

# 2024

Annual and Sustainability Report







<b>Introduction</b>	<b>2</b>
– Billerud at a glance	3
– 2024 in figures	4
– CEO's statement	5
– Our purpose	7
– Strategy – Our Way Forward	8
– Targets and target fulfillment	10
– Region Europe	13
– Region North America	17
– The share and the shareholders	21
Directors' report	23
Financial statements, signatures and auditor's report	155
Other information	205



# 02

## Introduction

Billerud at a glance	3
2024 in figures	4
CEO's statement	5
Our purpose	7
Strategy – Our Way Forward	8
Targets and target fulfillment	10
Region Europe	13
Region North America	17
The share and the shareholders	21

# 205

## Other information

Five-year summary and alternative performance measures (APM)	205
Quarterly data	209
Key figures – definitions and purpose	211
Shareholder information	213
Addresses	214

# 23

## Directors' report

Financial overview	23
Corporate governance in Billerud	29
Internal control over financial reporting	34
Group Management Team	36
Board of Directors	38
Risks and risk management	40
Sustainability statement	45
General information	46
Environmental information	74
Social information	114
Governance information	145
Assurance report	153

# 155

## Financial statements

Consolidated financial statements	155
Consolidated notes	159
Parent company financial statements	188
Parent company notes	192
Signatures	201
Auditor's report	202

[Download pdf to print](#)

**The 2024 Annual and Sustainability Report**  
 Billerud's sustainability statement is prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The sustainability statement is part of the directors' report and covers pages 45–152.

The statutory annual report, which includes the directors' report and the financial statements, can be found on pages 23–152 and 155–201. The 2024 Annual and Sustainability Report in pdf format is not an XHTML document compliant with the European Single Electronic Format (ESEF) regulation.



# Leader in high performance paper and packaging materials

Billerud is a global leader in high performance paper and packaging materials – passionately committed to sustainability, quality and customer value. We serve customers in more than 100 countries with renewable and recyclable products made from cellulose fibers.

## Materials for demanding use

Our high performance materials are used by millions of people all over the world, every day. Our board and paper are, for example, made into recyclable liquid cartons, fruit boxes, packaging for consumer and medical goods, industrial sacks, labels and printed matters.

Together with our customers, we work towards a future where lighter, stronger and more sustainable packaging is the

natural choice. Thanks to our industry know-how and production expertise we can develop and supply fiber-based materials of outstanding quality.

We are organized in two geographic regions – Europe and North America. Our product portfolio is divided into six product categories, shown on the right. In addition to these board and paper categories, we supply market pulp that is not used in our own production.

## Net sales split

Region Europe

65%

Region North America

28%



25% Liquid packaging board



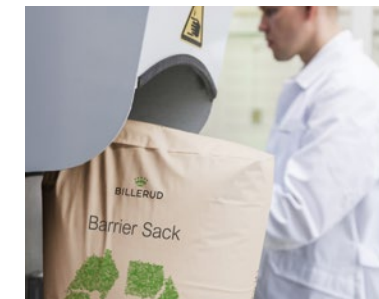
21% Graphic paper



15% Kraft and specialty paper



14% Containerboard



8% Sack paper



7% Cartonboard

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# Back to growth and higher results

In 2024, Billerud’s net sales grew and the profitability increased. Market conditions improved, although the underlying demand for packaged goods was still relatively weak. Improved sales prices and a more favorable sales mix helped to offset higher input costs. Considerable structural savings were delivered as part of the efficiency enhancement program.

# 43.5

**Net sales grew** to SEK 43.5 billion as a result of increased sales volumes in both regions.

# 12%

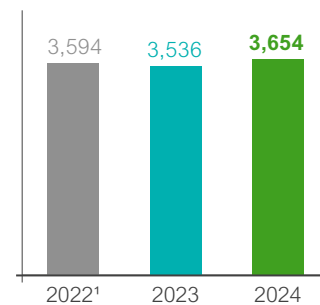
**The EBITDA margin strengthened** due to higher volumes, price and mix changes, and efficiency improvements.

	2024	2023	2022 <sup>1</sup>
Net sales, SEKm	43,453	41,224	42,590
EBITDA, SEKm	5,421	3,314	8,167
EBITDA margin, %	12	8	19
Operating profit, SEKm	2,561	534	5,687
Operating margin, %	6	1	13
Capital employed, SEKm	34,327	32,872	33,834
Return on capital employed, %	8	2	18
Profit/loss before tax, SEKm	2,248	185	5,873
Net profit, SEKm	1,747	484	4,590
Earnings per share, SEK	7.02	1.95	20.13
Dividend per share, SEK	3.50 <sup>2</sup>	2.00	7.50
Cash flow from operating activities, SEKm	3,030	3,290	6,829
Investments in tangible and intangible assets, SEKm	2,437	3,177	3,330
Interest-bearing net debt/EBITDA, multiple	1.0	1.8	0.6
Average number of employees	5,872	6,134	5,525
Fossil CO <sub>2</sub> in production, kg/ton product	147	163	161
Lost time injury frequency rate (LTIFR)	5.5	3.6	5.7

<sup>1</sup> Including Region North America (Verso Corporation) from 1 April 2022.  
<sup>2</sup> The Board of Directors' proposal.

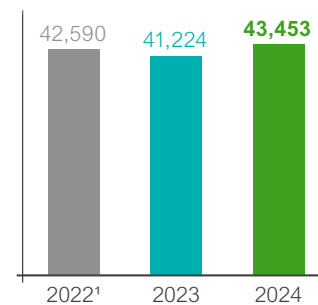
## Selected performance indicators

Sales volumes, ktons



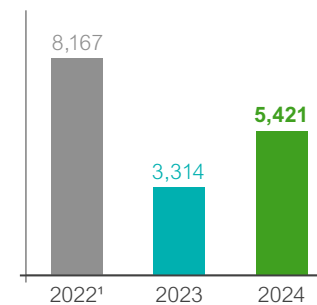
The Group's total sales volumes increased by 3% to 3,654 ktons.

Net sales, SEKm



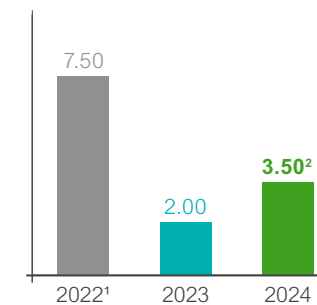
Net sales excluding currency effects grew by 5% compared with last year.

EBITDA, SEKm



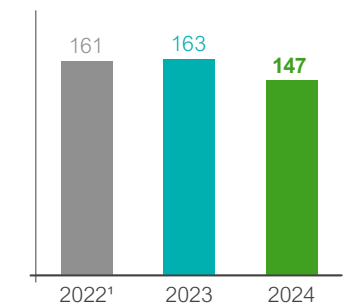
EBITDA improved compared with last year and amounted to SEK 5,421 million.

Dividend per share, SEK



The proposed shareholder dividend for 2024 is SEK 3.50 per share.

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



Fossil CO<sub>2</sub> in production decreased in 2024 to 147 kg/ton product.

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# Our Way Forward – a more focused Billerud

2024 was an intensive and important year for Billerud. On top of navigating our business through volatile market conditions, a major milestone was reached when we launched our new strategy – Our Way Forward. We will continue to make choices that play on Billerud's unique strengths, enabling us to be well positioned for the coming years. Our updated strategy focuses on value creation and prioritizes profitability over growth.

Major changes have taken place in and around Billerud during the last couple of years. Our newest board machine in Gruvön has ramped up with a greater output of high performance material, we have installed a new recovery boiler in Frövi, and we have delivered significant efficiency gains throughout the company. But most importantly, the acquisition of Verso in 2022 fundamentally changed Billerud for the better. Today, we have a more diversified geographic and product portfolio, which guarantees greater stability. The expansion to the US has also been a success in terms of earnings. During the first 2.5 years as part of Billerud, the North American operations generated a net cash flow equivalent to more than 60% of the purchase price.

In our business environment, Nordic wood prices have risen to unprecedented levels since the sanctions on

imports from Russia in 2022, putting pressure on the margins for pulp, paper and board producers such as Billerud. Additionally, new regulations are being introduced that impose tough demands on forestry and the paper and packaging industry in the EU. Nonetheless, the long-term demand for fiber-based packaging materials is expected to be significant and to grow by around 4% per year. Megatrends, such as consumers turning away from fossil-based packaging towards more sustainable solutions, is a major factor driving the growth of fiber-based packaging.

### Our Way Forward

In 2024, we developed an updated strategy for Billerud adapted to this new reality and with specific initiatives for both of our regions, Europe and North America. The strategy was presented in its entirety at a Capital Markets Day in December. But already in May, we

had decided not to proceed with the original plan of a full-scale transformation to cartonboard production in the US, but rather to shift the production mix gradually. This decision was made after in-depth feasibility studies, evaluations and supplier discussions. We concluded that a higher returning and more modest investment strategy for our North American mills is the best way forward.

We are now placing a stronger focus on value creation and are prioritizing profitability over growth. We are prepared to make tough decisions should it be necessary to create value. Our new financial targets emphasize the importance of capital efficiency, profitability and cash flow, and targeted levels reflect the structurally changed operating environment in Europe. We are also promoting a stronger performance culture in the company.



- Introduction** **2**
- Billerud at a glance 3
- 2024 in figures 4
- **CEO's statement** **5**
- Our purpose 7
- Strategy – Our Way Forward 8
- Targets and target fulfillment 10
- Region Europe 13
- Region North America 17
- The share and the shareholders 21
- Directors' report 23
- Financial statements, signatures and auditor's report 155
- Other information 205

[Download pdf to print](#)



**Introduction 2**

- Billerud at a glance 3
- 2024 in figures 4
- **CEO's statement 5**
- Our purpose 7
- Strategy – Our Way Forward 8
- Targets and target fulfillment 10
- Region Europe 13
- Region North America 17
- The share and the shareholders 21
  
- Directors' report 23
  
- Financial statements, signatures and auditor's report 155
  
- Other information 205

**Evolve and strengthen**

The strategic themes for our two regions can be summarized as Evolve and Strengthen. In North America we remain committed to speciality and graphic paper. However, as the graphic paper market is in secular decline we need to improve our capacity utilization. Hence, we will evolve towards packaging materials. We will invest in our two mills in Michigan to enable production of paperboard products where we see substantial market opportunities.

Our US production is cost-leading and located within close proximity to major customers and abundant wood supply. We are thus well-placed to pursue a strategy that retains our position as a market leader in graphic paper, and at the same time build the paperboard business to around 300 ktons over the next five years. Our evolution investment program totals SEK 1.4 billion and our projects will be carefully phased to minimize disruptions to our operations and shipments. We are going to market with our US-produced containerboard and cartonboard under the product lines Tribute® and Voyager®. We have numerous successful customer trials ongoing and have already received the first sales order for our locally produced liner.

In Region Europe, we aim to strengthen our performance through our existing manufacturing assets. Although conditions for our industry in this part of the world have become more difficult, I am confident that Billerud stands strong among the competition and has the right initiatives in place to improve profitability margins. We will continue to execute on our actions to mitigate the higher wood costs, streamline our already flexible pro-

duction, and leverage on our products with sweet spots in high-value applications. We will maintain our strong position in liquid packaging board, accelerate the growth in cartonboard and coated liner, drive value in fluting and MG paper, and optimize sack paper by targeting specific applications. We will continue to be diligent in our portfolio management and drive efficiency in all areas.

Our goal is to reach an annual EBITDA of above SEK 6 billion over a business cycle. Successful delivery of this, coupled with strong cash conversion and modest investments over at least the next three years, will enable a continued strong and competitive Billerud.

**Safety and sustainability**

The safety of our employees and contractors remains Billerud's number one priority. Our safety performance in 2024 was unsatisfactory, and we need to improve in this area. We are convinced that all workplace accidents are preventable, and that we can make the work environment safe through discipline and safety leadership.

Sustainability is at the core of Billerud, and we are constantly raising our ambitions. This year's sustainability statement has been prepared in accordance with the EU Directive on Corporate Sustainability Reporting (CSRD) and we remain a supporter of the UN Global Compact. We have committed to science-based targets and have a clear transition plan for CO<sub>2</sub>e emission reductions. In Europe, Billerud is already the top industry performer in terms of carbon footprint derived from production, so in the coming years, the greatest positive impact of

our climate improvement measures will be in North America.

**2024 financial performance**

In 2024, our financial results strengthened under challenging and rapidly changing conditions. After a period of low sales due to an overstocking situation among customers, the year started off with a more positive market sentiment. During the spring and summer there were supply and logistics disturbances in our industry that worked in our favor. However, in the autumn, the market recovery for our industry stalled on the back of weak underlying consumption of packaged goods. The market conditions towards the end of the year were at a stable low level.

Our proactive actions, discipline and flexible approach served us well. We adjusted swiftly to the changed market conditions and increased our sales volumes, raised prices and improved our sales mix. We maintained a strong focus on items that are within our control. We successfully limited the fixed cost increase below inflation and delivered another sizable contribution to the efficiency enhancement program. This means that we reached the program target of SEK 1.5 billion well ahead of schedule. The EBITDA margin increased to 12%.

The stronger profitability enabled an increased cash flow and a continued strong financial position. The Board of Directors proposes a dividend for 2024 of SEK 3.50 per share, which is an increase of 75% versus last year and in line with our dividend policy.



**Future outlook**

At the beginning of 2025, there is high geopolitical uncertainty and a regionalization trend seems to be sweeping the world. In Region Europe, we seem to have passed the bottom of the curve and are starting to see early signs of improved market sentiment in many of our product categories. Market conditions in North America are solid and in line with a well-performing US economy. With the import tariffs that the new presidential administration in the US has introduced, Billerud is well positioned and will likely increase its local capacity utilization and sales volumes within North America.

Although the pulp and paper markets have been challenging over the past years, Billerud is in a strong position to evolve and strengthen. I look forward to continuing to execute our strategy and create value for all our stakeholders – shareholders, employees and customers. Thank you for your trust and support!

Ivar Vatn  
President and CEO

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# We make high performance packaging materials for a low carbon society

- Introduction** **2**
- Billerud at a glance 3
- 2024 in figures 4
- CEO's statement 5
- **Our purpose** **7**
- Strategy – Our Way Forward 8
- Targets and target fulfillment 10
- Region Europe 13
- Region North America 17
- The share and the shareholders 21
- Directors' report 23
- Financial statements, signatures and auditor's report 155
- Other information 205

As the need for sustainable solutions increases, we all have to play our part. For Billerud, this means making the most sustainable packaging materials we can, without compromising on performance. Together with our customers, we are working towards a low carbon future.

“We make high performance packaging materials for a low carbon society” is our purpose, and it all begins in the forest with renewable fresh fiber.

Billerud only sources wood from forests that are responsibly managed, with respect for biodiversity and societies, and trees are replanted after harvesting. We refine and optimize the raw material, using the wood fibers efficiently to make pulp, paper and board.

Billerud focuses on making packaging materials. And it is not just any packaging material, but high performance products that can be used for the most demanding applications, from liquid containers and packaging for beauty products to heavy-duty industrial sacks. Our products are recognized for their strength, light weight and excellent printability, among other qualities.

We have a vision of a low-carbon society and strive to achieve that both through the products we supply and through our own actions. Our packaging materials are viable alternatives to fossil-based materials, delivering a lower climate footprint to our customers (packaging manufacturers), our customers' customers (brand owners), and consumers worldwide. Our biodegradable products can be recycled many times before being used to produce energy.

All our mills are located close to sources of raw material and in our production processes we generate and use green energy. We supply district heating and byproducts that are used to produce biofuels. In Europe, our carbon footprint is at the industry forefront, and we are now expanding our capabilities to the US. We will continue to improve our processes and have committed to reducing our greenhouse gas emissions even further.

We believe that challenges can be solved by innovation and collaboration. Our product development includes finding more sustainable barriers for food and beverage packaging. In partnerships with our customers, we work to facilitate recycling and promote bio-circular packaging systems. We envision a future where technologies such as bio-CCS and bio-CCU can be installed at our facilities to absorb carbon emissions and slow down climate change.

In essence, our purpose is a combination of what the world needs, what Billerud is uniquely good at, what we are passionate about, and how we create value for our customers and society. We are committed to staying at the forefront, not only when it comes to developing high performance packaging materials, but also in helping to pave the way for a future with lower greenhouse gas emissions.

Read more about our value chain on page 56.

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# Our Way Forward

**Billerud's strategy creates value and drives performance. It aims to further develop the company towards high performance packaging materials, to meet a growing demand underpinned by sustainability efforts, and to strengthen the company's profitability and return on capital employed.**

**Choices that create value**  
Billerud's "Way Forward" strategy is based on choices of prioritized markets and product categories, coupled with concrete strategic initiatives to deliver on plans and reach targets. Our purpose "We make high performance packaging materials for a low carbon society" guides our long-term direction.

We strive for improved performance and have set ambitious objectives. Some of the strategic initiatives are group-wide, while others are regional, reflecting the regions' different characteristics and conditions. Having operations on two

continents provides differentiation benefits for the Group, while a regional presence can ensure stable supply chains for the benefit of our customers.

Billerud always puts health and safety first. The company's highest priority is for our employees and contractors to work safely every day. We will continue to work on safety training and behaviors until we reach our vision of zero injuries.

**Commitment to graphic and specialty paper as we evolve towards packaging materials**  
In North America, Billerud is committed to remaining a quality, service and cost leader in graphic paper with the focus primarily on premium coated free sheet grades. We also aim to retain our position as a leading North American supplier of specialty label materials and to grow within the label market.

Gradually, over the coming years, we will complement our North American offering with additional packaging materials, for which there is a growing need in this geographic market. To enable the production of paperboard products, Billerud will invest in the US manufacturing assets. These investment plans are described in more detail on the next page.

**Strengthen performance through existing asset base**  
For Region Europe, Billerud prioritizes strengthening performance through its existing manufacturing assets. Based on market trends and market dynamics, we will focus on maintaining our strong position within liquid packaging board and accelerating the growth in cartonboard and coated liner. Additionally, we will optimize value in fluting and in attractive niche applications for sack paper and MG paper, such as industrial bags and medical uses. Thanks to our broad

product portfolio, which also contains uncoated liner and various kraft paper products, as well as our large-scale and flexible mills, we will be able to optimize operations across business cycles.

