Regulation (EU) 2020/1818		Not material	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR (European Pollutant Release and Transfer Register) Regulation emitted to air, water and land, para. 28	Indicator No 8 in Annex I Table 1, indicator No 2 in Annex I Table 2, indicator No 1 in Annex I Table 2 and indicator No 3 in Annex I Table 2				Material	108
ESRS E3-1 Water and marine resources para. 9	Indicator No 7 in Table 2 in Annex I				Material	113
ESRS E3-1 Special policy para. 13	Indicator No 8 in Table 2 in Annex I				Not material	
ESRS E3-1 Sustainable seas and oceans practices para. 14	Indicator No 12 in Table 2 in Annex I				Not material	
ESRS E3-4 Total amount of water recycled and reused para. 28(c)	Indicator No 6.2 in Table 2 in Annex I				Material	113
ESRS E3-4 Total water consumption in m3 per net income from own operations para. 29	Indicator No 6.1 in Table 2 in Annex I				Material	113

Disclosure requirement and associated data point	Reference to the regulation on disclosure of information relating to sustainable development in the financial services sector	Reference to the third pillar	Reference to the Reference Indicators Regulation	Reference to European climate law	MATERIAL TOPIC / NOT MATERIAL TOPIC	PAGE IN THE STATEMENT
ESRS 2 SBM 3-E4 para. (16)(a)(i)	Indicator No 7 in Table 1 in Annex I				Material(Quick fix)	
ESRS 2 SBM 3-E4 para. 16(b)	Indicator No 10 in Table 2 in Annex I				Material(Quick fix)	
ESRS 2 SBM 3-E4 para. 16(c)	Indicator No 14 in Table 2 in Annex I				Material(Quick fix)	
ESRS E4-2 Sustainable land/agriculture practices or policies para. 24(b).	Indicator No 11 in Table 2 in Annex I				Material(Quick fix)	
ESRS E4-2 Sustainable ocean/sea practices or policies para. 24(c)	Indicator No 12 in Table 2 in Annex I				Material(Quick fix)	
ESRS E4-2 Policies to tackle deforestation para. 24(d)	Indicator No 15 in Table 2 in Annex I				Material(Quick fix)	
ESRS E5-5 Non-recycled waste para. 37(d)	Indicator No 13 in Table 2 in Annex I				Material	117
ESRS E5-5 Hazardous waste and radioactive waste para. 39	Indicator No 9 in Table 1 in Annex I				Material	117
ESRS 2 SBM-3-S1 Risk of incidents of forced labour para. 14(f)	Indicator No 13 in Table 3 in Annex I				Material	
ESRS 2 SBM-3-S1 Risk of incidents of child labour para. 14(g)	Indicator No 12 in Table 3 in Annex I				Material	
ESRS S1-1 Commitments on human rights policy para. 20	Indicator No. 9 in Table 3 and Indicator No. 11 in Table 1 in Annex I				Material	
ESRS S1-1 Due diligence strategies for issues covered by the core Inter-National Labour Organization Conventions 1-8, para. 21			Annex II of Delegated Regulation (EU) 2020/1816		Material	

Disclosure requirement and associated data point	Reference to the regulation on disclosure of information relating to sustainable development in the financial services sector	Reference to the third pillar	Reference to the Reference Indicators Regulation	Reference to European climate law	MATERIAL TOPIC / NOT MATERIAL TOPIC	PAGE IN THE STATEMENT
ESRS S1-1 Procedures and measures to prevent trafficking in human beings para. 22	Indicator No 11 in Table 3 in Annex I				Material	
Indicator No. 11 in Table 3 in Annex I ESRS S1-1 Policy or management system for the prevention of accidents at work para. 23	Indicator No 1 in Table 3 in Annex I				Material	
ESRS S1-3 Complaint Mechanisms para. 32(c)	Indicator No 5 in Table 3 in Annex I				Material	
ESRS S1-14 Number of work-related deaths and number and rate of work-related accidents para. 88(b) and (c)	Indicator No 2 in Table 3 in Annex I		Annex II of Delegated Regulation (EU) 2020/1816		Material	
ESRS S1-14 Number of days lost due to injuries, accidents, fatalities or illnesses para. 88(e)	Indicator No 3 in Table 3 in Annex I				Material	
ESRS S1-16 Unadjusted gender pay gap para. 97(a)	Indicator No 12 in Table 1 in Annex I		Annex II of Delegated Regulation (EU) 2020/1816		Material	
ESRS S1-16 Excessive level of remuneration of the General Director para. 97(b)	Indicator No 8 in Table 3 in Annex I				Material	
ESRS S1-17 Cases of discrimination para. 103(a)	Indicator No 7 in Table 3 in Annex I				Material	
ESRS S1-17 Non-compliance with the UN Guiding Principles on Business and Human Rights and OECD Guiding Principles para. 104(a)	Indicator No. 10 in Table 1 and Indicator No. 14 in Table 3 in Annex I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		Material	
ESRS 2 SBM-3-S2 Material risk of incidents of child or forced labour in the value chain para. 11(b)	Indicators No 12 and No 13 in Table 3 in Annex I				Not material	
ESRS S2-1 Commitments on human rights policy para. 17	Indicator No. 9 in Table 3 and Indicator No. 11 in Table 1 in Annex I				Material(Quick fix)	