For the coming three years, the investment need in Region Europe beyond normal mill maintenance, is assessed to be limited. Investments in this region will thus be focused on maintaining competitiveness of our asset base.

**Stronger performance culture**  
To succeed, Billerud needs skilled and committed employees and leaders. Going forward, we will strive for a stronger performance culture, that focuses on achieving results and has accountability as an important aspect. In support of our corporate culture, we emphasize two core values: "We care for each other" and "We do what we say". A key element of our culture is giving employees opportunities to grow within

the company. Training in skills such as change management and sustainable leadership will also continue.

**Sustainability embedded**  
Sustainability is at the core of Billerud's business model, and we take responsibility for our impact on society and the environment. We help our customers reduce their climate impact by replacing fossil-based packaging materials with our materials, which are not only recyclable but also have a lower carbon footprint. For our own part, we have a roadmap of actions that will reduce our greenhouse gas emissions in accordance with the Paris Agreement. Our updated CO<sub>2</sub>e emission reduction targets were approved by the Science Based Targets initiative in 2024. We are also exploring new business models for biogenic carbon capture storage and utilization (CCS/CCU) at our mills together with partners. In the longer term, we are working towards setting a net zero target.

- Introduction** **2**
- Billerud at a glance 3
- 2024 in figures 4
- CEO's statement 5
- Our purpose 7
- **Strategy – Our Way Forward** **8**
- Targets and target fulfillment 10
- Region Europe 13
- Region North America 17
- The share and the shareholders 21
- Directors' report 23
- Financial statements, signatures and auditor's report 155
- Other information 205

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> **Safety first**  
We choose to be safe every day

> **Core values**  
We care for each other  
We do what we say

**Region North America**

Commitment to graphic and specialty papers  
Evolve towards packaging materials

**Region Europe**

Strengthen performance through existing asset base



**Stronger performance culture**



**Sustainability embedded in everything we do**





# Focus areas for the execution of our strategy

- Introduction** **2**
- Billerud at a glance 3
- 2024 in figures 4
- CEO's statement 5
- Our purpose 7
- **Strategy – Our Way Forward** **8**
- Targets and target fulfillment 10
- Region Europe 13
- Region North America 17
- The share and the shareholders 21
- Directors' report 23
- Financial statements, signatures and auditor's report 155
- Other information 205

## 1 Evolve towards packaging materials in North America

To execute the evolution towards packaging materials and thereby improve the product mix in North America, Billerud has decided to invest approximately SEK 1.2 billion in the Escanaba mill during 2024-2026, and around SEK 200 million in the Quinnesec mill in 2026. These investments will enable the production and sales of white liner, cartonboard and kraftliner, for which there is a large and growing demand in North America. The planned mill upgrades will be carried out in phases and in alignment with the scheduled maintenance shutdowns to minimize production disruptions.

Billerud is well positioned to grow within paperboard in North America as it has domestic, cost-competitive manufacturing and logistics as well as a strong service platform. Our new products for the North American market are being developed in collaboration with our European organization, which has extensive experience and knowledge of paperboard. During 2024, successful production trials for liner were performed with positive customer feedback. Billerud aims to gradually ramp up its sales of packaging materials in North America and has set the target of producing around 300 ktons of paperboard by the end of 2030.

## 2 Secure cost competitive wood in Region Europe

The conditions for the pulp, paper and packaging industry in Europe have changed since the beginning of 2022, with significantly higher wood prices. As wood fiber is a critical input and Billerud's single largest variable cost item, securing cost competitive wood supply is of utmost importance.

Billerud's strategic initiatives to secure cost competitive fiber for its European operations include activities to increase the share of wood purchases from private forest owners who are located near the production units, as well as to establish long-term strategic sourcing partnerships with large forest owners. Billerud also works systematically at all mills to reduce fiber losses throughout its supply chains, and wherever possible introduce fiber-efficient CTMP and more optimized recipes, in order to reduce the total fiber consumption.

These efforts deliver results. The share of wood purchases from private forest owners has increased in the past two years and accounted for over 15% of total fiber purchases in 2024. We strive to be the preferred partner of private forest owners and aim to further increase these wood purchases. During 2024, Billerud also came to an agreement with the Swedish state-owned company Sveaskog to expand our wood sourcing partnership with gradually increasing volumes.

## 3 Improve mill efficiency in Region Europe

Although Billerud's manufacturing in Sweden and Finland is operationally integrated with pulp production, as well as large-scale and flexible, with overlapping capabilities in several mills, there is potential to improve the availability and efficiency of production. Activities to improve mill efficiency will therefore be a key focus area in Region Europe over the next couple of years.

In 2024, unified processes under the Billerud Production System program began to be implemented in the board mills, where the potential for improvement is assessed to be the greatest, in order to increase production efficiency. This program will be rolled out to all mills in Region Europe during 2025.

We use Overall Equipment Efficiency (OEE) as the key performance indicator for mill efficiency and our ambition is to improve our OEE in Region Europe by 2 percentage points each year over the next three years. Since operational efficiency is closely interlinked with the safety of employees, sustainability and the reliability of production, this work is expected to have positive effects in several areas.

## 4 Build a winning value proposition

Along with premium quality of lightweight, strong and durable materials with good formability and printability, Billerud's customer proposition is characterized by reliability and ease of collaboration. To maintain and strengthen our market positions, we must continue to be the preferred choice for our customers.

We will continue to deliver on our service commitment and innovate for superior material performance. Through our development work we can demonstrate the quality and sustainability performance of our products, and introduce new applications for fiber-based materials that meet the rising demand for renewable and recyclable packaging solutions. We will continue to develop and market premium offers that enable us to apply a value-based approach to selling and to excel in price and portfolio optimization.

## 5 Drive efficiency and cost optimization

Billerud has in recent years focused on realizing efficiency enhancements. Our efficiency enhancement program, launched in the beginning of 2023, has run across all functions and included around 190 different activities or work streams. This program was originally planned to run for three years, but as it delivered ahead of schedule, it was closed at the end of 2024. The efficiency enhancement program delivered run-rate structural savings of around SEK 1.5 billion.

The efficiency work will now continue. From 2025, the line organization is working to further optimize purchasing, sales and operations planning and to reduce fixed costs where appropriate. We are working increasingly harmonized across national borders and business units as cross-functional collaboration unlocks potentials in the entire business flow. The "One Billerud" culture will be supported by the introduction of a global digital platform, that will support agile decision-making and harmonize core business processes across the company.



“Our goal is to reach an annual EBITDA of above SEK 6 billion over a business cycle. This will enable a continued strong and competitive Billerud.”

Ivar Vatne, President and CEO

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# Targets that are our guiding stars

In December 2024, Billerud updated its financial targets. The new financial targets presented below, coupled with maintained financial policy regarding indebtedness and dividends, as well as targets for safety and reduced greenhouse gas emissions, constitute our guiding stars.

## Financial targets

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

### Return on capital employed (ROCE)

Target

>11%

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

### EBITDA margin

Target

>15%

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

### Cash conversion

Target

>80%

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

## Financial principles

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

### Interest-bearing net debt/EBITDA

Target

<2.5

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

### Dividend ratio

Target

>50%

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

## Sustainability targets

Billerud's top two sustainability targets concern safety at its workplaces, and reduced CO<sub>2</sub>e emissions from own operations.

### Lost time injury frequency rate (LTIFR)

Target

<1.5

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

### CO<sub>2</sub>e reduction by 2030

Target

-42%

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

[Download pdf to print](#)





**Introduction 2**

- Billerud at a glance 3
- 2024 in figures 4
- CEO's statement 5
- Our purpose 7
- Strategy – Our Way Forward 8
- **Targets and target fulfillment 10**
- Region Europe 13
- Region North America 17
- The share and the shareholders 21

Directors' report 23

Financial statements, signatures and auditor's report 155

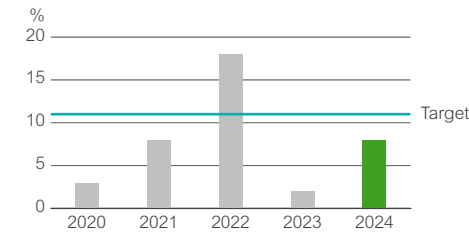
Other information 205

[Download pdf to print](#)

## Performance on the targets

During 2024, Billerud's return on capital employed (ROCE) and EBITDA margin improved compared to the previous year. The cash conversion target was not met, while the company's financial position remained strong. The proposed dividend is in line with the dividend policy. The injury rate was unsatisfactory and shows that more efforts are needed to improve safety. CO<sub>2</sub>e emissions from our operations continued to decrease in 2024.

### Return on capital employed (ROCE)

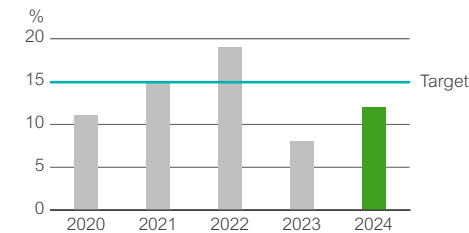


Outcome

**8%**

The return on capital employed in 2024 was 8% which was a below-target performance. The improvement compared with 2023 was a result of the increased operating profit.

### EBITDA margin

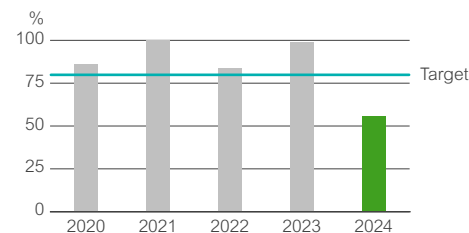


Outcome

**12%**

The EBITDA margin in 2024 was 12%, an increase from 2023 but below the level that is targeted to be achieved over a business cycle. The EBITDA margin in both regions improved.

### Cash conversion

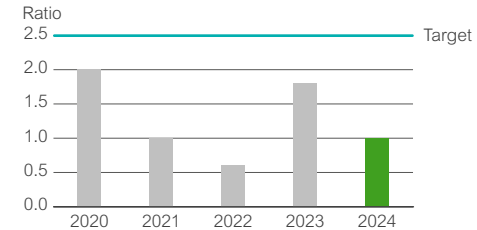


Outcome

**56%**

The cash conversion in 2024 was 56% so the target was not achieved. The cash flow from operating activities declined due to negative changes in working capital.

### Interest-bearing net debt/EBITDA

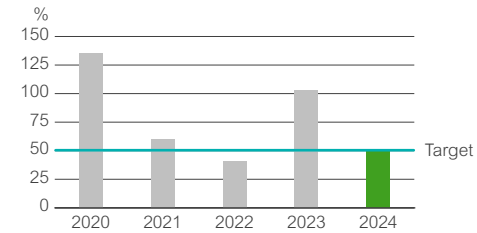


Outcome

**1.0**

The interest-bearing net debt to EBITDA ratio was 1.0 at year-end 2024, which means that the target level was met by a good margin.

### Dividend ratio

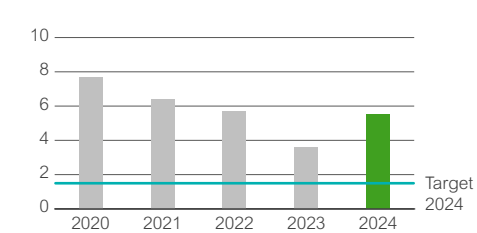


Outcome

**50%**

The proposed dividend for 2024 of SEK 3.50 corresponds to 50% of the net profit and 56% of the adjusted net profit. The target was thus fulfilled.

### Lost time injury frequency rate (LTIFR)

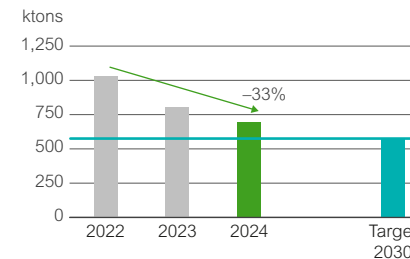


Outcome

**5.5**

The lost time injury frequency rate (LTIFR) for employees and contractors in 2024 was 5.5. The positive trend in 2020-2023 was broken and the target for 2024 was not achieved.

### CO<sub>2</sub>e scope 1 and 2 emissions



Outcome

**-33%**

CO<sub>2</sub>e emissions have decreased by 33% since the baseline value 2022. The reduction in 2024 was mainly due to purchases of CO<sub>2</sub>e emission-free energy credits, but also due to energy efficiency measures.





<b>Introduction</b>	<b>2</b>
– Billerud at a glance	3
– 2024 in figures	4
– CEO's statement	5
– Our purpose	7
– Strategy – Our Way Forward	8
– Targets and target fulfillment	10
– Region Europe	13
– Region North America	17
– The share and the shareholders	21
Directors' report	23
Financial statements, signatures and auditor's report	155
Other information	205

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## Our business

We make high performance, recyclable materials that are used for the packaging of food and consumer goods, industrial use and printed communication. People all over the world use our products. Our production is located in Sweden, Finland and the US, where responsibly managed forests are close at hand.





# Region Europe

Within Region Europe, Billerud manufactures board and paper packaging materials at its mills in Sweden and Finland. More than 60% of our sales are to packaging manufacturers within Europe, while the rest of our sales are outside Europe.

## Market position

Billerud is a world leader in premium fiber-based packaging materials. Our board and paper products are 100% recyclable and produced with responsibly sourced cellulose fibers. This enables circularity and greater sustainability for our customers and also for the brand owners who are Billerud's end users. Along with sustainability, our high-performing packaging materials are recognized for their strength, light weight and durability.

We are a leading supplier of liquid packaging board in what is a relatively consolidated industry and have the industry's longest experience in supplying roll-fed board. As a niche supplier of containerboard, we offer semi-chemical fluting and coated kraft-liners for corrugated packaging applications that require strength, purity and packaging optimization. Our premium cartonboard is primarily used for luxury and consumer products, and for food and beverages where sustainability is a critical factor.

Within paper, we are a large manufacturer of durable and sustainable sack paper that is used to hold cement, building materials and dry food, among other products. We now offer brown and white sack papers with a plastic-free coating. Billerud also offers a wide range of kraft papers that include machine glazed (MG) and machine finished (MF) materials. Our kraft papers are recognized for their superiority when it comes to tear strength and recyclability. They are suited to applications which have high demands on pressure sensitivity, purity, flexibility and strength.

## Relentless innovation

We collaborate with converters, brand owners, retailers, industry partners and machine suppliers to increase the sustainability of packaging, optimize packaging and design, and develop new applications. Among our newest innovations are surface-treated medical paper and easy-to-recycle sack paper (more details on page 16). Billerud's multiple labs have the capabilities to

develop prototypes, provide life cycle analyses, and simulate scenarios such as critical stacking strength and the impact of humidity over time.

## Sourcing, stability and safety

Our products are manufactured at six mills conveniently located near supplies of high-quality fiber. Billerud's long-term sourcing partnerships with forestry companies, forest owners, logging companies and sawmills ensure that we have a continuous and cost-efficient supply of wood fiber.

Safety remains our top priority. Our goal is to reduce work-related sick leave and ill health, resulting in greater productivity and improved quality. We focus on operational stability as well, with machines that are running at optimum speed for as many hours as possible. This helps to ensure the production of high quality products, higher profitability and resource efficiency. We also strive to optimize production across the mills to achieve the best product mix.

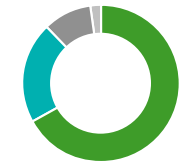
- Introduction** **2**
- Billerud at a glance 3
- 2024 in figures 4
- CEO's statement 5
- Our purpose 7
- Strategy – Our Way Forward 8
- Targets and target fulfillment 10
- **Region Europe** **13**
- Region North America 17
- The share and the shareholders 21
- Directors' report 23
- Financial statements, signatures and auditor's report 155
- Other information 205

## Net sales



### Sales by product category, %

- Liquid packaging board, 36
- Containerboard, 19
- Kraft and specialty paper, 14
- Sack paper, 11
- Cartonboard, 10
- Market pulp and other materials, 10



### Sales by market channel, %

- Food and beverages, 67
- Industrial, 21
- Consumer and luxury goods, 10
- Medical & hygiene, 2

## Key figures

SEKm	2024	2023
Net sales	28,342	27,114
of which liquid packaging board	10,111	9,396
of which containerboard	5,470	5,347
of which kraft and specialty paper	4,081	3,841
of which sack paper	3,240	2,912
of which cartonboard	2,740	2,793
of which market pulp	2,437	2,553
Operating expenses, net	-24,934	-24,361
<b>EBITDA</b>	<b>3,408</b>	<b>2,753</b>
<i>EBITDA margin</i>	12%	10%
<b>Operating profit/loss</b>	<b>1,511</b>	<b>925</b>
<i>Operating margin</i>	5%	3%
Sales volumes, ktons	2,752	2,697

# 28.3

**Net sales** in Region Europe amounted to around SEK 28.3 billion, which was an increase of 5%.

# 12%

**The EBITDA margin** increased due to higher sales and efficiency gains, partly offset by higher wood costs.



Our board and paper products are 100% recyclable, enabling circularity for our customers.

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**Introduction 2**

- Billerud at a glance 3
- 2024 in figures 4
- CEO's statement 5
- Our purpose 7
- Strategy – Our Way Forward 8
- Targets and target fulfillment 10
- **Region Europe 13**
- Region North America 17
- The share and the shareholders 21

Directors' report 23

Financial statements, signatures and auditor's report 155

Other information 205



### Liquid packaging board

Billerud has been developing liquid packaging materials for 70 years, making us the world's most experienced producer of liquid packaging. Our liquid packaging board is food-safe and taint and odor neutral, which makes it ideal for the packaging of food and beverages. We supply liquid packaging board to the leading packaging producers around the world.

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

- #1 Aseptic packaging, global
- #2 Liquid packaging board, global

#### Applications

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



### Containerboard

Our containerboard range comprises fluting and liners for corrugated packaging. Our fluting Billerud Flute® offers extreme strength and lightweighting opportunities and can prolong shelf life by as much as 50%. Our liners, which form the outer, printable layer of corrugated board, are smooth, white and bright for top color reproduction and printability.

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

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

#### Applications

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



### Cartonboard

Billerud's cartonboard is a strong, multiply board construction under the CrownBoard brand. CrownBoard allows for unique designs, excellent print quality and flexibility. It is often used for consumer and premium products where the packaging is part of the brand's image. It offers lightweighting advantages which lead to reductions in cost and environmental impact, without compromising on performance.

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

- #5 Cartonboard, Europe

#### Applications

- Premium drinks
- Other beverages
- Cosmetics
- Confectionary
- Pharmaceutical and healthcare
- Foods



### Kraft paper

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

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

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

#### Applications

- Dry foods such as flour, sugar and grain
- Carrier and bread bags
- Medical packaging
- Flexible and formable packaging
- Steel interleaving
- Greaseproof paper
- Release liners for hygiene products



### Sack paper

Our high-quality, durable sack paper is used to make strong sacks, capable of holding, storing and transporting heavy building materials, chemicals and other products. These sacks can be filled without splitting or generating dust, which contributes to a clean and healthy work environment. Billerud's sack paper can reduce CO<sub>2</sub> emissions by 30% compared to plastic sacks.

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

- #4 Sack paper, globally

#### Applications

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

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






## 🕒 Region Europe – production facilities

Billerud has six production facilities in Sweden and Finland that manufacture packaging material from renewable fresh fiber. All facilities are operationally integrated mills that produce board or paper as well as pulp. The total manufacturing capacity is around 3 million tons per year.

- Introduction** **2**
- Billerud at a glance 3
- 2024 in figures 4
- CEO's statement 5
- Our purpose 7
- Strategy – Our Way Forward 8
- Targets and target fulfillment 10
- **Region Europe** **13**
- Region North America 17
- The share and the shareholders 21
- Directors' report 23
- Financial statements, signatures and auditor's report 155
- Other information 205



**Skärblacksa, Sweden**

Capacity per year in tons **460,000**

Employees (approx.) **640**

Produces white machine glazed (MG) kraft paper, brown sack paper, fluting and market pulp. In 2024, the mill began producing MediKraft® SealBase paper for medical applications. The mill also houses laboratories with expertise in barriers and sealing systems for the packaging of food and medical products.



**Karlsborg, Sweden**

Capacity per year in tons **335,000**

Employees (approx.) **370**

Produces sack paper, kraft paper, formable paper (FibreForm®) and market pulp. The mill also houses a Packaging Development Center, where sack paper development and product testing takes place, as well as a Pulp Lab, which focuses on chemical and mechanical pulp testing.




**Frövi/Rockhammar, Sweden**

Capacity per year in tons **500,000**

Employees (approx.) **520**

The Frövi mill manufactures liquid packaging board and cartonboard. Rockhammar produces bleached and unbleached chemi-thermomechanical pulp (CTMP) for Frövi, where a new recovery boiler was installed in 2023.



**Pietarsaari, Finland**

Capacity per year in tons **200,000**

Employees (approx.) **100**

Mainly produces kraft paper and sack paper. It also produces formable paper (FibreForm®) and advanced, high-performance paper grades for a range of technical applications such as abrasive papers, and reel and ream wrapping.




**Gruvön, Sweden**

Capacity per year in tons **870,000**

Employees (approx.) **730**

The mill produces liners, fluting, liquid packaging board, cartonboard, sack paper and formable paper (FibreForm®), among other products. It also has a development center with expertise in packaging optimization.



**Gävle, Sweden**

Capacity per year in tons **755,000**

Employees (approx.) **680**

Manufactures liquid packaging board and white top kraftliner. Each day the plant produces material for around 200 million single-portion drink packages, which means that every fourth beverage container in the world uses liquid packaging board made by Billerud in Gävle.

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➤ Region Europe – new products

## A pure and safe medical solution



In November 2024, Billerud launched MediKraft SealBase for medical applications. The surface-treated medical paper marks a significant extension to Billerud's current medical paper product line.

MediKraft SealBase is ideal for adhesive bandages and similar applications. It is made of 100% pure fresh fibers for high performance, purity and safety. The product has been tested for various ster-

ilization methods, such as EO (Ethylene Oxide) and gamma, to ensure compatibility with industry requirements.

MediKraft SealBase also complies with the latest recyclability standards and comes with an Environmental Product Declaration (EPD). Billerud is currently the only company in the market that consistently produces and discloses Environmental Product Declarations (EPDs) for nearly all its medical paper products.

## Plastic-free sack paper



Easy to recycle, less dust in the filling process, and no plastic – Billerud has developed a sack paper that provides all that, without compromising on performance.

The Performance Barrier sack paper comes in white and brown versions and is ideal for sacks that hold cement, building materials, chemical substances, dry food and more. Its innovative coated layer eliminates the need for the usual plastic film coating, making it much easier for cus-

tomers to recycle in regular paper streams than before. The coated layer can be used on the inside or outside of the sack to withstand moisture and even some light rain.

By combining Performance Barrier with a QuickFill inner layer and top deaeration there is also less dust, providing a healthier work environment and less content waste. The surface repels dirt too, giving brand owners' sacks a cleaner and more presentable appearance.

- Introduction** **2**
- Billerud at a glance 3
- 2024 in figures 4
- CEO's statement 5
- Our purpose 7
- Strategy – Our Way Forward 8
- Targets and target fulfillment 10
- **Region Europe** **13**
- Region North America 17
- The share and the shareholders 21
- Directors' report 23
- Financial statements, signatures and auditor's report 155
- Other information 205

[Download pdf to print](#)



# Region North America

Billerud produces graphic paper, specialty paper and market pulp in North America. More than 95% of these products are sold on the domestic market. Our more than 200 customers in Region North America are printers, publishers, converters, distribution partners, and other paper manufacturers.

### Market position

Billerud is a leading producer of graphic paper in North America and the leader when it comes to pressure sensitive specialty paper for labels and other applications. We also produce market pulp made of 100% fresh fibers. The graphic paper industry in North America has been consolidating in recent years, which puts Billerud in an even stronger position for the foreseeable future.

### Graphic paper

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

### Specialty paper

Within specialty paper, we are a leading supplier to the North American pressure sensitive label materials market. With an offering of both release liner base papers and face stocks, our high-strength specialty papers are engineered to perform in a variety of demanding applications such as die-cut pressure sensitive roll label applications and labels for refrigerated products.

### Packaging and other solutions

We remain committed to expanding within the North American packaging market and have made strides particularly with our linerboards. We foresee paperboard as a growth opportunity for the future. For each of our product lines, we provide superior customer service to fully support our customer and end-user needs. We have the flexibility to serve the needs of growing markets and the capability to deliver a variety of alternative products.

### Strong and sustainable

We have a strong legacy in the graphic paper industry and aim to craft the best paper for the customer needs. Our production facilities are strategically located with proximity to major customers in the Midwestern United States. We are committed to conducting business responsibly and we support the circular economy. All of our products are recyclable and produced with fibers that are responsibly sourced and we are committed to significantly reducing our CO<sub>2</sub>e emissions. This strong commitment to sustainability is a key differentiator contributing to Billerud's market leadership in North America.

### Production and proximity to fiber

We are a large employer in northern Michigan, and the safety of employees and contractors in our operations is of outmost importance. Workplace safety is a part of our training, routines and targets. Our products are manufactured at two cost-efficient, integrated pulp and paper mills in Michigan, with sheet converting in Wisconsin, and are located close to an abundant and cost-competitive supply of fresh fiber. This is another major advantage for Billerud in North America.



Billerud is a quality, cost, and service leader in the graphic paper industry in North America.

## Net sales



Sales by product category, %

- Graphic paper, 69
- Specialty paper, 18
- Market pulp, 13



Sales by market segment, %

- Print & publishing, 70
- Food and beverages, 13
- Industrial, 12
- Consumer and luxury goods, 5

### Key figures

SEKm	2024	2023
Net sales	12,122	11,511
of which graphic paper	8,360	8,342
of which specialty paper	2,194	1,605
of which market pulp	1,568	1,564
Operating expenses, net	-9,931	-9,893
<b>EBITDA</b>	<b>2,191</b>	<b>1,618</b>
<i>EBITDA margin</i>	<i>18%</i>	<i>14%</i>
<b>Operating profit/loss</b>	<b>1,442</b>	<b>808</b>
<i>Operating margin</i>	<i>12%</i>	<i>7%</i>
Sales volumes, ktons	902	839

# 12.1

**Net sales** in Region North America amounted to around SEK 12.1 billion, which was an increase of 5%.

# 18%

**The EBITDA margin** strengthened mainly as a result of higher volumes but also due to lower input costs.

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- Introduction** **2**
- Billerud at a glance 3
- 2024 in figures 4
- CEO's statement 5
- Our purpose 7
- Strategy – Our Way Forward 8
- Targets and target fulfillment 10
- Region Europe 13
- **Region North America** **17**
- The share and the shareholders 21
- Directors' report 23
- Financial statements, signatures and auditor's report 155
- Other information 205



## Graphic paper

Billerud produces primarily coated freesheet (CFS) and coated groundwood (CGW) graphic papers. We offer premium and economy sheets and rolls designed for color accuracy and optimized image reproduction. Our graphic paper is produced from responsibly sourced fibers, with available FSC® (FSC-C014984), SFI® and PEFC (PEFC/29-31-92) chain-of-custody certifications.

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

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

### Applications

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

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



## Speciality paper

Our technically advanced specialty papers primarily serve label markets. We produce both face stocks and release liner base papers for pressure sensitive applications. In addition, we manufacture a multi-purpose coated one side face stock for a variety of end uses, including glue-applied labels, litho lamination, and specialty packaging.

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

- #1 Pressure sensitive specialty paper, North America

### Applications

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



## Market pulp

Our North American market pulp is produced at Billerud's Quinnesec mill. It is made of 100% fresh fibers, including local maple fiber, to ensure top quality in terms of strength and purity. Our pulp is ideally suited for demanding printing and writing paper grades, as well as specialty papers and tissue papers.

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

- #4 Northern Bleached Hardwood Kraft (BHKP) pulp, North America

### Applications

- Specialty papers
- Tissue papers
- Printing and writing paper

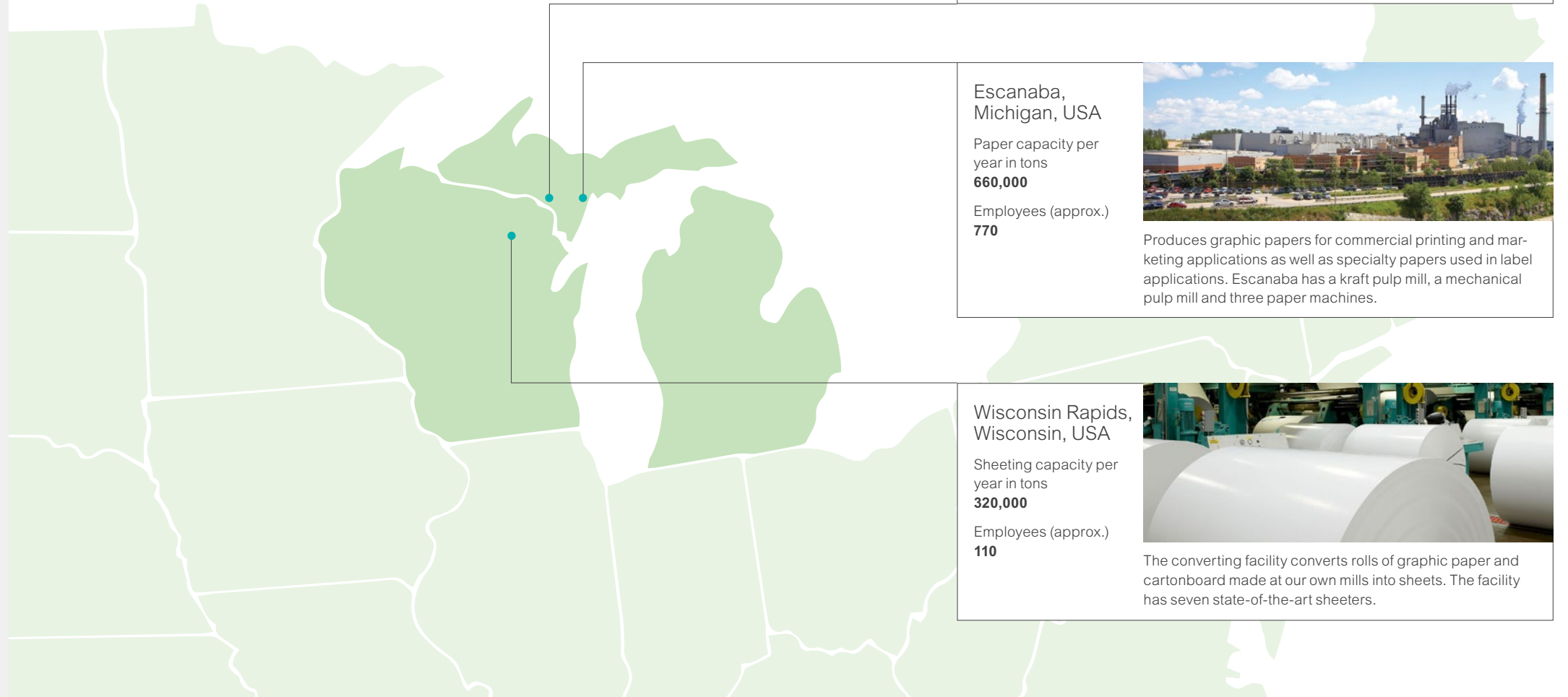
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### ➤ Region North America – production facilities

Billerud has two integrated pulp and paper mills in Michigan, with a total manufacturing capacity of around 1 million tons of paper and 0.2 million tons of market pulp per year. We also have a converting facility in Wisconsin, where rolls of our materials are converted to sheets.

- Introduction** **2**
- Billerud at a glance 3
- 2024 in figures 4
- CEO's statement 5
- Our purpose 7
- Strategy – Our Way Forward 8
- Targets and target fulfillment 10
- Region Europe 13
- **Region North America** **17**
- The share and the shareholders 21
- Directors' report 23
- Financial statements, signatures and auditor's report 155
- Other information 205



**Quinnesec, Michigan, USA**

Paper capacity per year in tons  
**430,000**

Market pulp capacity per year in tons  
**210,000**

Employees (approx.)  
**410**



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

**Escanaba, Michigan, USA**

Paper capacity per year in tons  
**660,000**

Employees (approx.)  
**770**




Produces graphic papers for commercial printing and marketing applications as well as specialty papers used in label applications. Escanaba has a kraft pulp mill, a mechanical pulp mill and three paper machines.

**Wisconsin Rapids, Wisconsin, USA**

Sheeting capacity per year in tons  
**320,000**

Employees (approx.)  
**110**



The converting facility converts rolls of graphic paper and cartonboard made at our own mills into sheets. The facility has seven state-of-the-art sheeters.

[Download pdf to print](#)





**Introduction** 2

- Billerud at a glance 3
- 2024 in figures 4
- CEO's statement 5
- Our purpose 7
- Strategy – Our Way Forward 8
- Targets and target fulfillment 10
- Region Europe 13
- **Region North America** 17
- The share and the shareholders 21
- Directors' report 23
- Financial statements, signatures and auditor's report 155
- Other information 205

➤ Region North America – new products



## New product boosts customer campaign

Billerud developed a new, lightly-coated graphic paper to a long-time customer that relies on the US Postal Service for its distribution of marketing collateral. With recent, sizeable increases in postal rates, the customer needed to lower its costs, but could not sacrifice the quality of its printed materials.

With a deep understanding of its customer's needs, Billerud brought together a cross-functional product development team to design a suitable graphic paper.

The resulting 7 pt. Ideal Caliper grade is an unconventional, tailor-made solution, that requires almost 10% less raw material compared to a traditional fully coated paper grade.

At the same time, its superior printing surface outperforms the uncoated paper previously used by the customer, which contributed to an improved response rate compared to earlier direct mail campaigns.



## Introducing Tribute® and Voyager®

Billerud is expanding into the North American paperboard market with two new product lines, produced at its mills in Michigan, US.

Launched in late 2024, Tribute® and Voyager® increase Billerud's product portfolio of fiber-based packaging materials, serving the large and growing base of converting customers in the American Midwest.

**Tribute®** is a fully bleached white kraft liner for containerboard that comes in coated and uncoated versions. Its white print surface offers excellent printability, and it is mainly suitable for brands looking for high-quality corrugated packaging.

**Voyager®** is a single-ply solid bleached sulfate (SBS) cartonboard line available in three versions designed for different packaging applications, including folding cartons and food service board applications.

[Download pdf to print](#)



- Introduction** **2**
- Billerud at a glance 3
- 2024 in figures 4
- CEO's statement 5
- Our purpose 7
- Strategy – Our Way Forward 8
- Targets and target fulfillment 10
- Region Europe 13
- Region North America 17
- **The share and the shareholders** **21**
- Directors' report 23
- Financial statements, signatures and auditor's report 155
- Other information 205

# The share and the shareholders

The Billerud share is quoted and traded on Nasdaq Stockholm. The company's market capitalization was around SEK 25 billion at the end of the year.

### Share price performance

At the end of 2024, Billerud's share closed at the price of SEK 101.40. The share price declined by 1% in 2024. During the same period, the Stockholm stock exchange, OMXSPI, increased by 6% while the sector index OMXS Industrial Materials decreased by 10%. The highest closing price for the Billerud share during the year was SEK 117.30, noted on 4 October. The lowest closing price was SEK 86.72, noted on 26 February.

### Share trading

Billerud's shares are traded on the Large Cap list of Nasdaq Stockholm under the symbol BILL. During 2024,

the volume of Billerud shares traded on Nasdaq Stockholm was around 140 million, corresponding to a value of approximately SEK 14 billion. The average daily turnover was around 550,000 shares, corresponding to a value of around SEK 55 million. Average daily trading for Billerud on Nasdaq was about 1,500 trades.

Billerud's shares are also traded on Cboe Global Markets, London Stock Exchange and other marketplaces. In total, the trading volume on all marketplaces was around 500 million in 2024.