Disclosure requirement and associated data point	Reference to the regulation on disclosure of information relating to sustainable development in the financial services sector	Reference to the third pillar	Reference to the Reference Indicators Regulation	Reference to European climate law	MATERIAL TOPIC / NOT MATERIAL TOPIC	PAGE IN THE STATEMENT
ESRS S2-1 Policies related to persons performing work in the value chain para. 18	Indicator No 11 and No 4 in Table 3 in Annex I				Material(Quick fix)	
ESRS S2-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and OECD Guidelines para. 19	Indicator No 10 in Table 1 in Annex I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		Material(Quick fix)	
ESRS S2-1 Due diligence strategies for issues covered by the core Inter-National Labour Organization Conventions 1-8, para. 19			Annex II of Delegated Regulation (EU) 2020/1816		Material(Quick fix)	
ESRS S2-4 Human rights issues and incidents related to upstream and downstream value chains para. 36	Indicator No 14 in Table 3 in Annex I				Material(Quick fix)	
ESRS S3-1 Human rights policy commitments, para. 16	Indicator No 9 in Table 3 of Annex I and indicator No 11 in Table 1 of Annex I				Material(Quick fix)	
ESRS S3-1 Failure to comply with UN Guiding Principles on Business and Human Rights, ILO Principles or OECD Guidelines para. 17	Indicator No 10 in Table 1 in Annex I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		Material(Quick fix)	
ESRS S3-4 Human rights issues and incidents para. 36	Indicator No 14 in Table 3 in Annex I				Material(Quick fix)	
ESRS S4-1 Policy relating to consumers and end-users para. 16	Indicator No. 9 in Table 3 and Indicator No. 11 in Table 1 in Annex I				Material(Quick fix)	
ESRS S4-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and OECD Guidelines para. 17	Indicator No 10 in Table 1 in Annex I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		Material(Quick fix)	
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator No 14 in Table 3 in Annex I				Material(Quick fix)	
ESRS G1-1 United Nations Convention against Corruption para. 10(b)	Indicator No 15 in Table 3 in Annex I				Material	

Disclosure requirement and associated data point	Reference to the regulation on disclosure of information relating to sustainable development in the financial services sector	Reference to the third pillar	Reference to the Reference Indicators Regulation	Reference to European climate law	MATERIAL TOPIC / NOT MATERIAL TOPIC	PAGE IN THE STATEMENT
ESRS G1-1 Protection of whistleblowers para. 10(d)	Indicator No 6 in Table 3 in Annex I				Material	
ESRS G1-4 Fines for breaches of anti-corruption and anti-bribery legislation para. 24(a)	Indicator No 17 in Table 3 in Annex I		Annex II of Delegated Regulation (EU) 2020/1816		Material	
ESRS G1-4 Standards Against Corruption and Bribery para. 24(b)	Indicator No 16 in Table 3 in Annex I				Material	

Signatures of the Members of the Management Board

Position	First and last name	Date	Signature
President of the Management Board CEO	Michał Jarczyński	21 April 2026	signed with a qualified electronic signature
Member of the Management Board CFO	Katarzyna Wojtkowiak	21 April 2026	signed with a qualified electronic signature
Member of the Management Board Vice-President for Sales and Marketing	Fabian Langenskiöld	21 April 2026	signed with a qualified electronic signature



Translation note:

This version of our report is a translation from the original, which was prepared in Polish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent Statutory Auditor's Report

To the General Shareholders' Meeting and the Supervisory Board of Arctic Paper S.A.

Report on the audit of annual consolidated financial statements

Our opinion

In our opinion, the annual consolidated financial statements:

- give a true and fair view of the consolidated financial position of Arctic Paper S.A ("Parent Company") and its subsidiaries (together the "Group"), as at 31 December 2025 and the Group's consolidated financial performance result on operation and consolidated cash flows for the year then ended in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the adopted accounting policies;
- comply in terms of form and content with the laws applicable to the Group and the Parent Company's articles of association;

Our opinion is consistent with our additional report to the Audit Committee of the Parent Company issued on the date of this report.

What we have audited

We have audited the annual consolidated financial statements of Arctic Paper S.A. Group which comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of profit or loss for the financial year then ended;
- the consolidated statement of comprehensive income for the financial year then ended;
- the consolidated statement of changes in equity for the financial year then ended;
- the consolidated statement of cash flows for the financial year then ended, and
- the additional information comprising the introduction to the consolidated financial statements and additional notes and explanations.