### Dividend policy and dividend

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

For 2024, the Board of Directors proposes that the 2025 AGM approve a dividend of SEK 3.50 per share. The proposed dividend corresponds to 50% of the net profit for the year and 56% of the adjusted net profit.

### Share capital and own shares

The share capital in Billerud amounts to SEK 1,843,307,607, represented by 249,611,422 shares. Each Billerud share,

with the exception of the company's own shares, entitles the holder to one vote and an equal right in the company's capital and dividend. The company has 906,501 own shares, corresponding to 0.4% of the total number of shares. The number of shares on the market is 248,704,921.

### Ownership structure

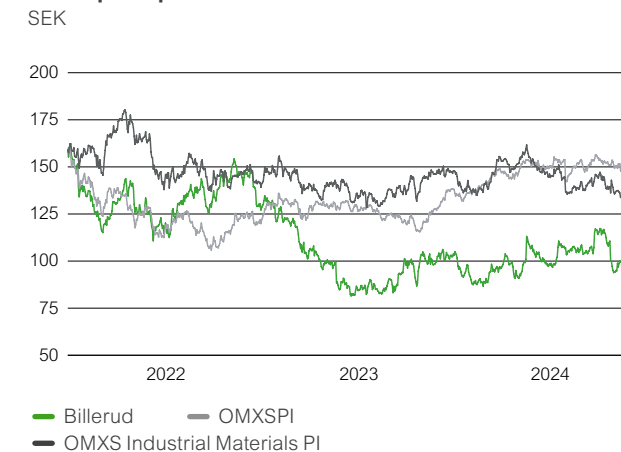
Billerud had 96,926 shareholders on 31 December 2024. 57% of the share capital is owned by investors registered in Sweden, whereof roughly two-thirds are legal entities and one-third private individuals. The largest foreign ownership is in Austria and the US.

At year-end 2024, the five largest shareholders had a total of 40% of the shares on the market. The total holdings of the ten largest shareholders were 50% of the shares on the market.

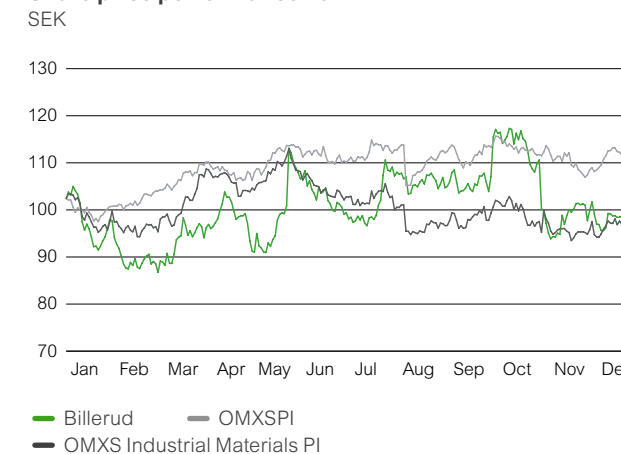
### Shareholder communication

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

### Share price performance 2022–2024



### Share price performance 2024



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# 6.24

Adjusted earnings per share, SEK

# 3.50

Dividend per share, SEK





**Introduction 2**

- Billerud at a glance 3
- 2024 in figures 4
- CEO's statement 5
- Our purpose 7
- Strategy – Our Way Forward 8
- Targets and target fulfillment 10
- Region Europe 13
- Region North America 17
- **The share and the shareholders 21**
- Directors' report 23
- Financial statements, signatures and auditor's report 155
- Other information 205

**Shareholder structure<sup>1</sup>**

Shareholding	No. of shares	%	No. of owners	%
1–100	1,422,105	0.6	30,715	31.7
101–500	13,342,597	5.3	50,379	52.0
501–10 000	25,011,332	10.0	15,178	15.7
10 001–100 000	13,653,991	5.5	554	0.6
100 001–	174,315,750	69.8	100	0.1
Anonymous ownership	21,865,647	8.8	N/A	N/A
<b>Total</b>	<b>249,611,422</b>	<b>100.0</b>	<b>96,926</b>	<b>100.0</b>

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

**Share capital development since 2006**

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

**Largest shareholders**

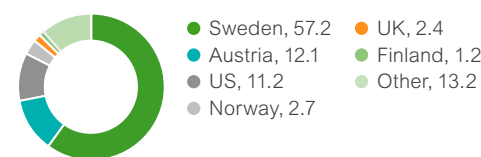
Shareholder	No. of shares	Share of votes <sup>1</sup> , %
AMF Pension & Funds	38,841,540	15.6
FRAPAG Beteiligungsholding AG	30,000,000	12.1
Fourth Swedish National Pension Fund	16,051,915	6.5
Vanguard	8,651,371	3.5
Swedbank Robur Funds	6,926,051	2.8
Norges Bank	5,792,834	2.3
Folksam	5,046,644	2.0
Blackrock	4,925,095	2.0
Dimensional Fund Advisors	4,211,374	1.7
Handelsbanken Funds	4,073,934	1.6
<b>Total</b>	<b>124,520,758</b>	<b>50.1</b>

<sup>1</sup> Based on the shares on the market.

**Distribution of shares**

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

**Ownership by country<sup>1</sup>, %**



**Key figures per share**

SEK, unless stated otherwise	2024	2023
Earnings	7.02	1.95
Diluted earnings	7.02	1.95
Earnings, adjusted	6.24	3.06
Dividend (for each financial year)	3.50 <sup>1</sup>	2.00
Dividend as % of		
– share price (dividend yield)	3.5	2.0
– net profit	50	103
– adjusted net profit	56	65
– equity (closing balance)	3.0	1.8
Cash flow from operating activities	12.19	13.25
Shareholders' equity	116.52	108.41
Diluted equity	116.52	108.35
Share price/closing balance of equity, %	87	94
P/E ratio, multiple	14.4	52.5
EV/EBITDA, multiple	5.6	9.5
Share price (closing price, last trading day)	101.40	102.40

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

**External evaluations**

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

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

MSCI ESG RATINGS AA

In MSCI's 2024 ESG evaluation Billerud maintained its AA rating.

Corporate ESG Performance Prime

ISS ESG – Billerud received a B-risk rating and Prime status, which is granted to companies deemed to achieve best in class ESG performance in their sector.

EcoVadis Sustainability Rating GOLD 1 Top 5% NOV 2024

EcoVadis – Billerud earned a Gold rating, which means a position among the top 5% of rated companies on how well sustainability principles are integrated into the business.

Rated SUSTAINALYTICS

In the latest ESG risk rating report from Sustainalytics Billerud received the score 14.2, which corresponds to low risk.

Download pdf to print



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statements	45
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

# Financial overview

The Board and CEO of Billerud AB (publ), with corporate identity number 556025–5001, herewith submit the annual report and consolidated annual accounts for the 2024 financial year. Figures for the previous year are stated in brackets.

This English version is a translation of the Swedish original.

## Operations

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

Billerud has three operating segments: Region Europe, Region North America and Other.

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

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

The operating segment Other includes wood supply operations for Region Europe, Scandfibre Logistics AB, Consolidated Waterpower Company, rental operations, dormant companies, idled assets,

income from sale of business, items affecting comparability and costs due to increased investments in the production structure, Group-wide functions, Group eliminations, profit/loss from participation in associated companies as well as results from hedging of the Group's net currency flows and revaluation of accounts receivables and payments from customers. The two last mentioned are presented separately as Currency hedging etc. The operating segment Other included Managed Packaging until this business unit, that provided packaging services, was divested on 31 August 2023.

## Financial targets

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

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

## Financial development

### Net sales

Net sales for 2024 amounted to SEK 43,453 million (41,224). Net sales excluding currency effects grew by 5% because of higher sales in both regions compared to last year.

## Sales volumes by operating segment

Ktons	2024	2023
Region Europe	2,752	2,697
Region North America	902	839
<b>Total</b>	<b>3,654</b>	<b>3,536</b>

## Net sales by operating segment

SEKm	2024	2023
Region Europe	28,342	27,114
Region North America	12,122	11,511
Other	2,971	2,948
Currency hedging, etc.	18	–349
<b>Total</b>	<b>43,453</b>	<b>41,224</b>

## Net sales by geographic market

SEKm	2024	2023
US	13,093	12,802
Sweden	4,158	3,348
Germany	3,929	3,606
China	2,639	2,584
Italy	2,401	2,218
Spain	1,969	1,741
United Kingdom	1,516	1,278
France	1,350	1,286
Turkey	1,201	1,294
The Netherlands	774	765
Denmark	653	691
India	542	683
Finland	478	465
Mexico	447	427
Rest of Europe	3,115	2,902
Rest of world	5,188	5,134
<b>Total</b>	<b>43,453</b>	<b>41,224</b>

[Download pdf to print](#)



- Introduction 2
- Directors' report 23**
- **Financial overview 23**
- Corporate governance in Billerud 29
- Internal control over financial reporting 34
- Group Management Team 36
- Board of Directors 38
- Risks and risk management 40
- Sustainability statements 45
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

**Growth**

Net sales increased by 5% in 2024. Organic growth, measured as the increase in net sales adjusted for additions and deductions with amounts corresponding to the net sales of acquired and divested operations, amounted to 6%. Managed Packaging, which was divested on 31 August 2023, had net sales of SEK 420 million during the period 1 January–31 August 2023.

SEKm	2024	2023
Net sales	43,453	41,224
Divestment, Managed Packaging	–	–420
<b>Net sales for comparable units</b>	<b>43,453</b>	<b>40,804</b>

Taken into account the currency effect on net sales reported in Region Europe and Region North America, as well as the currency hedging effect reported in "Currency hedging, etc.", net sales in 2024 would have been SEK 328 million lower.

**Results**

EBITDA increased to SEK 5,421 million (3,314), mainly due to higher volumes, improved sales prices and a more favorable sales mix as well as positive contribution from the efficiency enhancement program.

Adjusted EBITDA amounted to SEK 5,167 million (3,613). Items affecting comparability, reported in the operating segment Other, totaled SEK 254 million (–299) and included costs for the US transformation program of SEK 278 million, a positive result from the divestment of assets related to the Wisconsin Water Quality Center of SEK 70 million, positive result effects from transfers of pension obligations and related assets in the US of SEK 389 million, released provisions for restructuring costs related to personnel reductions of SEK 58 million, and a positive result of the revaluation of biological assets in the associated company BSÖ Holding AB Group of SEK 15 million.

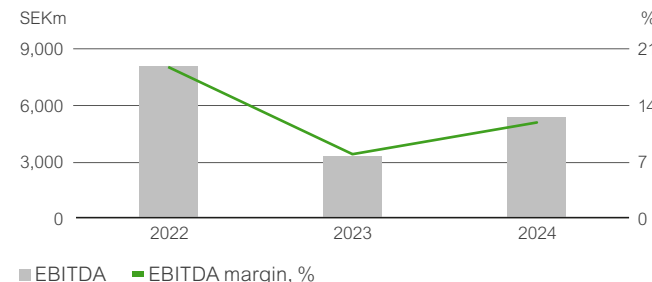
The EBITDA margin for 2024 was 12% (8) and the adjusted EBITDA margin was also 12% (9).

Net financial items totaled SEK –313 million (–349). The calculated tax was SEK –501 million (299).

Net profit for 2024 totaled SEK 1,747 million (484) and earnings per share was SEK 7.02 (1.95). The adjusted net profit for the year was SEK 1,552 million (761) and the adjusted earnings per share was SEK 6.24 (3.06)

The return on equity was 6% (2) and the return on capital employed was 8% (2).

**Group EBITDA and EBITDA margin**



**Summary**

	2024	2023
Net sales, SEKm	43,453	41,224
EBITDA, SEKm	5,421	3,314
EBITDA, %	12	8
Operating profit, SEKm	2,561	534
Operating margin, %	6	1
Return on capital employed, %	8	2
Profit before tax, SEKm	2,248	185
Net profit, SEKm	1,747	484
Earnings per share, SEK	7.02	1.95

**EBITDA and EBITDA margin by operating segment**

	2024		2023	
	SEKm	%	SEKm	%
Region Europe	3,408	12	2,753	10
Region North America	2,191	18	1,618	14
Other	–196		–708	
Currency hedging, etc.	18		–349	
<b>Total</b>	<b>5,421</b>	<b>12</b>	<b>3,314</b>	<b>8</b>

For quarterly data, see pages 209–210.

**Key events 2024**

Billerud renamed the operating segment "Solutions & Other" to "Other" on 1 January 2024 due to the divestment of Managed Packaging and other packaging solutions businesses during 2023.

In the first quarter, Billerud initiated a multi-year program to harmonize its ways of working. During the year, preparations were made to, from November 2025 step by step with one production facility at a time, introduce a global IT platform that will support agile decision-making in the entire business flow; from sourcing, sales and order planning to customer deliveries and payments.

In February, a renewed strategy for Region Europe was adopted, which included strategic initiatives to be taken in 2024–2026. In addition to a maintained priority on security, the strategy focused on securing a cost-competitive fiber supply and improving the efficiency of existing manufacturing assets.

In March, Billerud agreed on the divestment of the idled Wisconsin Rapids mill assets to the global private equity company Capital Recovery Group, LLC for non-paper and pulp manufacturing uses. The result effect of this divestment of SEK –6 million was recorded in the first quarter. The transaction was completed in the second quarter and had a positive cash flow effect of around SEK 60 million.

On 30 April, Billerud divested the Wisconsin Water Quality Center (WQC) and related landfill assets. This divestment was a natural consequence of the sale of the idled Wisconsin Rapids mill assets. The positive result effect of the divestment of the Wisconsin WQC amounted to SEK 70 million and was reported as an item affecting comparability in the second quarter result. The cash flow effect of this divestment was SEK –55 million.

On 21 May, Billerud's Board of Directors decided not to proceed with the plans to convert the Escanaba mill to cartonboard production, as the projected return on investment was not sufficiently attractive. It was also communicated that Billerud targets to shift its product mix in North America gradually towards packaging materials with a moderate investment level. Accrued costs for the US transformation program related to feasibility studies and project preparations of SEK 189 million were recognized in the second quarter as an item affecting comparability.

Billerud's 2024 Annual General Meeting elected Andreas Blaschke, with 20 years of experience from executive board and management positions within the Mayr-Melnhof Group, as a new Board member and re-elected Jan Svensson, Victoria Van Camp, Florian Heiserer, Magnus Nicolin and Regi Aalstad as board members. Jan Svensson

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Introduction	2
<b>Directors' report</b>	<b>23</b>
– <b>Financial overview</b>	<b>23</b>
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statements	45
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

was elected chairman of the board. The AGM further resolved in accordance with the board's dividend proposal.

In June, there was a fire in the chip conveyor belt at the Karlsborg mill. No one was injured in this incident. While damages were being repaired, production was at standstill for just over two weeks. The EBITDA impact of the incident was around SEK –50 million in the second quarter.

On June 14, Kevin Kuznicki, President, Billerud North America, left the company. On 18 September, Doug Schwartz was appointed President, Billerud North America. Doug Schwartz has extensive experience in the US forest and paper industry, including from leadership roles at International Paper and Champion International Corporation. He most recently held the position of Vice President and General Manager, Rigid Paper Containers at Sonoco.

On 1 July, Gert Larsson assumed the position of SVP Operations, Billerud Europe and joined the Group Management Team. Gert Larsson has previously been SVP and Head of Operations for the Packaging Materials division in Stora Enso and EVP, Hiab Products at Cargotec.

Billerud launched in the second quarter Performance Brown Barrier, a new brown coated sack paper that replaces the plastic barrier in sacks. With the addition of brown paper, this product line offering can now replace plastic in both white and brown sacks.

On 9 September, Billerud Viken AS, the joint venture formed by Billerud and the Norwegian forest association Viken Skog AS, received a rejection on its application for an environmental permit to produce bleached chemi-thermomechanical pulp (BCTMP) in Follum, Norway from the Norwegian Environment Agency. Billerud Viken AS appealed this decision in October. An environmental permit is a necessary condition for the plans to start BCTMP production in Follum to become a reality.

During October and November, Billerud agreed on two transfers of pension obligations and related assets in the US. The combined result effect of these transfers amounted to SEK 389 million and were in the fourth quarter reported as an item affecting comparability. The

transfers of pension obligations and related assets had no cash flow impact.

On 2 December, ahead of Billerud's Capital Markets Day, the Board of Directors decided on a strategic investment program of SEK 1.2 billion in the Escanaba mill and SEK 0.2 billion in the Quinnesec mill, that will enable a transition towards paperboard production in North America. The Board of Directors also decided on new, long-term financial targets for Billerud. As the premises for pulp, paper and packaging production in Europe have changed structurally since the beginning of 2022 with elevated fiber costs, the EBITDA margin target was revised from to above 15% over a business cycle. In parallel, a target for return on capital employed (ROCE) was reintroduced, and a target for cash conversion was introduced. The financial principles governing the company's indebtedness and dividends to shareholders remained unchanged.

Billerud announced on 12 December that its targets for reducing its CO<sub>2</sub>e emissions had been approved by the Science Based Targets initiative. Billerud commits to reduce its scope 1 and 2 emissions by 42% by 2030, with 2022 as base year, and to reduce its scope 3 emissions by 25% within the same timeframe.

On 20 December, it was announced that Jaakko Nikkilä will be the new President, Billerud Europe from 1 May 2025. Jaakko Nikkilä has extensive experience in both international sales and production of fiber-based packaging materials and recently served as Executive Vice President in UPM, where he has been a member of the Group Executive Team since 2019. Matthew Hirst remained in the role as President, Billerud Europe until 31 January 2025. From 1 February to 30 April, Ivar Vatne will be interim Head of Region Europe.

Billerud's efficiency enhancement program, that was introduced in the beginning of 2023, focusing on profitability improvements with cross-functional activities predominantly in the European operations, had by the end of 2024 delivered an EBITDA contribution rate of around SEK 1.45 billion. As the program target of an annual basis EBITDA contribution of SEK 1.5 billion almost had been achieved, the efficiency enhancement program was closed at the end of 2024, one year earlier than planned.