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PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt Sp. k. is entered into the National Court Register maintained by the District Court for the Capital City of Warsaw, under KRS number 0000750050, NIP 526-021-02-28. The seat of the Company is in Warsaw at Polna 11

Basis for opinion

We conducted our audit in accordance with the National Standards on Auditing in the wording of the International Standards on Auditing as adopted by the resolutions of the National Council of Statutory Auditors and the resolution of the Council of the Polish Agency for Audit Oversight (“NSA”) and pursuant to the act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (the “Act on Statutory Auditors”) and the Regulation (EU) No. 537/2014 of 16 April 2014 on specific requirements regarding the statutory audit of public interest entities and repealing Commission Decision 2005/909/EC (the “EU Regulation”). Our responsibilities under NSA are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section.

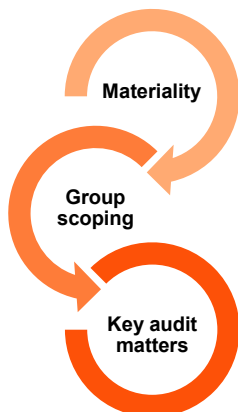
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the ethical requirements of the EU Regulation that are relevant to audits of financial statements of public interest entities, the ethical requirements of the Act on Statutory auditors that are relevant to audits of financial statements in Poland and “the Handbook of the International code of ethics for professional accountants (including International independence standards) (the “Code of ethics”) as adopted by resolution of the National Council of Statutory Auditors as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with ethical requirements of the EU Regulation, ethical requirements of the Act on Statutory Auditors and the Code of ethics. During the audit, the key statutory auditor and the audit firm remained independent of the Group in accordance with the independence requirements set out in the Act on Statutory Auditors and in the EU Regulation.

Our audit approach

Overview



The overall materiality threshold adopted for our audit was set at PLN 25 580 thousand, which represents 0,8% of revenue from sale of paper and pulp.

We performed the audit of the annual separate financial statements of the Parent Company and the annual consolidation reporting package of one subsidiary in Poland. In addition, we received audit reports for two subsidiaries and one consolidated subgroup located within the European Union. The audits of the reporting packages were carried out by statutory auditors belonging to the PwC network, in accordance with our instructions and under our supervision.

-
- Revenue recognition for the sale of paper and pulp
 - Impairment of selected non-current assets in the subsidiary Rottneros AB

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Parent Company's Management Board 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.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated 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 materiality for the consolidated financial statements as a whole, as set out in the table below. 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, if any, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group materiality	PLN 25 580 thousand
How we determined it	0,8% revenues from sale of paper and pulp
Rationale for the materiality benchmark applied	We determined materiality based on annual revenue from sale of paper and pulp, as in our view this measure is appropriate for assessing the Group's performance from the perspective of users of the financial statements and is a generally accepted benchmark when the audited entity reports profit or loss before tax close to zero. We set materiality at 0.8%, which, based on our professional judgment, falls within an acceptable range of quantitative materiality thresholds.

We agreed with the Audit Committee that we would report to them misstatements of the consolidated financial statements identified during our audit above PLN 2 500 thousand, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

How we tailored our Group audit scope

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.

We performed the audit of the annual separate financial statements of the Parent Company and the annual consolidation reporting package of one subsidiary in Poland. In addition, we received audit reports for two subsidiaries and one consolidated subgroup located within the European Union. The audits of the reporting packages were carried out by statutory auditors belonging to the PwC network, in accordance with our instructions and under our supervision.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Revenue recognition for the sale of paper and pulp

The Group has presented its accounting principles for the recognition of revenue from the sale of paper and pulp in the notes, as well as revenue-related disclosures in Notes 3 and 4.1 to the consolidated financial statements. For the financial year ended 31 December 2025, the Group generated revenue from sale of paper and pulp totalling PLN 3,197.6 million (2024: PLN 3,434.7 million), arising from the following sources:

- sale of paper;
- sale of pulp.

This matter was an area of our particular focus due to the fact that the application of appropriate financial reporting principles relating to the recognition, measurement and presentation of revenue is complex and requires management to make judgments, including those related to the allocation of transaction prices arising from sale of paper and pulp to the respective performance obligations. In addition, the correct determination of revenue relies on the use of complex IT systems for data processing. Given the significance of revenue to the consolidated financial statements, the need for estimates and judgments, as well as the potential risk of fraud, we determined this matter to be a key audit matter.

How our audit addressed the key audit matter

Our audit procedures included, in particular:

- obtaining an understanding of and assessing the internal control environment, including the IT environment, relating to the recognition, measurement and presentation of the different types of sales revenue;
- assessing the compliance of the revenue recognition accounting policies with the applicable financial reporting standards, in particular those relating to significant accounting estimates and judgments;
- reviewing significant sales agreements and related contracts entered into by the Group;
- testing internal controls, on a sample basis, over the correctness and accuracy of applied sales prices, as well as the consistency of invoices with sales orders/price lists and the consistency of invoices with shipping documents;
- performing substantive procedures, on a sample basis, including confirmations of selected aspects of transactions with customers or reconciling issued sales invoices, goods issue and delivery documents for sold products and goods to the corresponding customer contracts, applied sales prices and received payments;
- performing substantive procedures relating to the appropriateness of the timing of revenue recognition based on a selected sample;
- testing, on a sample basis, the accuracy and completeness of the recognition of sales discounts and marketing campaigns;
- analysing non-standard journal entries in the transaction journal for the audited year;
- incorporating an element of unpredictability in the selection of the nature, timing and extent of audit procedures;
- assessing the accuracy and completeness of disclosures relating to revenue from sale of paper and pulp in the consolidated financial statements.

Impairment of selected non-current assets in the subsidiary Rottneros AB

In Notes 5.1 to 5.8 to the consolidated financial statements, the Group presented its accounting policies, disclosures relating to non-current assets and the impairment tests performed, including the results of these tests, a description of the assumptions adopted and sensitivity analyses. As at 31 December 2025, the balance of goodwill recognised in the Group's consolidated financial statements amounted to PLN 8.2 million, the balance of intangible assets amounted to PLN 78.5 million, while the balance of property, plant and equipment amounted to PLN 1,527.7 million (as at 31 December 2024, respectively: PLN 7.8 million, PLN 38.2 million, PLN 1,419.0 million).

Management performs impairment tests. As at 30 June 2025, the Group's Parent Company, Rottneros, carried out impairment tests of assets at the Rottneros Mill, which identified the need to recognise an impairment charge of PLN 53.7 million. This amount was recognised in the financial statements of the Rottneros Group and included in the consolidation of the Arctic Paper Group.

The impairment tests performed at the end of the financial year did not indicate any additional impairment of the above-mentioned assets, both in 2025 and in the prior year. The recoverable amount of the assets was determined as value in use.

Our audit procedures included, in particular:

- obtaining an understanding of and assessing the process for identifying indicators of impairment of non-current assets and the appropriateness of grouping assets into cash-generating units in accordance with the applicable financial reporting standards;
 - verifying the mathematical accuracy and methodological consistency (with the involvement of PwC internal valuation specialists) of the discounted cash flow valuation model prepared by Management;
 - critically evaluating the assumptions adopted and estimates made by Management for the purpose of determining the value in use of non-current assets, including, among others:
 - the five-year projection period of future cash flows and the assumed levels of revenue, operating margin and projected changes in net working capital;
 - the discount rates applied (based on the weighted average cost of capital), with the involvement of PwC internal specialists;
 - terminal growth rates applied beyond the forecast period;
 - assessing the sensitivity analysis performed by Management regarding the impact of changes in key assumptions on the valuation results;
 - assessing the accuracy and completeness of disclosures relating to impairment testing in the consolidated financial statements.
-

Performing impairment tests requires Management to adopt a number of assumptions and make significant judgments, including those relating to the identification of cash-generating units, the Group's strategy, financial plans and cash flow forecasts for subsequent years, including periods beyond the detailed forecast horizon, as well as macroeconomic and market assumptions.

Given the significance of these balances in the consolidated financial statements, as well as the level of judgment, estimates and assumptions applied in the impairment testing process, this matter was the subject of our audit focus and was determined to be a key audit matter.

Responsibility of the Management and Supervisory Board of the Parent Company for the consolidated financial statements

The Management Board of the Parent Company is responsible for the preparation, based on the properly maintained books of accounts of the annual consolidated financial statements that give a true and fair view of the Group's financial position and financial performance result on operation, in accordance with International Financial Reporting Standards as adopted by the European Union, the adopted accounting policies, the applicable laws and the Parent Company's Articles of Association, and for such internal control as the Parent Company's Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent Company's Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Parent Company's Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Parent Company's Management Board and members of the Supervisory Board are obliged to ensure that the consolidated financial statements comply with the requirements specified in the Accounting Act of 29 September 1994 ("the Accounting Act") . Members of the Supervisory Board are responsible for overseeing the financial reporting process.

Auditor's responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the NSA 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 economic decisions of users taken on the basis of these consolidated financial statements.

The scope of the audit does not include an assurance on the Group's future profitability nor the efficiency and effectiveness of conducting its affairs by the Parent Company's Management Board, now or in future.

As part of an audit in accordance with NSA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent Company's Management Board;
- conclude on the appropriateness of the Parent Company's Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee of the Parent Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee of the Parent Company with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to Audit Committee of the Parent Company, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other information, including the report on operations

Other information comprises:

- the Report on the Group's operations for the financial year ended 31 December 2025 ("the Report on the operations") together with the corporate governance statement and the consolidated name of the sustainability statement which are separate parts of the Report on the operations,
- other documents included in the Annual Report for the financial year ended 31 December 2025 (together "Other Information").

Other information does not include the consolidated financial statements and our auditor's report thereon.

Responsibility of the Management and Supervisory Board of the Parent Company

The Management Board of the Parent Company is responsible for the preparation of the Other Information in accordance with the law.

The Parent Company's Management Board and the members of the Supervisory Board are obliged to ensure that the Report on the operations including its separate parts complies with the requirements of the Accounting Act.

Statutory auditor's responsibility

Our opinion on the consolidated financial statements does not cover the Other Information.