In the fourth quarter, costs for the US transformation program of SEK 89 million were recognized as an item affecting comparability. Other items affecting comparability in the fourth quarter result included released provisions for restructuring costs related to personnel reductions of SEK 58 million, and a positive result of the revaluation of biological assets in the associated company BSÖ Holding AB Group of SEK 15 million.

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

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

#### Operating segments

Billerud's result has since 1 April 2023 been reported in the following three operating segments in accordance with IFRS 8: Region Europe, Region North America and Solutions & Other. On 1 January 2024 the operating segment Solutions & Other changed name to Other. See note 1 for significant accounting policies.

#### Region Europe

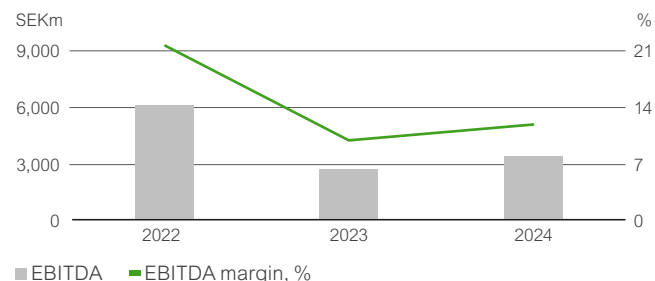
Net sales for Region Europe amounted to SEK 28,342 million (27,114), an increase by 5% compared with 2023. Excluding currency effects, net sales increased by 5%. The increase was mainly due to increased volumes, but also due to higher sales prices and positive sales mix changes. Sales volumes were 2,752 ktons (2,697)

EBITDA increased to SEK 3,408 million (2,753). The increase was mainly due to the increased net sales and positive impact from the efficiency enhancement program, partly offset by higher raw material costs, particularly for fiber. Operating profit amounted to SEK 1,511 million (925).



- Introduction 2
- Directors' report 23**
- **Financial overview 23**
- Corporate governance in Billerud 29
- Internal control over financial reporting 34
- Group Management Team 36
- Board of Directors 38
- Risks and risk management 40
- Sustainability statements 45
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

**Region Europe EBITDA and EBITDA margin**



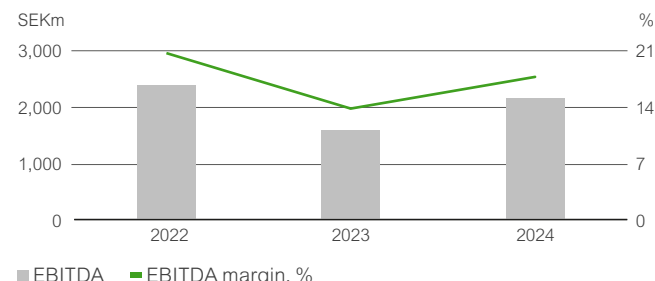
SEKm	2024	2023
Net sales	28,342	27,114
Operating expenses, net	-24,934	-24,361
<b>EBITDA</b>	<b>3,408</b>	<b>2,753</b>
<i>EBITDA, %</i>	<i>12%</i>	<i>10%</i>
Depreciation, amortization and impairment losses	-1,897	-1,828
<b>Operating profit</b>	<b>1,511</b>	<b>925</b>
<i>Operating margin</i>	<i>5%</i>	<i>3%</i>
<b>Sales volumes, ktons</b>	<b>2,752</b>	<b>2,697</b>

**Region North America**

Net sales for Region North America amounted to SEK 12,122 million (11,511), an increase by 5% compared with 2023. Net sales excluding currency effects increased by 6%, mainly due to increased sales volumes and higher operating rates. Sales volumes were 902 ktons (839).

EBITDA increased to SEK 2,191 million (1,618) mainly as a result of the sales growth, but also because of lower input costs. The comparison with last year is affected by the changed maintenance schedule. The cost impact from maintenance shutdowns was SEK 225 million in 2024 and SEK 152 million in 2023. Operating profit amounted to SEK 1,442 million (808).

**Region North America EBITDA and EBITDA margin**



SEKm	2024	2023
Net sales	12,122	11,511
Operating expenses, net	-9,931	-9,893
<b>EBITDA</b>	<b>2,191</b>	<b>1,618</b>
<i>EBITDA, %</i>	<i>18%</i>	<i>14%</i>
Depreciation, amortization and impairment losses	-749	-810
<b>Operating profit</b>	<b>1,442</b>	<b>808</b>
<i>Operating margin</i>	<i>12%</i>	<i>7%</i>
<b>Sales volumes, ktons</b>	<b>902</b>	<b>839</b>

**Other (incl. currency hedging)**

Net sales amounted to SEK 2,989 million (2,599) and was positively affected by increased net sales in the wood sourcing operations and effects from currency hedging. The divestment of Managed Packaging on 31 August 2023 had a negative impact. Managed Packaging had net sales of SEK 420 million in 2023.

EBITDA amounted to SEK -178 million (-1,057). The positive change was mainly due to items affecting comparability that totaled SEK 254 million (-299) as well as positive effects from currency hedging. Operating profit amounted to SEK -392 million (-1,199).

SEKm	2024	2023
Net sales	2,989	2,599
Operating expenses, net	-3,167	-3,656
<b>EBITDA</b>	<b>-178</b>	<b>-1,057</b>
Depreciation, amortization and impairment losses	-214	-142
<b>Operating profit</b>	<b>-392</b>	<b>-1,199</b>

**Market development**

The global packaging market is expected to grow long term, driven by demographic trends with larger urban populations increasing the need for packaging as well as by an increased sustainability focus. The graphic paper market is expected to decline long term due to the digitalization that is replacing paper applications with digital media. Billerud has strong market positions in long-term growing product segments and holds cost advantages in product segments that are expected to decline. Packaging materials for food and drinks, which is a relatively resilient market segment, accounts for around 52% of Billerud's material sales.

In the first three quarters of 2024, market conditions improved for all Billerud's product categories except for liquid packaging board where the market conditions were stable on a normal level. In the fourth quarter, market conditions were normal for most categories, while the demand for coated liner and cartonboard was weak. Sales prices increased during 2024 for all board and paper products in Region Europe, while paper prices in North America were unchanged. The price of market pulp declined during the second half of the year. Costs for raw materials increased, mainly due to higher wood prices in the Nordics.

**Investments and capital employed**

Investments in tangible and intangible assets amounted to SEK 2,437 million (3,177). The decrease was mainly due to lower capital expenditures for the new recovery boiler in Frövi, that was taken into operations during the second half of 2023.

Capital employed on 31 December 2024 totaled SEK 34,327 million (32,872). Return on capital employed (ROCE), calculated over the past 12-month period, was 8% (2). Return on equity was 6% (2).

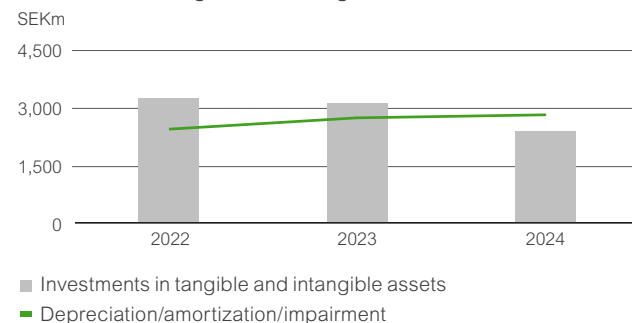
Working capital was 10% (12) in relation to net sales.

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Introduction	2
<b>Directors' report</b>	<b>23</b>
– <b>Financial overview</b>	<b>23</b>
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statements	45
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

### Investments in tangible and intangible assets



### Cash flow and financial position

Operating cash flow after investments in tangible and intangible assets amounted to SEK 593 million (113). The cash flow from operating activities declined in 2024 to SEK 3,030 million (3,290) despite a higher profit before tax, mainly due to lower cash flow from changes in working capital and lower cash settlement from emission rights.

Interest-bearing net debt on 31 December 2024 amounted to SEK 5,347 million (5,927). The net interest-bearing debt in relation to EBITDA at the end of the year was 1.0 (1.8). The net interest-bearing debt in relation to adjusted EBITDA was 1.0 (1.6).

### Operating cash flow after investments in tangible and intangible assets

SEKm	2024	2023
Profit before tax	2,248	185
Adjustments for non-cash items	2,343	2,963
Tax paid	-428	-561
Change in working capital	-1,133	703
<b>Cash flow from operating activities</b>	<b>3,030</b>	<b>3,290</b>
Investments in tangible and intangible assets	-2,437	-3,177
<b>Operating cash flow after investments in tangible and intangible assets</b>	<b>593</b>	<b>113</b>

### Financing

On 31 December 2024, interest-bearing debt amounted to SEK 7,403 million (7,232). Of the interest-bearing loans, bond loans totaled SEK 4,100 million (4,100) and other interest-bearing loans SEK 3,303 million (3,132). Of the bond loans, SEK 1,000 million are due in 2025, SEK

1,250 million are due in 2026, SEK 1,250 million are due in 2028 and SEK 600 million are due in 2029.

The syndicated credit facility with a maximum limit of SEK 5,500 million, falling due in 2029, was unutilized at year-end 2024.

### Capital structure, summary

31 December	2024	2023
Capital employed, SEKm	34,327	32,872
<b>Financing:</b>		
Interest-bearing net debt, SEKm	5,347	5,927
Interest-bearing net debt/EBITDA, multiple	1.0	1.8
Equity, SEKm	28,979	26,945
Net debt/equity ratio, multiple	0.18	0.22

### Currency hedging

The currency hedging policy is to hedge 0–80% of net flows over the next 15 months. Any deviations from the policy must be approved by the Board of Directors.

Currency hedging had a combined earnings impact of SEK -44 million for 2024 (-263), compared with if no hedging had taken place.

Billerud's outstanding foreign exchange contracts on 31 December 2024 had a market value of SEK -126 million, of which SEK -28 million is the portion of the contracts corresponding to accounts receivable that has affected earnings in 2024. Other contracts had a market value of SEK -98 million.

The hedged proportion of currency flows and the SEK exchange rates for EUR, USD and GBP on 31 December 2024 are shown in the following table.

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

Currency	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Total 15 months
EUR Share*	83%	79%	78%	78%	82%	80%
Rate	11.33	11.46	11.42	11.34	11.50	11.41
USD Share*	79%	76%	75%	78%	65%	75%
Rate	10.25	10.28	10.26	10.55	10.64	10.39

Currency	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Total 15 months
GBP Share*	69%	69%	46%	35%	0%	44%
Rate	13.82	13.77	13.66	13.65		13.74

Market value of currency contracts	-42	-31	-30	-18	-5	-126
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<sup>1</sup> On 31 December 2024.

\* Shares of net flows

### Tax situation

The tax cost for 2024 amounted to SEK 501 million (-299 (revenue)), equivalent to approximately 22% (-162%) of profit before tax. The low tax rate in 2023 was related to US tax credits for prior years, for which deferred tax assets was recognized. Billerud's effective tax rate is normally estimated at 21–23%.

### Product and process development

Costs for product and process development, to the extent attributable to research activities, are charged to profit in the year that they arise. In 2024, such costs accounted for approximately 0.2% (0.1) of Billerud's operating costs.

### Maintenance shutdowns

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

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

From 2024 the estimated cost impact of a maintenance shutdown is calculated as the sum of the fixed costs for the maintenance,





- Introduction 2
- Directors' report 23**
- **Financial overview 23**
- Corporate governance in Billerud 29
- Internal control over financial reporting 34
- Group Management Team 36
- Board of Directors 38
- Risks and risk management 40
- Sustainability statements 45
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

increased variable costs associated with the shutdown and lower fixed cost coverage from reduced capacity utilization during the stops.

**Seasonal effects**

Billerud's business is to a relatively limited extent subject to seasonal fluctuations. Periodical maintenance shutdowns have the largest impact, as they involve each production unit stopping production for around one week. The loss of production results in somewhat lower deliveries over an extended period before, during and after the shutdown. Billerud's costs are relatively stable throughout the year. Fixed costs are however slightly lower in the summer due to fewer maintenance projects and holidays. Energy costs are slightly higher in the winter because of higher energy consumption and normally higher energy prices, especially for electricity.

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

**The share and shareholding**

On 31 December 2024, the share capital totaled SEK 1,843,307,607, represented by 249,611,422 shares (quotient value of 7.38), of which 906,501 were owned by Billerud, corresponding to around 0.4% of the total number of shares. The number of shares on the market was 248,704,921. Each share carries an entitlement to one vote at the annual general meeting. Transfer of shares is not restricted by law or by the company's articles of association.

During 2024 Billerud transferred 153,068 shares under the performance-based long-term share program resolved by the 2021 annual general meeting. No shares were repurchased during the year. The bought-back shares are held as security for conditional rights in the long-term incentive programs.

**Distribution of shares**

	<b>2024</b>
Registered number of shares	249,611,422
Repurchased shares in company ownership	-906,501
Shares on the market	248,704,921

The two largest shareholders at year-end 2023 were AMF Pension & Funds and FRAPAG Beteiligungsholding AG. AMF Pension & Funds owned 38,841,540 shares, corresponding to 15.6% of the shares on the market, and FRAPAG Beteiligungsholding AG owned 30,000,000 shares, corresponding to 12.1% of the shares on the market. No other shareholder owned 10% or more of the total number of shares on 31 December 2024.

**Maintenance shutdowns**

Production units	Estimated average cost impact SEKm	Breakdown of cost impact		Planned dates of maintenance shutdown		
		Region Europe	Region North America	2025	2024	2023
Gävle	~ 170	100%	0%	Q3	Q3	Q3
Gruvön	~ 270	100%	0%	Q1–Q2	Q2	Q2
Frövi	~ 100	100%	0%	Q4	Q4	Q4
Skärblacka	~ 140	100%	0%	Q2	Q2	Q2
Karlsborg	~ 100	100%	0%	Q3	Q3	Q3
Pietarsaari	~ 20	100%	0%	–	Q2	–
Rockhammar	~ 10	100%	0%	Q2	–	Q4
Escanaba	~ 110	0%	100%	Q3	Q3–Q4	Q3–Q4
Quinnesec	~ 130	0%	100%	–	Q2	–

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

**Parent company**

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

Operating profit for 2024 was SEK –271 million (–738). The operating result includes the effect of hedging contracts and revaluations of trade receivables.

The parent company hedges both its own and the Group's net currency flows. The parent company's earnings include the results of these hedging measures. These effects were SEK –44 million (–263) in 2024.

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

The average number of employees on 31 December 2024 was 177 (164).

Cash and bank balances, and short-term investments totaled SEK 1,554 million (1,213).

**Risk management**

The Group's risks and risk management practices are presented in the risks and risk management section on page 40. Information about the Group's financial risks is presented in note 22. Specific differences concerning the parent company's risks are presented in note P23.

**Proposed allocation of profit**

As shown in note P17, non-restricted equity in the parent company, Billerud AB, totaled SEK 10,595 million on 31 December 2024. Billerud's Board of Directors proposes that a dividend of SEK 3.50 per share is paid to shareholders. The proposed dividend corresponds to approximately 50% of the Group's net profit.

Download pdf to print



- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - **Corporate governance in Billerud 29**
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statements 45
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

# Corporate governance in Billerud

Corporate governance relates to decision-making systems by which the shareholders, directly or indirectly, control the company. The following section provides details about corporate governance within Billerud. This report on Billerud's corporate governance in 2024 has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance.

### Corporate governance in Billerud

Examples of external regulations affecting Billerud's governance:

- The Swedish Companies Act
- Accounting legislation, including the Swedish Annual Accounts Act and IFRS Accounting Standards
- Nasdaq Stockholm's Rulebook for Issuers
- The Swedish Code of Corporate Governance
- Rules on Remuneration of the Board and Executive Management

Examples of internal regulations affecting Billerud's governance:

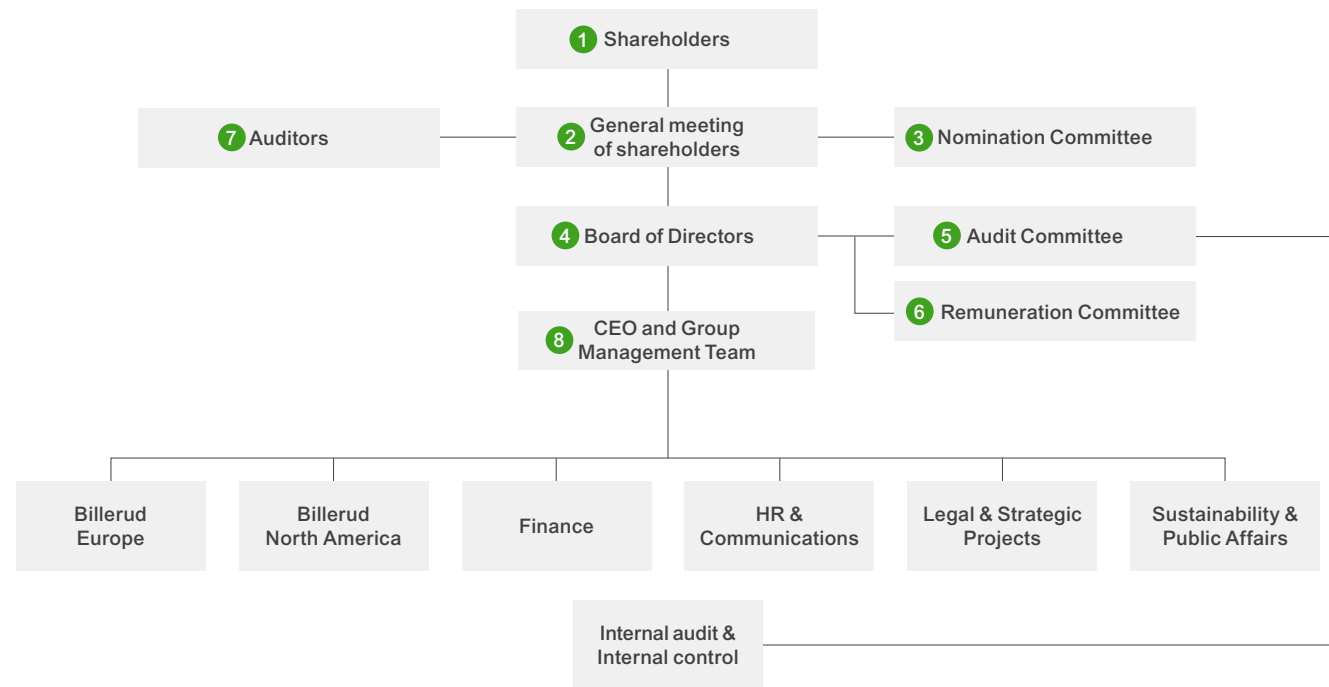
- Articles of association
- Board of Directors' instructions and rules of procedure
- Billerud's Code of Conduct
- Billerud's internal steering documents

As a publicly traded Swedish company listed on Nasdaq Stockholm, Billerud applies the Swedish Code of Corporate Governance ("the Code"). The Code is available at [www.corporategovernanceboard.se](http://www.corporategovernanceboard.se), where a description of the Swedish model for corporate governance is also available.

The Code is based on the principle of "comply or explain". This means that a company that applies the Code may deviate from particular rules but will then have to provide an explanation giving the reasons for the deviation. During the year, Billerud has complied with the Code, as well as with Nasdaq Stockholm's Rulebook for Issuers and with good stock market practice.

### 1 Shareholders

Billerud's shares are listed on Nasdaq Stockholm. At year-end 2024, the total number of shareholders was 96,926, compared with 101,782 at the previous year-end. Each share carries an entitlement to one vote. The proportion of foreign ownership was 42.8% (40.0) of the number of shares on the market. Other groups of shareholders consisted of Swedish mutual funds 23.5% (24.9), Swedish individuals including closely held companies 21.8% (22.4) and Swedish institutions and foundations 11.9% (12.6). The largest shareholder, AMF Pension & Funds, owned 38,841,540 shares, corresponding to 15.6%



Download pdf to print



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– <b>Corporate governance in Billerud</b>	<b>29</b>
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statements	45
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

Download pdf to print

of the shares on the market. The second largest owner, FRAPAG Beteiligungsholding AG, owned 30,000,000 shares, corresponding to 12.1% of shares on the market. No other shareholder owned 10% or more of the number of shares at the end of 2024. Further details about the company's shares, shareholders, and the like are presented in the section The share and the shareholders, and on the company's website, [www.billerud.com](http://www.billerud.com).

## 2 General meeting of shareholders

The general meeting of shareholders is the company's highest decision-making body. Shareholders exercise their voting rights at general meetings of shareholders. Notice of general meetings of shareholders is posted on the company's website and published as an advertisement in The Official Swedish Gazette. An announcement that the notice has been issued is published simultaneously in Svenska Dagbladet.

Normally, the annual general meeting (AGM) is held in May. The AGM decides on matters such as the adoption of the company's annual report, appropriation of the company's profits and the discharge of Board members and the CEO from liability for the year. The AGM also elects members of the Board and auditors and votes on the establishment of a Nomination Committee, fees for the Board of Directors and auditors and guidelines for determining the salaries and other remuneration for the CEO and Group Management Team. Shareholders attending the AGM also have the opportunity to ask questions about the Group's activities. Resolutions passed at a meeting of shareholders are disclosed after the meeting in a press release, and the minutes of the meeting are published on the company's website.

### 2024 annual general meeting

The 2024 AGM took place on 21 May 2024, and addressed matters customarily dealt with at the AGM. The AGM also voted to introduce a long-term incentive program (LTIP 2024) and to authorize the Board to resolve on repurchases of the company's own shares. The minutes and other documents from the AGM are available on the company's website.

### 2025 annual general meeting

Billerud's 2025 AGM will take place on 20 May 2025 in Stockholm. Notice of the AGM will be made in April 2025 and will be published on the company's website [www.billerud.com](http://www.billerud.com). Shareholders wishing to add an item to the agenda of the AGM may, in accordance with the instructions on the company's website, propose the item to the company no later than seven weeks before the meeting.

## 3 Nomination Committee

The main task of the Nomination Committee is to produce proposals for Board members and auditors, for remuneration to such persons, and a proposal for a chairman for the AGM, prior to the AGM. The current Nomination Committee instructions require Billerud to have a Nomination Committee consisting of four members appointed by the company's major shareholders. Please see the table below for the composition of the Nomination Committee for the 2025 AGM. For further information about the Nomination Committee instructions, see [www.billerud.com](http://www.billerud.com).

The Nomination Committee held several meetings prior to the 2025 annual general meeting, as well as contacts between meetings by telephone and e-mail. In accordance with instructions on the company's website, shareholders were welcome to present proposals and opinions to the Nomination Committee by e-mail or post. According to the Code, the Nomination Committee's reasoned statement concerning the Nomination Committee's proposal to the Board should include a brief description of the diversity policy which the Nomination Committee has applied in drawing up its proposal to the Board. Accordingly, the Nomination Committee has in particular considered the need of diversity and breadth in the Board as regards competence, experience and background as set out in Section 4.1 of the Swedish Code of Corporate Governance. The Nomination Committee has also considered the Board's ability to ascertain that Billerud continuously drives its business in a sustainable manner. The composition of the Board is appropriate in that the member's experience and competence matches Billerud's priorities, and it consists of four men and two women with complementing expertise and experiences. The Nomination Committee assigns significant importance to the matter of diversity and equality, and it is important that future Nomination Committees continues to work actively with these questions. For more information about the work of the Nomination Committee, see [www.billerud.com](http://www.billerud.com).

### Composition of and voting representation on the Nomination Committee

Representative	Shareholder	Share of votes <sup>1</sup> , %
Anders Oscarsson	AMF Pension and Funds	15.6
Michael M.F. Kaufmann	FRAPAG Beteiligungsholding AG	12.1
Jan Särilvik	Fourth AP Fund	6.5
Oscar Bergman	Swedbank Robur funds	2.8

<sup>1</sup> On 31 December 2024.

## 4 Board of Directors

### Composition

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

The 2024 AGM established that the Board of Directors should consist of six members and voted to re-elect the Board members Victoria Van Camp, Jan Svensson, Florian Heiserer, Magnus Nicolin and Regi Aalstad, and to elect Andreas Blaschke as a new member of the Board. The annual general meeting decided to elect Jan Svensson as Chairman of the Board. The employee organizations have appointed two employee representatives to serve on the Board. These are Per Bertilsson and Nicklas Johansson, and as deputies Bo Knöös and Magnus Axelsson. Other than the employee representatives and their deputies, none of the Board members are employed by the Group. Of the Board members elected by the AGM, two are women and four are men.

The composition of the Board meets the Code's requirements as to independence in relation to the company, the company's management and the company's major shareholders. For further details about the Board of Directors and information on the independence of the Board members, their duties outside the Group and their holdings of shares in Billerud, see the section Board of Directors on pages 38–39.

### Organization of the work of the Board

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

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





Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– <b>Corporate governance in Billerud</b>	<b>29</b>
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statements	45
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

The Board's work follows an annual cycle in order for it to optimally accomplish its tasks. At the beginning of the year, the Board considers the year-end report and the annual report, as well as matters to be submitted to the AGM. At the end of the year, the Board considers the business plan for the year ahead. Every quarter, the Board reviews the Group's earnings, and interim reports are reviewed/approved for publication. An inaugurating Board meeting is held in connection with the AGM at which members of the Board's committees are appointed and the Board decides on matters such as the right to sign on behalf of the company. At least once a year, the Board has a meeting primarily dedicated to strategy issues, and the execution of the key strategic initiatives is subsequently followed up during the year.

**Conflicts of interest**

The Board of Directors applies the Swedish Companies Act's rules on conflicts of interest. For example, Board members shall not participate in handling of matters that concern a) agreements made between the Board member and the company, b) agreements made between the company and a third party, if the Board member has significant interests in the matter that can conflict with the company's interests and c) agreements between the company and a legal entity that the member of the Board of Directors alone or together with other people represents, except in cases where the company's counterparty is a member of the same group. In its work, the Board shall pay particular attention to potential conflicts of interest that may arise between a Board member and the company. It is the responsibility of each Board member, before as well as during Board meetings to, as soon as possible, notify other Board members of the existence of conflict of interest that exists or is likely to exist. Billerud discloses other material assignments, including other board memberships, for both the Board of Directors and for the Group Management Team on pages 36–39. The largest shareholders are disclosed on page 22.

**Work of the Board in 2024**

The Board held 11 meetings in 2024, including the inaugurating meeting. For information on attendance at these meetings, see the table on the next page. Before each meeting, Board members received an approved meeting agenda and written material concerning issues to be addressed at the meeting.

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

at each ordinary Board meeting. The Board also receives monthly reports on the company's financial position. At ordinary meetings, the CEO presents a detailed update on the company's business development and key performance indicators.

One of the top priorities for the Board during the year has been the investment strategy for the company's North American mills. In May 2024, the Board decided to not proceed with the original plans to convert the Escanaba mill to cartonboard production, but to instead gradually shift the product mix in North America towards packaging material, with a more moderate investment level. The Board has also been actively engaged in the Group Management Team's work to develop the company's updated strategy – "Way Forward" – that was presented on the company's Capital Markets Day in December 2024. In connection therewith, the Board furthermore resolved on certain investments required for the North American strategic development and to update the financial and sustainability targets for the company, which emphasizes the importance of capital efficiency, profitability and cash flow. The Board has also worked on other strategically important issues, such as the company's ongoing IT harmonization project, talent and succession planning and strategy to achieve sustainability goals.

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

**Assessment of the Board and the CEO**

Billerud has procedures for assessing the work of the Chairman and members of the Board each year. The assessment serves as input for an action plan for improvements and as background to the Nomination Committee's work as they assemble a Board. With regards to 2024, the Board conducted an internal assessment of its work. The purpose of the assessment is to gain an understanding of how the Board's work is conducted and what measures could be taken to make the work of the Board more effective. It also aims to gain an understanding of whether the composition of the Board is adequate with respect to the company's business and strategy, and to identify areas which may require additional capabilities within the Board or areas which should be accorded more scope and time by the Board. The results of the assessment were discussed by the Board and presented to the Nomination Committee. The Board also assessed the work of the CEO, without the CEO being present.

**Board committees**

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

**5 Audit Committee**

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

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

**Work in 2024**

The committee held five meetings in 2024. During the year, the committee addressed the following audit topics; review and recommendation of external audit firm, the external auditor's audit plan and results, 2024 internal audit plan and results, enterprise risk management, and internal control over financial reporting. The committee also reviewed Billerud's reporting structure, quarterly results, cash, financing,

Download pdf to print



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– <b>Corporate governance in Billerud</b>	<b>29</b>
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statements	45
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

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

### 6 Remuneration Committee

The principal function of the remuneration committee is to prepare the Board's decisions on matters relating to remuneration principles, remuneration amounts and other remuneration related employment terms for members of the Group Management Team. The committee also monitors and evaluates programs for variable compensation to the Group Management Team. Further, the Remuneration Committee also monitors and evaluates the implementation of guidelines for remuneration to senior executives, remuneration structures and remuneration levels. More specifically, the committee's tasks include proposing a general policy on salaries, remuneration and other employment terms for Billerud's Group Management Team, making

proposals to the Board about the salary and other remuneration to the CEO and, on the recommendation of the CEO, making decisions on salary and other remuneration to the managers who report directly to the CEO. The remuneration committee consists of Board members Jan Svensson (Chairman) and Victoria Van Camp.

### Work in 2024

The committee held six meetings in 2024. In 2024, the committee considered bonus payments with respect to 2023, outcome on LTIP 2021 and prepared a proposal for a new LTIP 2024 (for the 2024 AGM) as well as a new LTIP 2025 (for the 2025 AGM). The committee decided the annual bonus objectives for the CEO and salary review for members in the Group Management Team. The committee also approved new members to the Group Management Team. The committee prepared the Remuneration Report for 2023 and Guidelines for remuneration to senior executives. The guidelines on remuneration to the CEO and other senior executives, as well as the actual figures, are contained in note 23.

### 7 Auditors

The company's auditors are appointed by the general meeting of shareholders. At the 2024 AGM, the audit firm KPMG AB, with principal auditor Hök Olov Forsberg, was elected as the company's auditor for the period until the end of the 2025 AGM. Hök Olov Forsberg is cur-

rently also auditor for Advania, FM Mattsson Group, LKAB Minerals and Ovako. The auditor's duties include keeping the Board informed regarding the planning, scope and content of the annual audit, auditing interim reports and the year-end accounts in order to assess their accuracy and comprehensiveness and compliance of the accounts with generally accepted accounting practices and relevant accounting policies. Duties also include informing the Board about services provided over and above auditing services, the compensation for such services, and other circumstances affecting the independence of the auditors. To ensure that the work of the Board and the audit committee is performed in a structured manner, and to satisfy the Board's information requirements, Billerud's auditors met with the audit committee on five occasions and the Board, without the presence of the senior management, on one occasion in 2024.

### 8 CEO and Group Management Team

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

The CEO and the Group Management Team (GMT) are jointly responsible for daily operations. The CEO has appointed a GMT that is responsible for different parts of the business. The GMT consists of the CEO, CFO, EVP HR & Communications, EVP Sustainability & Public Affairs, EVP Legal & Strategic Projects, President Billerud Europe, Deputy President Billerud Europe, President Billerud North America and Deputy President Billerud North America. For further information about the members of the GMT, see pages 36–37.

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

### Attendance at Board meetings and committee meetings

Member	Position	Board meetings	Audit Committee meetings	Remuneration Committee meetings
Jan Svensson	Chairman	11/11		6/6
Per Bertilsson	Board member	11/11		
Florian Heiserer	Board Member	11/11	5/5	
Victoria Van Camp	Board member	11/11		6/6
Magnus Nicolin	Board member	11/11	3/3 <sup>1</sup>	
Niklas Johansson	Board member	11/11		
Regi Aalstad	Board Member	10/11	5/5	
Andreas Blaschke	Board member	6/6 <sup>2</sup>		
Jan Åström	Board member	5/5 <sup>3</sup>	2/2 <sup>4</sup>	

1 Magnus Nicolin joined the Audit Committee after the AGM 2024

2 Andreas Blaschke joined the Board of Directors at the AGM 2024

3 Jan Åström left the Board at the AGM 2024

4 Jan Åström left the Audit Committee after the AGM 2024



- Introduction 2
- Directors' report 23**
- Financial overview 23
- **Corporate governance in Billerud 29**
- Internal control over financial reporting 34
- Group Management Team 36
- Board of Directors 38
- Risks and risk management 40
- Sustainability statements 45
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

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

**Organization and governance**

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

**Guidelines for remuneration to senior executives**

The 2024 AGM adopted guidelines on the remuneration of senior executives in the Group. The guidelines state, for example, that Billerud shall be on market terms as regards compensation levels and terms of employment. The remuneration shall consist of fixed cash salary, variable cash remuneration, pension benefits and other benefits. In addition, the general meeting may resolve on long-term share and share price-related remuneration. The variable cash remuneration to the CEO and GMT members is paid based on outcomes in relation to clearly stated goals and shall amount to a maximum of 70% (150% for GMT members employed in the US) of their respective annual fixed cash salary. The pension premiums for defined contribution pension shall amount to a maximum of 35% of the annual fixed cash salary. Other benefits may include, for example, life insurance, medical insurance and company car. In the event of termination of an employment,

a notice period of up to twelve months is normally applied and a right to severance pay corresponding to a maximum of the fixed cash salary for one year if the employment is terminated by Billerud. When termination is made by a GMT member, the notice period may not exceed six months, without any right to severance pay.

For the complete resolution on principles for remuneration for 2024, see note 23. The Board does not propose any change to the principles for remuneration to the AGM 2025.



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# Internal control over financial reporting

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

## Financial reporting

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

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

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

### 1 Control environment

Control environment encompasses matters such as how targets are set, how valuations are monitored and how risks are managed. A good control environment is based on an organization with clear decision paths and a corporate culture with shared values and an awareness among individuals of their role in maintaining good internal control. For the Board of Directors, the CEO and all Billerud’s employees, there are steering documents aimed at ensuring clear roles and responsibilities to facilitate effective and efficient management of risks identified within the business. The Audit Committee’s main role is to contribute to a good standard of financial reporting and ensure that the company is audited in a qualified, efficient, and independent way. The work of the Audit Committee is described in more detail on page 31.

The Group Management Team (GMT) reports regularly to the Board of Directors based on predetermined procedures. The Audit Committee also reports to the Board. The GMT is responsible for ensuring that essential internal controls are implemented as necessary to manage significant risks in daily activities. This includes Group-wide steering

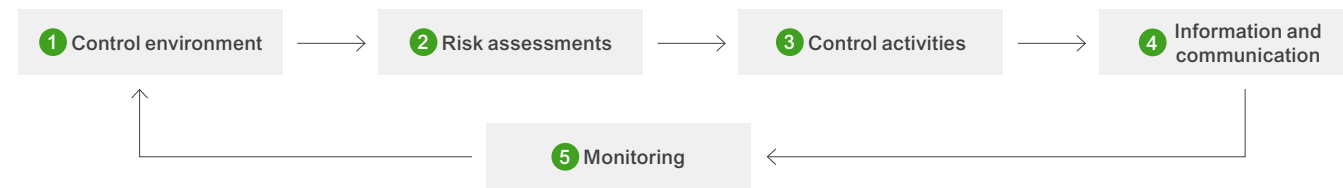
documents to enable individual employees to understand their role in maintaining adequate internal control. Examples of such documents are the Code of Conduct, Governance Policy, and the Finance Policy. Billerud’s Shared Service Center ensures effective and uniform management of financial processes through uniform procedures and control systems and ensures the necessary documentation is created. This documentation is updated annually or as necessary to reflect changes to processes and ensure that applicable laws and regulations are followed.

### 2 3 Risk assessments and control activities

Risk assessments are made regularly to identify risks that may arise within Billerud if the internal controls in the financial processes are not effective. Billerud’s Enterprise Risk Management (ERM) process is further described in the Risks and risk management section on pages 40–44. Risks relating to financial reporting, including risk for errors in the financial reporting, are included in the ERM process.