In connection with our audit of the consolidated financial statements, our responsibility under NSA is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the information in the consolidated financial statements, our knowledge obtained in our audit, or otherwise appears to be materially misstated. If, based on the work performed, we identified a material misstatement in the Other Information, we are obliged to inform about it in our audit report.

In accordance with the requirements of the Act on Statutory Auditors, we are also obliged to issue an opinion on whether the Report on the operations, to the extent not related to sustainability reporting, has been prepared in accordance with the requirements of Article 49 of the Accounting Act and para. 73 of the Regulation of the Minister of Finance dated 6 June 2025 on current and periodical information submitted by issuers of securities and conditions for considering as equivalent the information required under the legislation of a non-Member State ("Regulation on current information"), is consistent with information included in consolidated financial statements and to issue a statement as to whether, in the light of the knowledge about the Group and its environment obtained during the audit, any material misstatements have been identified in the Report on the operations to the extent not related to sustainability reporting, and an indication of what any such material misstatement is.

Moreover, we are obliged to issue an opinion on whether the Company Group provided the required information in its corporate governance statement.

Statement on the Other information

We declare that, based on the knowledge of the Group and its environment obtained during our audit:

- we have nothing to report regarding identification of material misstatements in the Other information;
- we have not identified any material misstatements in the Report on the operations, to the extent not related to sustainability reporting.

Opinion on the Report on the operations to the extent not related to sustainability reporting

Based on the work we carried out during our audit, in our opinion, the Report on the operations, to the extent not related to sustainability reporting:

- has been prepared in accordance with the requirements of Article 49 of the Accounting Act and para. 73 of the Regulation on current information;
- is consistent with the information in the consolidated financial statements.

Opinion on the corporate governance statement

In our opinion, in its corporate governance statement, the Company Group included information set out in para. 72.7 (5) of the Regulation on current information. In addition, in our opinion, information specified in paragraph 72.7 (5)(c)–(f), (h) and (i) of the said Regulation are consistent with the applicable provisions of the law and with information included in the consolidated financial statements.

Report on other legal and regulatory requirements

Report on the compliance of the marking up of consolidated financial statements with the requirements of the European Single Electronic Format (“ESEF”)

In connection with the audit of consolidated financial statements we have been engaged by the Parent Company’s Management Board as part of our audit engagement letter to conduct a reasonable assurance engagement to express an opinion whether the consolidated financial statements of the Group as at and for the year ended 31 December 2025 prepared in the single electronic format contained in the file named ATC-2025-12-31-1-pl.xbri (the “consolidated financial statements in the ESEF format”) were marked up in accordance with the requirements of the article 4 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the “ESEF Regulation”).

Description of a subject matter and applicable criteria

The consolidated financial statements in the ESEF format were prepared by the Parent Company’s Management Board to comply with the technical requirements regarding the specification of a single electronic reporting format and marking up, which are set out in the ESEF Regulation.

The subject matter of our assurance engagement is the compliance of the marking up of consolidated financial statements in the ESEF format with the requirements of the ESEF Regulation and the requirements of this regulation, in our view, constitute appropriate criteria to form an opinion.

Responsibility of the Management Board and the Supervisory Board of the Parent Company

The Parent Company's Management Board is responsible for the preparation of the consolidated financial statements in the ESEF format in accordance with the technical requirements regarding the specification of a single electronic reporting format which are set out in the ESEF Regulation. This responsibility includes the selection and application of appropriate markups in XBRL using taxonomy specified in the ESEF Regulation. The responsibility of the Management Board of the Parent Company also includes designing, implementing and maintaining internal controls relevant for the preparation of the consolidated financial statements in the ESEF format which are free from material non-compliance with the requirements of the ESEF Regulation and their marking-up in compliance with these requirements.

Members of the Parent Company's Supervisory Board are responsible for overseeing the financial reporting process, which also includes the preparation of the consolidated financial statements in accordance with the format that is compliant with legal requirements.

Our responsibility

Our objective was to express an opinion, based on the conducted reasonable assurance engagement, whether the consolidated financial statements prepared in the ESEF format were marked up, in all material respects, with the requirements of the ESEF Regulation.

We conducted our engagement in accordance with the National Standard on Assurance Engagements other than Audit and Review 3001PL – "Audit of financial statements prepared in the single electronic reporting format" ("KSUA 3001PL") and where relevant with the National Standard on Assurance Engagements 3000 (R) in the wording of the International Standard on Assurance Engagements 3000 (Revised) - 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' ("KSUA 3000(R)").

These standards require that we plan and perform procedures to obtain reasonable assurance whether the consolidated financial statements in the ESEF format were marked up, in all material respects, in compliance with the specified criteria.

Reasonable assurance is a high level of assurance, but it does not guarantee that the engagement performed in accordance with KSUA 3001PL and, where relevant, in accordance with KSUA 3000 (R) will always detect the material misstatement (significant non-compliance with the requirements).