Control activities aim to prevent, detect, and correct errors and deviations in financial reporting at each time of reporting. The company’s control activities are part of these accounting and financial reporting processes and include authorization procedures, bank and account reconciliation, earnings analysis, automated and manual controls, and the division of administrative and implementing units.

Billerud has an internal control function whose purpose is to ensure good internal control and quality in financial reporting. This function implements processes and regulations that ensure the internal control and quality of financial reporting. The internal control function works to ensure that steering documents are complied with, which is the basis for effective control activities within the main financial reporting processes. As part of the internal control work, a self-assessment of internal controls is carried out, which means that each control owner assesses the effectiveness of their controls. Improvement measures are introduced according to a plan which is prepared with the internal control function. The measures are then followed up during the coming financial year, when a new self-assessment is carried out. The results of this work are included in the annual reporting of the internal control function to the Audit Committee, which in turn reports to the Board of Directors. The internal control function therefore constitutes an important tool in the Board’s monitoring of internal controls relating to financial reporting.



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Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– <b>Internal control over financial reporting</b>	<b>34</b>
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statements	45
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

## Internal control over financial reporting

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

Material risks are reported to the Board of Directors.

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

### 4 Information and communication

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

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

To obtain essential information from employees, there are both formal and informal communication channels to the GMT and the Board. For example, Billerud has a whistleblower function, through which employees and external parties can report suspected irregularities anonymously. The reporting includes an option of anonymous dialogue between the person reporting and the person receiving reports. The channel is known as "The Speak-Up Line".

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

### 5 Monitoring

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

#### Internal audit

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



# Group Management Team<sup>1</sup>

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - **Group Management Team 36**
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statements 45
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205



**Ivar Vatne**  
*President and CEO*  
*Education:* MSc in Economics, Norwegian School of Economics and Business Administration (NHH).  
*Year employed:* 2019  
*Year born:* 1978  
*Other assignments:* –  
*Background:* CFO, Billerud. CFO, Arla Foods UK Ltd. CFO, Arla Foods AB. Vice President Finance Europe Region, Fiskars. Various positions in Procter & Gamble (P&G) for ten years.  
*Shareholding<sup>2</sup>:* 40,498



**Andrei Krés**  
*CFO*  
*Education:* MSc Finance, Lund University.  
*Year employed:* 2011  
*Year born:* 1986  
*Other assignments:* –  
*Background:* VP Group Finance, Treasury Director, Investor Relations Manager, Business Controller, Billerud.  
*Shareholding<sup>2</sup>:* 4,092



**Paulina Ekvall**  
*Executive Vice President Human Resources and Communication*  
*Education:* Bachelor in HR Management/Labor law, Lund University.  
*Year employed:* 2017  
*Year born:* 1968  
*Other assignments:* –  
*Background:* Sr. Director HR, Arla Foods AB. VP HR, Unilever. HR Director, Johnson & Johnson Consumer. HR Director, Pfizer Health AB.  
*Shareholding<sup>2</sup>:* 20,964



**Andreas Mattsson**  
*Executive Vice President Legal and Strategic Projects*  
*Education:* Master of Law, Lund University.  
*Year employed:* 2013  
*Year born:* 1978  
*Other assignments:* –  
*Background:* Senior Associate, Cederquist, International Visiting Attorney, Skadden Arps.  
*Shareholding<sup>2</sup>:* 11,645



**Ulrika Wedberg**  
*Executive Vice President Sustainability and Public Affairs*  
*Education:* Law Post Graduate, Regensburg University, Germany. Master of Law, Uppsala University.  
*Year employed:* 2023  
*Year born:* 1967  
*Other assignments:* –  
*Background:* VP Sustainability, Trelleborg AB. Head of Sustainable Business, Sandvik AB. President, Wolfram Bergbau und Huetten AG, Austria. Head of M&A, Sandvik Machining Solutions AB. Legal Advisor, Sandvik AB.  
*Shareholding<sup>2</sup>:* 3,175

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<sup>1</sup> Matthew Hirst, former President Billerud Europe, left the company on 31 January, 2025.  
<sup>2</sup> Shareholding, own and closely related parties, as per 1 March 2025.





- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - **Group Management Team 36**
    - Board of Directors 38
    - Risks and risk management 40
    - Sustainability statements 45
    - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

# Group Management Team<sup>1</sup>



**Gert Larsson**  
*Deputy President, Billerud Europe*  
*Education:* Technical senior high school and Swedish royal military academy.  
*Year employed:* 2024  
*Year born:* 1963  
*Other assignments:* –  
*Background:* SVP Operations Packaging Materials Division, Stora Enso. VP Hiab and SVP Hiab Products, MD, Note Lund, Director Sourcing & Supply chain, Nolato Telecom. Various positions at Volvo Cars.  
*Shareholding<sup>2</sup>:* –



**Doug Schwartz**  
*President, Billerud North America*  
*Education:* BS, Business Administration, Wake Forest University.  
*Year employed:* 2024  
*Year born:* 1965  
*Other assignments:* –  
*Background:* VP and GM, Sonoco Rigid Packaging. VP and GM, Sonoco Tube & Core. GM Recycling, International Paper. GM Recycling, Containerboard and Corrugated Sheets, Weyerhaeuser. Director of Sales, Willamette Industries. Sales and Sales Management, Champion International.  
*Shareholding<sup>2</sup>:* 10,224



**Brian Boland**  
*Deputy President, Billerud North America*  
*Education:* BA, The College of St. Scholastica.  
*Year employed:* 2023  
*Year born:* 1973  
*Other assignments:* –  
*Background:* Sr. VP Marketing & Cartonboard, VP Strategy & Communication, VP Government Affairs and Corporate Initiatives, ND Paper. VP Specialty Papers & New Product Development, Sr. Director Strategy, Marketing & New Product Development, Catalyst Paper. Strategy Director, Director, Mill Order Management, Marketing Manager, Catalog, Magazine and Book Segments, NewPage Corporation.  
*Shareholding<sup>2</sup>:* 1,730

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<sup>1</sup> Matthew Hirst, former President Billerud Europe, left the company on 31 January, 2025.

<sup>2</sup> Shareholding, own and closely related parties, as per 1 March 2025.



# Board of Directors

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - **Board of Directors 38**
  - Risks and risk management 40
  - Sustainability statements 45
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205



**Jan Svensson**  
*Chairman of the Board since 2021, Chairman of the Remuneration Committee*  
*Education:* MSc in Business Administration and Economics, Stockholm School of Economics.  
*Year born:* 1956  
*Other assignments:* Chairman of the Board of Securitas AB and Fagerhult AB. Board member in Herenco Holding AB.  
*Background:* CEO, Investment AB Latour (2003–2019), CEO, AB Sigfrid Stenberg (1986–2002).  
*Shareholding<sup>1</sup>:* 30,200  
*Independent/Not independent:* Independent of the company and management, independent of the company's major shareholders.



**Florian Heiserer**  
*Board member since 2022, Chairman of the Audit Committee*  
*Education:* Master in Business Administration, Vienna University of Economics and Business. Degree in Biomedical Engineering, TGM College of Electronics, Vienna.  
*Year born:* 1981  
*Other assignments:* CFO HKW Group. Co-CEO of FRAPAG Beteiligungsholding AG. Board Member of HKW Privatstiftung, MIKA Privatstiftung and FRAPAG America Inc.  
*Background:* Managing Director Buy-Out Central Europe II Beteiligungs-Invest AG. Board Member of BillerudKorsnäs Venture AB. Supervisory Board Member of Atterbury S.A., Alternapak Holding B.V., Chemson Polymer-Additive AG and Buy-Out Central Europe II Beteiligungs-Invest AG.  
*Shareholding<sup>1</sup>:* 30,002,000 (own and closely related parties, incl. 30,000,000 held by FRAPAG)  
*Independent/Not independent:* Independent of the company and management, not independent of the company's major shareholders.



**Victoria van Camp**  
*Board member since 2017, member of the Remuneration Committee*  
*Education:* MSc in mechanical engineering and doctorate in machine elements, Luleå University of Technology.  
*Year born:* 1966  
*Other assignments:* Board member of SR Energy AB, LumenRadio AB, AssaAbloy AB, Alleima AB and The Chalmers Foundation. Adjunct professor at Luleå University of Technology.  
*Background:* Board member of VBG Group AB and PREERA. CTO and President, Technology, Director of Industrial Market Technology & Solutions, Director of Product Innovation Lubrication BU and several other positions in SKF Group.  
*Shareholding<sup>1</sup>:* 4,041  
*Independent/Not independent:* Independent of the company and management, independent of the company's major shareholders.



**Magnus Nicolin**  
*Board member since 2022, member of the Audit Committee*  
*Education:* MBA Wharton – University of Pennsylvania. BSc, Stockholm School of Economics.  
*Year born:* 1956  
*Other assignments:* Chairman of the Board of Hexatronic Group AB and Munters Group AB. Non-Executive Director, FAM AB.  
*Background:* CEO, Ansell Limited. President, Europe, Middle East, Africa and Asia Pacific, Newell Rubbermaid Inc. CEO, Esselte Business Systems Inc. Executive VP and Business Area President, Esselte Business Systems Inc. Senior positions in Bayer AG, Pitney Bowes Inc. and McKinsey & Company. Industrial advisor to several Private Equity firms and service on various boards such as Primix, Esselte, Isaberg-Rapid and Ansell.  
*Shareholding<sup>1</sup>:* 25,000  
*Independent/Not independent:* Independent of the company and management, independent of the company's major shareholders.



**Regi Aalstad**  
*Board member since 2023, member of the Audit Committee*  
*Education:* Bachelor of Business Administration, Florida Atlantic University. MBA in International Business, University of Michigan.  
*Year born:* 1964  
*Other assignments:* Board member of McBride Plc, Plair SA and Gmelius SA. Advisor within leadership development and Private Equity.  
*Background:* Many years of experience in senior positions at the FMCG company Procter & Gamble (P&G), both in the Nordics and internationally, including the role as General Manager and VP Europe, Asia and CEEMEA within Paper and Hygiene. Board positions in several global companies, such as Ontex, Telenor and Geberit.  
*Shareholding<sup>1</sup>:* 7,000  
*Independent/Not independent:* Independent of the company and management, independent of the company's major shareholders.

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<sup>1</sup> Shareholding, own and closely related parties, as per 1 March 2025.



# Board of Directors

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - **Board of Directors 38**
  - Risks and risk management 40
  - Sustainability statements 45
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205



### Andreas Blaschke

*Board member since 2024*

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

*Year born:* 1961

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

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

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

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



### Nicklas Johansson

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

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

*Year born:* 1968

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

*Shareholding<sup>1</sup>:* –



### Bo Knöös

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

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

*Year born:* 1964

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

*Shareholding<sup>1</sup>:* –



### Per Bertilsson

*Board member since 2021, employee representative PTK*

*Education:* Four-year technical engineering education. Higher Vocational Education in Paper and Pulp Technology at the Swedish forest industry center. Various industry-specific engineering courses.

*Year born:* 1962

*Other assignments:* Senior Process Engineer pulp mill staff/management, Billerud Skog & Industri AB, Frövi/Rockhammar. Chair of Unionen branch Billerud Frövi and Rockhammar. Board member of SIRIUS, Swedish forest industry council for industrial development in collaboration with Industriarbetsgivarna. Board member of Frövifors board mill's museum foundation.

*Shareholding<sup>1</sup>:* –



### Magnus Axelsson

*Deputy Board member since 2022, employee representative PTK*

*Education:* Four-year technical engineering education.

*Year born:* 1971

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

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

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<sup>1</sup> Shareholding, own and closely related parties, as per 1 March 2025.





# Risks and risk management

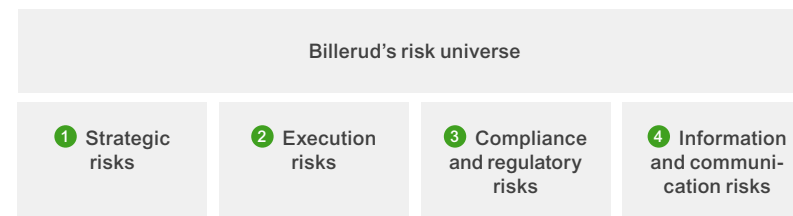
Billerud recognizes that in all operations and activities, there are uncertainties that could have a positive or negative effect on the ability to reach goals and strategic objectives. If the organization possesses the ability to map, monitor, and mitigate known risks and has the capacity to identify unknown risks, it will lead to a more efficient execution of the strategy. Risk management based on clear risk and process ownership, combined with risk identification, assessment, prioritization, and risk response in terms of risk mitigations and monitoring, will enable the organization to fulfill its goals.

Billerud's risk management is aligned with the governance model presented on page 34 and represented as part of the second line of responsibility. The Enterprise Risk Management (ERM) framework is supported by a risk register and a risk assessment process that evaluates risks based on their likelihood and impact. Each business unit contributes to risk matrices that prioritize risk mitigation actions according to the ERM framework. Risk monitoring and progress on risk mitigation actions are examined throughout the year with Group Management Team (GMT) and the aggregated result is calibrated to identify prioritized risks and mitigation actions. The result is presented to the Audit Committee and Board of Directors.

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

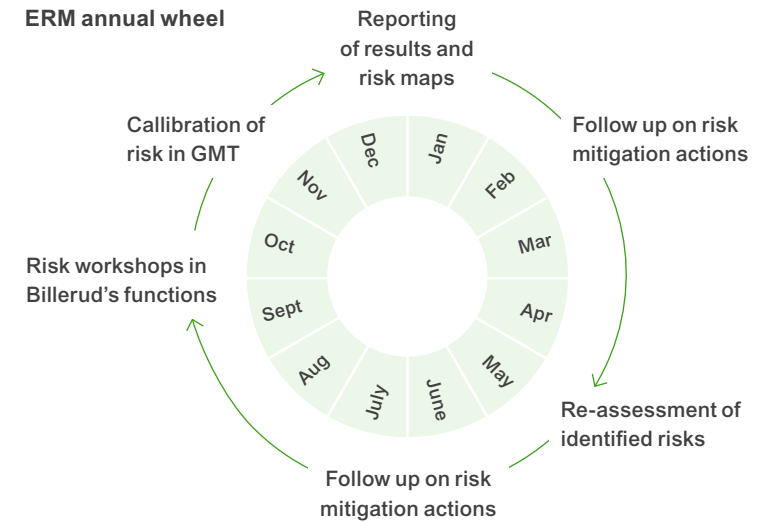
### 1 Strategic risks

Strategic risks are risks that could impact Billerud's ability to achieve strategic objectives, including financial targets. They are assessed top-down by the GMT, and strategic risk matrices are used for evaluating the Group's options and strategic position. Strategic risks include risks related to political initiatives and regulations that could impact Billerud's business model, reputational risks, business risks, risks relating to the economic outlook, market and sales. Strategic risks also include external risks such as cybercrime and security.



### Risk universe

The ERM framework is founded on a risk universe that could impact Billerud's ability to achieve the established strategy and operational objectives,



To address strategic risks in 2024, the following activities were carried out:

1) We are preparing to gradually transition our product portfolio into growing, sustainable paper-based packaging grades through various product development initiatives. The recent changes have necessitated an update of our strategic direction. Our new strategy, "Way Forward", will steer our future direction, underpinned by a framework known as Objectives, Goals, Strategies, and Measures (OGSM), which turns strategy into actionable steps. This approach is designed to enhance our performance in Europe while driving further expansion into the North American packaging materials market.

2) Over the next few years, a global IT-platform that is automated, standardized, and modernized is planned to be gradually rolled out. The harmonization project continues to unite Billerud by implementing standardized processes and ensuring reliable data across the organization.

### Political initiatives, laws and regulations

Billerud's business is impacted by various political decisions and legislative measures such as those in the areas of forestry, environmental policy and regulations, trade policy, transport policy, energy policy and recycling issues. A patchwork of different requirements affecting the forest and packaging industry is evolving at both international

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - **Risks and risk management 40**
  - Sustainability statements 45
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

[Download pdf to print](#)



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– <b>Risks and risk management</b>	<b>40</b>
– Sustainability statements	45
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

and national levels. There are risks related to legislators' limited understanding of the industry and the implications of proposed legislation, resulting in increased administrative and operating costs. New terms for allotment of emission allowances states that production facilities in Europe generating biogenic CO<sub>2</sub> emissions over the threshold of 95% shall be excluded from the European Union Emissions Trading System (EU ETS) and not be required to surrender emission allowances or be eligible for the allotment of emission allowances. The Swedish Environmental Protection Agency (EPA) has decided that Billerud will be excluded from EU ETS, which means that no free emission rights can be expected in 2026 and going forward. This decision is, however, challenged in court by Billerud.

Billerud has historically received more emission allowances than required to cover the emissions from its facilities in Europe, thanks to an extensive program to replace fossil fuels at its mills. The excess allowances have been sold in the market. In 2024 Billerud recognized a positive result of SEK 471 million (575) of the excess emission rights. As a result of being excluded from the EU ETS, Billerud will be subjected to a carbon dioxide tax for the fossil emissions from its production facilities. Furthermore, from 2027, Billerud will be included in the EU ETS 2 system for these emissions.

As part of the European Green Deal and the new Circular Economy Action Plan, a new regulation called Packaging and Packaging Waste Regulation (PPWR) has been adopted by EU. The aim of the PPWR is to address the increasing

generation of packaging waste in the EU, while also harmonizing the internal market for packaging and stimulating a more circular economy. According to the PPWR, all packaging placed on the market will be required to be recyclable and recycled on a significant scale. The regulation also promotes the use of reusable packaging.

By 2030 all packaging placed on the European market must be designed to be recyclable at a minimum of 70%. By 2035, 55% of packaging waste must be recycled at scale meaning collected separately, sorted and recycled using established infrastructure and proven processes. If this last requirement is not met, the packaging solution will not be allowed to be placed on the market, even if it is considered recyclable. Billerud's products are recyclable, and we are working together with our customers to find packaging solutions which can be recycled in a circular economy.

The majority of Billerud's products are used for packaging solutions that are already today achieving recyclability and recycling at scale targets. This means that PPWR creates growth opportunities for certain product categories and applications, providing an opportunity to expand the business in these areas. However, it will be a challenge for liquid packaging board, which is recyclable, to reach the 55% recycling at scale target. It will be crucial for the entire value chain to have waste management systems across Europe that are efficient enough to be able to reach the recycling at scale target for this packaging format.