The selection of the procedures depends on the auditor's judgement, including the auditor's assessment of the risk of material misstatements, whether due to fraud or error. In performing the assessments of this risk, the auditor shall consider the internal control related to the preparation of the consolidated financial statements in the ESEF format in order to plan appropriate procedures to provide the auditor with sufficient evidence appropriate to the circumstances. The assessment of the functioning of the internal control system was not carried out in order to express an opinion on the effectiveness of its operation.

Quality management and ethical requirements

We apply the National Standard on Quality Control 1 in the wording of the International Standard on Quality Management (PL) 1 – “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” as issued by the International Auditing and Assurance Standards Board and adopted by the resolution of the Council of the Polish Agency for Audit Oversight (“NSQC 1”). In accordance with the requirements of NSQC 1, we operate a system of quality management including documented policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

When performing the engagement, we have complied with the independence and other ethical requirements in the Code of ethics. The Code of ethics is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We also complied with other independence and ethical requirements that apply to this assurance engagement in Poland.

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance whether the consolidated financial statements in the ESEF format were marked-up, in all material respects, in compliance with the applicable requirements. Our procedures included in particular:

- obtaining an understanding of the process of preparation of the consolidated financial statements in the ESEF format, including the process of selection and application by the Group of the XBRL tags and ensuring the compliance with the ESEF Regulation, including understanding the mechanism of the internal control system related to this process;
- reconciliation, on a selected sample, of the marked-up information contained in the consolidated financial statements in the ESEF format to the audited consolidated financial statements;
- evaluating of compliance with the technical standards regarding the specification of a single electronic reporting format, including the use of XHTML, using a specialised IT tool/and with the support of an IT expert assessment;

- evaluating the completeness of marking up the consolidated financial statements in the ESEF format using the XBRL tags;
- evaluating the appropriateness of the use of XBRL tags selected from the taxonomy defined in the ESEF Regulation and whether the extension markups were used appropriately where no suitable element in taxonomy defined in the ESEF Regulation has been identified;
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy from the ESEF regulation;

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, based on the procedures performed, the consolidated financial statements in the ESEF format were marked-up, in all material respects, in compliance with the requirements of the ESEF Regulation.

Statement on the provision of non-audit services

To the best of our knowledge and belief, we declare that the non-audit services that we provided to the Parent Company and its parent and its controlled entities within the European Union are in accordance with the applicable laws and regulations in Poland and that we have not provided non-audit services that are prohibited under Article 5(1) of the EU regulation and Article 136 of the Act on Statutory Auditors.

The non-audit services which we have provided to the Parent Company and its controlled entities during the period from the beginning of the audited period to the date of issuing this report are disclosed in the Report on the operations.

In the period from the beginning of the audited period to the date of issuing this report, we did not provide the Parent Company and its controlled entities with services other than audit of the financial statements.

Appointment

We were first appointed to audit the annual consolidated financial statements of the Group by resolution of the Supervisory Board of the Parent Company dated 22 February 2023 and re-appointed by resolution dated 6 August 2025. We have been auditing the Group's consolidated financial statements without interruption since the financial year ended 31 December 2023, i.e. for 3 consecutive years.

The Key Statutory Auditor responsible for the audit on behalf of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., a company entered on the list of audit firms with the number 144., is Krzysztof Zech.

Original report is signed in Polish

Krzysztof Zech

Key Statutory Auditor

No. in the registry: 13917

Poznań, 21 April 2026



Translation note:

This version of our report is a translation from the original, which was prepared in Polish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent statutory auditor's limited assurance report on the sustainability statement

To the Shareholders' Meeting and the Supervisory Board of Arctic Paper S.A.

Opinion

We have conducted a limited assurance engagement on the sustainability reporting of capital group prepared by Arctic Paper S.A. (the „Company”) as of 31 December 2025 and for the year then ended and included in chapter Sustainability reporting of the Arctic Paper SA Management Board's Report 2025 (the “Sustainability statement of the capital group”).

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that:

- the Sustainability statement of the capital group is not compliant, in all material respects, with Chapter 6c of the Accounting Act of 29 September 1994 (the “Accounting Act”), as well as with the European Sustainability Reporting Standards (the “ESRS”);
- the materiality assessment process conducted by the Company to identify information included in the Sustainability statement of the capital group (“Materiality Assessment Process”) is not compliant, in all material respects, with the ESRS;
- the Sustainability statement of the capital group is not compliant, in all material respects, with the reporting requirements set out in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088 (the “Taxonomy Regulation”).

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PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., ul. Polna 11, 00-633 Warsaw, Poland, T: +48 (22) 746 4000, F: +48 (22) 746 4040

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. with registered office at ul. Polna 11, 00-633 Warsaw, entered into National Court Register by the District Court for the Capital City of Warsaw, XII Commercial Division of the National Court Register under KRS No 0000750050, Tax ID No (NIP) 5260210228.

Basis for opinion

We conducted our limited assurance engagement in accordance with National Standard on Assurance Services for Sustainability Reporting 3002PL - Limited assurance engagement on the sustainability statement (the "NSAE 3002PL") and, where appropriate, with National Standard on Assurance Engagements Other than Audits and Reviews 3000 (R) in the wording of International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information (the "NSAE 3000 (R)") adopted by the resolutions of the National Board of Statutory Auditors.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our responsibility under NSAE 3002PL and, where applicable, NSAE 3000(R) is further described in the Responsibilities of statutory auditor providing the sustainability statement assurance section.

Our independence and quality management

We have complied with the independence requirements and other ethical requirements set out in the "Handbook of the International Code of Ethics for Professional Accountants (including International Independence Standards)" ("Code of ethics") adopted by resolution of the National Board of Statutory Auditors, which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior, as well as with the requirements contained in the Act of 11 May 2017 on Statutory Auditors, Audit Firms, and Public Oversight (the "Act on Statutory Auditors, Audit Firms and Public Oversight") and in EU Regulation No. 537/2014 of 16 April 2014 on specific requirements regarding statutory audit of public interest entities. We have fulfilled other ethical obligations in accordance with the aforementioned regulations and the Code of ethics.

Our firm applies the National Quality Control Standard 1 in the wording of the International Standard on Quality Management (PL) 1 – Quality Management for Companies that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements issued by the International Auditing and Assurance Standards Board and adopted by the resolution of the Council of the Polish Agency for Audit Oversight, as well as the provisions of the Act on Statutory Auditors, Audit Firms and Public Oversight. This standard requires us 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.

Responsibilities for the Sustainability statement of the capital group

The management of the Company is responsible for designing and conducting the Materiality Assessment Process in accordance with the ESRS to identify information included in the Sustainability statement of the capital group in accordance with the ESRS and for disclosing this process in chapter 1. General Information to the Sustainability statement of the capital group. These responsibilities include, among others:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management of the Company is further responsible for the preparation of the Sustainability statement of the capital group in accordance with Chapter 6c of the Accounting Act, including, among others, the following;

- compliance with the ESRS;
- compliance of the Sustainability statement of the capital group, including the disclosures in chapter 2. Environment-related information with Article 8 of the Taxonomy Regulation;
- designing, implementing, and maintaining internal control that the Company's management determines is necessary to enable the preparation of the Sustainability statement of the capital group that is free from material misstatements, whether due to fraud or error; and
- the selection and application of appropriate reporting methods of the Sustainability statement of the capital group and making assumptions and estimates that are reasonable in the circumstances.

The Supervisory Board of the Company is responsible for overseeing the reporting process of the Sustainability statement of the capital group.

Inherent limitations in preparing the Sustainability statement of the capital group

Greenhouse gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

In reporting forward-looking information in accordance with the ESRS, the management of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Responsibilities of statutory auditor providing the sustainability statement assurance

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability statement of the capital group is free from material misstatements, whether due to fraud or error, and to issue a limited assurance report on the Sustainability statement of the capital group that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability statement of the capital group as a whole.

As part of a limited assurance engagement in accordance with NSAE 3002PL and NSAE 3000 (R), we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability statement of the capital group, in relation to the Materiality Assessment Process, include:

- obtaining an understanding of the Materiality Assessment Process, but not for the purpose of providing a conclusion on the effectiveness of the Materiality Assessment Process, including the outcome of the Materiality Assessment Process;
- considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- designing and performing procedures to evaluate whether the Materiality Assessment Process is consistent with the Company's description of its Materiality Assessment Process set out in chapter 1. General Information to the Sustainability statement of the capital group.

Our other responsibilities in respect of the Sustainability statement of the capital group include:

- identifying where material misstatements are likely to arise, whether due to fraud or error; and

- designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability statement of the capital group. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability statement of the capital group. 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.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability statement of the capital group, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Materiality Assessment Process, we:

- obtained an understanding of the Materiality Assessment Process by:
 - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents);
 - reviewing the Company's internal documentation of its Materiality Assessment Process; and
- evaluated whether the evidence obtained from our procedures with respect to the Materiality Assessment Process implemented by the Company was consistent with the description of the Materiality Assessment Process set out in chapter 1. General Information to the Sustainability statement of the capital group.

In conducting our limited assurance engagement, with respect to the Sustainability statement of the capital group, we:

- obtained an understanding of the reporting process relevant to the preparation of the Sustainability statement of the capital group by obtaining understanding of the Group's control environment, processes, and information system relevant to the preparation of the Sustainability statement of the capital group, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluated whether the information identified by the Materiality Assessment Process is included in the Sustainability statement of the capital group;
- evaluated whether the structure and the presentation of the Sustainability statement of the capital group is in accordance with the ESRS;
- performed inquiries of the Company's employees involved in the preparation of the Sustainability statement of the capital group and analytical procedures on selected information in the Sustainability statement of the capital group;
- performed substantive assurance procedures on selected information in the Sustainability statement of the capital group;
- where applicable, compared disclosures in the Sustainability statement of the capital group with the corresponding disclosures in the consolidated financial statements and the management report of the Group;
- evaluated the methods for developing estimates and forward-looking information;
- obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability statement of the capital group.

Acting on behalf of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., a company registered on the list of audit firms under number 144,

Original report is signed in Polish language

Piotr Kocot

Key Statutory Auditor providing the sustainability statement assurance

No. in the registry 12637

Warsaw, 21 April 2026

Kostrzyn nad Odra, April 21st 2026

EVALUATION BY THE SUPERVISORY BOARD OF ARCTIC PAPER S.A. OF THE FINANCIAL STATEMENTS OF ARCTIC PAPER S.A. AND CONSOLIDATED FINANCIAL STATEMENTS OF ARCTIC PAPER GROUP FOR THE FINANCIAL YEAR 2025 AND MANAGEMENT BOARD REPORT ON THE ACTIVITIES OF THE ARCTIC PAPER GROUP AND ARCTIC PAPER S.A. IN 2025.

Legal basis:

Article 72.1.16 and article 73.1.14 of the Regulation of the Minister of Finance of 6 June 2025 on current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent (Dz. U. z 2025 r. pos. 755).

The Supervisory Board of Arctic Paper S.A. ("the Company") after review of the financial statements of Arctic Paper S.A. for the financial year ended December 31, 2025, as well as with the report of an independent certified auditor on the audit of the Company's annual standalone financial statements for the financial year ended December 31, 2024, prepared by PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp.k., states that the financial statements presented by the Management Board have been prepared correctly in terms of substance and form, in accordance with the books and documents, as well as with the facts, and accurately reflects the financial result and assets of the Company in the financial year 2025.

The Supervisory Board of Arctic Paper S.A. after review of the consolidated financial statements of the Arctic Paper Group for the financial year ended December 31, 2025, as well as with the report of an independent auditor on the audit of the annual consolidated financial statements for the financial year ended December 31, 2025, prepared by PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp.k., states that the consolidated financial statements of Arctic Paper Group has been prepared correctly in terms of substance and form, in accordance with the books and documents, as well as with the facts, and accurately reflects the financial result and assets of the Arctic Paper Group in the financial year 2025.

The Supervisory Board of Arctic Paper S.A., after review of the reports of the Management Board of Arctic Paper S.A. on the activities of the Arctic Paper Group and the Company for 2024, states that reports have been prepared in accordance with the relevant applicable regulations regarding the reports on the activities and is in accordance with the books, documents and the actual state.

The above evaluation of the Supervisory Board of Arctic Paper S.A. was issued based on the recommendation of the Audit Committee of Arctic Paper S.A. expressed in Resolution No. 01/04/2026 of April 14th, 2026.

Chairman of the Supervisory Board of Arctic Paper S.A.

Per Lundeen

Kostrzyn nad Odra, April 21st 2026

**Statement of the Supervisory Board of Arctic Paper S.A. on the functioning of the Audit Committee
in the financial year ended on 31 December 2025**

The Supervisory Board of Arctic Paper S.A. hereby represents that it complies with the regulations concerning the appointment, composition, and functioning of the Audit Committee, including the regulations on satisfaction of the independence criteria by its members, the requirements with regard to having knowledge and skills relating to the industry in which Arctic Paper S.A. operates, as well as accounting or auditing of financial statements.

The Audit Committee was performing the tasks specified in the applicable regulations.

Chairman of the Supervisory Board of Arctic Paper S.A.

Per Lundeen

Kostrzyn nad Odra, April 21st 2026

Statement of the Supervisory Board of Arctic Paper S.A. on selection of an audit firm conducting an audit of the financial statements

On 6th of August 2025, the Supervisory Board of Arctic Paper S.A., by way of resolution, selected audit firm PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp.k. to audit the Company's financial statements for the financial years 2025 - 2026.

The selection of the audit firm by the Supervisory Board was based on the Audit Committee's recommendation. The Audit Committee's recommendation was made pursuant to the selection procedure in line with the "Policy and procedure of selecting an audit firm to conduct a statutory and voluntary audit of consolidated and separate financial statements of Arctic Paper S.A. with its registered office in Kostrzyn nad Odrą".

Audit firm PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp.k., entities related to this audit firm, and members of a network of the audit firm did not provide permitted non-audit services for the issuer during the audited period.

The audit firm and members of the audit team complied with the criteria to issue an impartial and independent report on the audit of the annual consolidated financial statements of the Company for the financial year ended on 31 December 2025, in compliance with the applicable laws, professional standards, and the principles of professional conduct.

Furthermore, the Supervisory Board informs that the applicable laws with regard to a change of the audit firm and the key statutory auditor, as well as mandatory periods of grace have been complied with. The Arctic Paper Group has a policy of selecting an audit firm and a policy of rendering services for the Group by an audit firm, an entity related to the audit firm, or a member of its network, that are non-audit services, including services released from the prohibition of the provision of services by an audit firm.

The above statement of the Supervisory Board of Arctic Paper S.A. was issued based on the recommendation of the Audit Committee of Arctic Paper S.A. expressed in Resolution No. 01/04/2026 of April 14th, 2026.

Chairman of the Supervisory Board of Arctic Paper S.A.

Per Lundeen