The adopted Nature Restoration Law (regulation) is a key element of the EU Biodiversity Strategy and sets binding targets to restore degraded ecosystems. This will likely affect forest management in the EU. The member states are obliged to submit National Restoration Plans by mid-2026 showing how they will deliver to the targets, meaning they shall put in place the restoration measures necessary to enhance biodiversity of forest ecosystems. The trend shall then be measured in the period from 2024 to 2030, and every six years thereafter, until satisfactory levels are achieved in the ecosystems.

The Swedish authorities are investigating several issues connected to this plan and suitable restoration measures. Based on the investigation done it can be assumed that it will be more difficult and expensive to achieve woody biomass. The same goes for the foreseen implementation of the Land Use, Land Use Change and Forestry (LULUCF) regulation in Sweden. The EU has decided to increase the ambition on carbon sequestration from land use in LULUCF. This policy aims to boost carbon capture by managing land use more effectively and encouraging reforestation and afforestation. While this is a positive step toward combating climate change, it introduces potential risks for industries such as Billerud's that rely heavily on wood as a resource. The amount of CO<sub>2</sub>e (ktons) equivalent that needs to be stored in the forest by 2030, without considering natural fluctuations and measured from today's levels are equivalent to approximately 5 million m<sup>3</sup>sub (cubic meters solid volume under bark). Since Billerud is one of the

largest purchasers of woody biomass for pulp and paper in Sweden, in 2024 we purchased approximately 7.7 million cubic meters of wood raw material from Swedish forests, including pulpwood, chips and pulp (around 7.8 million cubic meters in 2023). A reduction in available woody biomass, driving up prices, would have a significant impact on Billerud.

Billerud firmly believes in the necessity of an active forestry combined with high biodiversity ambition for the benefit of the climate through a higher carbon sequestration and substitution effects. The regulation on Deforestation-free Products (EUDR) will be a valuable tool to combat global deforestation and forest degradation. Products shall not be placed or made available on the market or exported, unless all the following conditions are fulfilled. They are i) deforestation-free, ii) have been produced in accordance with the relevant legislation of the country of production; and iii) are covered by a due diligence statement.

The application of EUDR concerning Billerud will start on 30 December 2025. It will be a challenge to find a cost competitive administrative solution, but Billerud is actively adapting its organization for the requirements of EUDR. A successful implementation will protect Billerud from severe penalties applicable to infringements of EUDR. The administrative requirements will be challenging for smaller competitors and those with a small market in the EU, thus giving Billerud a competitive edge.

Billerud's Sustainability and Public Affairs department monitors political and legislative developments and iden-

tifies issues of particular significance to Billerud and its value chain partners. The dialogue with decision makers often takes place in coordination with industry associations such as the Swedish Forest Industries Federation or the two Brussels-based industry associations, CEPI and Food and Beverage Carton Alliance (FBCA). Billerud also participates in network collaborations such as 4Evergreen, with the aim of accelerating the development of technologies and new processes to enhance sustainability and the circularity of fiber-based packaging.

**Economic outlook and price/demand fluctuation**

Demand for Billerud's product offering is affected by factors such as market trends and the development of innovative technology and products that may lead to a greater or lesser demand for packaging paper, board and graphic and specialty paper. Competition related to the product offering, as well as the development of production capacity and its impact on the balance between supply and demand, may also affect Billerud's business model.

To mitigate these risks, Billerud monitors the competitive landscape, and business risks and evaluates impacts from a strategic point of view. Led by the GMT, it has established close cooperation between functions. The risk of unforeseen economic downturns and recession impacting our delivery strategy has been mitigated through the establishment of a commercial playbook. The playbook's purpose is to address potential commercial risks and threats in a proactive matter. Scenarios will always differ from reality, but by

[Download pdf to print](#)



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– <b>Risks and risk management</b>	<b>40</b>
– Sustainability statements	45
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

stringently monitoring triggers and having clearly defined mitigating actions we will be better equipped to act and make unbiased decisions.

A severe economic downturn could have a negative impact on consumer markets and industrial production and consequently on demand for Billerud's products and services. Political initiatives, policies and restrictions for international trade can also affect which markets Billerud operates in. Billerud's market exposure has become more balanced with the expansion into North America where trade barriers are lower risk given the paper product market is primarily within North America.

The new Trump administration may introduce a series of new trade policy measures that could have an impact for the global economy. The long-term effects of such tariffs could be extensive and affect both economic and consumer outcomes in multiple ways. Countries may seek new trading partners to avoid tariffs, which could change global trade patterns, create an uncertain global trading environment, and affect international relations.

**Competition and customer concentration**

Market and sales risks are related to market trends, the customer portfolio and competition. One risk that is constantly present is increased competition in Billerud's existing markets. This can involve existing market players acting more aggressively than in the past, for example as a result of expanded capacity, or new players entering the market. Billerud works continuously to estab-

lish new customer relationships and increased market presence to balance the customer concentration.

**Geopolitical – energy, wood, and fiber availability in Europe**

It is important to emphasize that the world economy may be affected by the level of the global conflicts we are witnessing such as Russia's war in Ukraine, the situation in the Middle East, and many more. Donald Trump taking office implies geopolitical and macroeconomic developments that will affect Billerud. Billerud is affected by the war in Ukraine through its effects on the economic development and price developments for wood, fiber, energy, chemicals, and fuel. Billerud complies with applicable sanctions and regulations and suspended all sales to Russia in 2022.

Billerud continues to monitor global developments, and contingency plans are regularly being updated. Billerud continually detects risk areas through supply risk mapping and consequent actions to secure and develop supply from alternative sources and through supply risk mitigation actions by current suppliers (e.g., multi-site sourcing, supply chain and stock planning).

**Cyber-crime and security**

Our society and Billerud's business rely to an ever-greater degree on digital tools and data. More extensive digital exposure also increases the risk of unauthorized access to our Information Technology (IT) and Operational Technology (OT) systems. Methods applied to gain unauthorized access to internal company systems and information

resources are becoming increasingly sophisticated. Through unauthorized access, criminals and criminal organizations can harm Billerud and its stakeholders in numerous ways. This may involve blackmail, fraud, damage to information and fixed assets, spreading of price-sensitive information on shares, etc., as well as causing damage to our production processes.

Safeguarding our information and data assets has become increasingly important to protect ourselves and our stakeholders' information. Billerud has chosen a systematic way of working to protect IT and OT infrastructure, information assets and data privacy, based on the information security standards ISO 27001 and NIST. In addition to this, several initiatives to raise employee awareness have been performed. Controls have also been added to the information security management system to ensure the company fulfils the requirements of the European General Data Protection Regulation (GDPR), and that cybercrime-related risks are managed. The controls and their order of priority are based on analysis of the identified risks and consequences. Risk analyses are carried out at several levels in Billerud, and risks are addressed in governance and management forums for the company's information and system resources, including production technology (mill IT).

**2 Execution risks**

Execution risks, also known as operational risks, are risks that can impact the ability to achieve established objectives in daily operations. Execution risks are assessed by risk and process owners

and execution risk matrices are used to support business evaluations and decisions. Execution risks are mitigated by implementing clear process ownership, internal governing documents, effective internal control, quality programs, a whistleblower system, insurance programs and crisis management, as well as by reducing environmental impact and improving energy efficiency.

Financial risks as well as health and safety risks are also considered execution risks.

**Sourcing of raw materials and commodities**

The sourcing and supply of raw materials such as wood, energy, and commodities, is crucial for Billerud's operations. Supply and demand will affect the availability of raw materials and their price. Billerud is dependent on the timely supply of raw materials. Critical resources have been identified throughout the company, and contingency plans for short-term disruptions have been developed.

To mitigate the risk, Billerud has identified risk areas through supply risk mapping and risk assessment, and consequent actions to secure and develop supply from alternative sources. The reduction of single supply set-ups by qualifying alternative products and suppliers, consumption reduction and changes in recipes are used to mitigate increases or lack of raw materials. Further diversification of the supply base has been utilized to mitigate regional supply risk, and continued supply risk assessment and mapping is used to further develop contingency plans.

**Availability and pricing of energy, wood, and fiber**

Market prices for wood and fiber vary over time and the price fluctuations may affect Billerud's result. Fiber prices are influenced by the wood supply/demand market balance, and changes in the Nordic countries may lead to long-term changes in raw material costs. The North American fiber pricing is also influenced by the wood supply and demand market balance. Additionally, prices can be affected by the stability of the supply chain, particularly labor availability, and inflationary pressures. There is also a risk that pulpwood availability within the Nordics decreases due to a lowering harvesting level due to biodiversity and nature conservation considerations as well as EU and/or national legislations. A lower harvesting level may lead to a decrease in the available pulpwood in our normal catchment areas used to supply to our mills. The outcome could be that Billerud will not be able to supply the mills to the expected extent that can result in a lower production and consequently pose challenges in higher cost level, affecting Billerud's financial performance.

To mitigate these risks, Billerud has worked and continues to work on establishing long-term partnerships with its key suppliers to secure sustainable and competitive supply to our mills. Billerud has long-term sourcing partnerships with forestry companies, forest owners and sawmills. At the same time, we are expanding our field purchases to source fiber from private forest owners in Sweden. In addition to wood sourcing action, we are launching action to improve fiber

[Download pdf to print](#)





Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– <b>Risks and risk management</b>	<b>40</b>
– Sustainability statements	45
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

[Download pdf to print](#)

efficiency and optimize fiber use to increase the production output with the amount of fiber used.

**Asset and maintenance risks**

Examples of asset risks are risks that could affect or have an impact on Billerud's property such as buildings, machinery, land and equipment. Preventive measures to identify and mitigate such risks involve structured internal planning and control, carried out in collaboration with independent inspection bodies and in close partnership with insurance companies. Investments are constantly being made to improve the status of facilities.

There is also a risk related to the management of Intellectual Property Rights (IPR). The two most important risks to mitigate are the risk of restricting freedom to operate (our ability to produce and market the best possible products) and the risk of non-compliance with competition law. Mitigation measures include the systematic handling of competitors' patenting activities and procedures for contacts with competitors on IPR matters.

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

Through clear processes and governance maintenance, Billerud meets the requirements of delivering a safe working environment with high availability and cost efficiency. Maintenance is a joint commitment between the operations and maintenance organizations. Collaboration is characterized by close cooperation and is a prerequisite for us to succeed. An external or internal audit is conducted annually to assess the progress and develop new plans. The plan aims, together with the audit results, to guide the focus on the annual plans while ensuring long-term planning.

**Business continuity**

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

To enhance resilience against disruptions, Billerud has developed a process for Business Continuity Management (BCM) based on the standard ISO 22301. The process includes identification of business-critical risks, setting of relevant continuity objectives and development of action plans. The plans shall include actions to mitigate risks materializing as well as actions for adding process contingencies. Business continuity plans are also developed to recover operations in the event of a risk materializing.

**Internal processes and information management**

There is a risk of not being able to deliver in accordance with the set targets due to lack of governance in our internal processes, and risk of incomplete or incorrect master data causing inefficiencies that negatively affect turnover and results. To mitigate these risks, there is an ongoing project to harmonize our way of working, including unified work systems, methods, and processes by using one global ERP system in the future. This system will support agile decision making in the entire business flow and will be introduced from November 2025 step by step with one production facility at time. The program coordinates several efforts that are run in close collaboration with relevant parts of the organization. All activities and working methods are jointly developed by the IT department and key personnel in the organization.

**Organizational and human resources risks**

Organizational and human resources risks relate to the ability to attract, hire, and retain expertise and personnel, to the ability to comply with sustainable leadership and change management, and to maintaining an appropriate reward and benefit system. Billerud works continually to manage skills development and succession planning. The Group works in a structured and focused manner on strengthening the Group's employer brand.

Production skills are crucial, and Billerud has expanded the collaboration with vocational higher education programs and increased the number of internship placements to attract and

develop the relevant expertise for our mills. The human resource function has a solid recruitment process where the manager and human resources collaborate to ensure that we attract and hire the right talent for Billerud. We have also developed a skills profile for Sustainable Leadership, which enables the business to assess a candidate's leadership potential when recruiting internally or externally.

To take proactive steps to minimize the risk of alcohol and drug abuse and other undesirable backgrounds, we carry out background checks for critical and relevant positions, as well as alcohol and drug tests for illegal substances in all recruitment. Payroll costs are principally dictated by applicable collective agreements. Billerud's reward framework is continuously updated. Market salary statistics are used to ensure that remuneration is in line with the Group's reward philosophy.

**3 Compliance and regulatory risks**

Compliance and regulatory risks are risks that arise from non-compliance with external laws, rules and/or regulations or internal rules, primarily related to responsible corporate governance, and the rules that a listed company with global operations is expected to follow.

Billerud is subject to stringent environmental and regulatory requirements. The introduction of new laws, rules and regulations or the imposition of new or more stringent regulatory requirements could affect the Group's operating profit and the quality of its financial reporting. Compliance and regulatory risks

concern both internal compliance with governing documents and external compliance with laws, rules, and regulations. These risks are mitigated by active dialogue, intranet publications and employee training, and annual assessments of internal governing documents carried out by Legal & Compliance, Group Internal Control, HR, Finance, and experts from Billerud's functions.

**Responsible business compliance risks**

Responsible business compliance risks are defined as risks of breaching laws, standards and/or internal rules and/or not meeting external requirements and expectations concerning anti-corruption and anti-money laundering, free and fair competition, compliance with sanctions and respect for human rights. These risks can lead to increased costs for regulatory compliance, fines, damage to reputation or loss of revenue. Billerud's responsible business compliance program aims to ensure that our Group lives up to its values and commitments and that the risks in these areas are identified and managed. Billerud commits to and expects its business partners to adhere to international standards and requirements. Our Code of Conduct applies to all employees and our Supplier Code of Conduct applies to suppliers and business partners who act on Billerud's behalf. Other core measures include internal policies and other steering documents, training and communication, risk assessments, third-party screening and due diligence (with focus on high-risk markets), and a whistleblowing channel, called the "Speak-up Line".



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– <b>Risks and risk management</b>	<b>40</b>
– Sustainability statements	45
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

**4 Information and communication risks**

Information and communication risks are risks associated with Billerud's reporting (both financial and non-financial). External communication risks are risks associated with financial information, such as interim reports and annual reports, and non-financial information, such as sustainability information and external communication. Internal information and communication risks comprise systems and processes that contribute to information being identified, distributed, and documented in a way that enables employees to perform their work efficiently. External and internal communication is supported by a Communication, Branding and Information Policy approved by the Board of Directors. A more detailed description of Billerud's work on internal controls of financial reporting is provided in the Corporate Governance Report in the section titled Internal controls over financial reporting, on page 34.

**Sensitivity analysis**

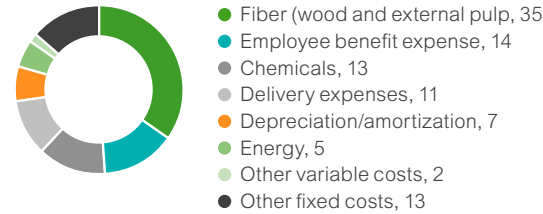
Impact on profit/loss before tax

Variable	Change	SEKm
Sales volume	+/- 10%	+/-1,630
Exchange rates, SEK <sup>1</sup>	+/- 10%	-/+730
– of which relates to EUR	+/- 10%	-/+250
– of which relates to USD	+/- 10%	-/+430
– of which relates to GBP	+/- 10%	-/+50
Fiber price	+/- 10%	-/+1,440
Electricity price <sup>2</sup>	+/- 10%	-/+160
Natural gas <sup>3</sup>	+/- 10%	-/+30
Loan interest rate <sup>4</sup>	+/- 1 procentenhet	-/+58

1 Excluding effects of currency hedges.  
 2 Excluding effects of electricity price hedges.  
 3 Excluding effects of natural gas price hedges.  
 4 Refers to the loan and interest conditions on 31 December 2024. Interest rate changes and loan amounts in 2024 have not been taken into account.

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

**Breakdown of operating costs, %**



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Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– <b>Sustainability statement</b>	<b>45</b>
General information	46
Environmental information	74
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

[Download pdf to print](#)

## Sustainability statement

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





# ESRS 2 General disclosures

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

Billerud has prepared its Sustainability statement based on the European Sustainability Reporting Standards (ESRS), in accordance with the implementation of the Corporate Sustainability Reporting Directive (CSRD) into Swedish law. Billerud has voluntarily decided to report according to the EU-official CSRD time frame, although Sweden has delayed the implementation of the CSRD.

The Sustainability statement has been prepared on the same consolidated basis as the financial statements.

### Double materiality and value chain coverage

The basis for Billerud's Sustainability statement is our double materiality assessment. Billerud's Sustainability statement covers our value chain to the following extent:

- **Double materiality assessment:** The assessment covers Billerud's own operations and activities in the upstream and downstream value chain.
- **Policies:** Billerud is governed by a framework of policies and directives. All policies and directives apply to Billerud and its controlled subsid-

aries. They apply to employees, consultants, contractors and other persons working on behalf of Billerud. Certain policies and directives extend to selected actors in Billerud's value chain. This includes for example Billerud's Code of Conduct, Supplier Code of Conduct, Wood Supply Directive and Procurement Directive. Policies are available at Billerud's website. Furthermore, policies and directives are available on Billerud's intranet.

- **Actions:** Billerud's actions extend to its value chain. Some examples include collaboration with suppliers, customers and partners to reduce climate and biodiversity-related impacts, engagement with contractors and workers in the value chain to reduce health and safety-related impacts, and engagement with suppliers to adhere to Billerud's Supplier Code of Conduct.
- **Targets:** A selection of Billerud targets extend to our value chain. These targets include reduction of indirect greenhouse gas emissions (scope 3) and Group-certified forest owners in Billerud's Group certificates for FSC® and PEFC. They also encompass

accidents resulting in absence per million hours worked (LTIFR) and the proportion of our supplier spend by signed Supplier Code of Conduct.

- **Metrics:** The following metrics cover Billerud's value chain:
  - Scope 3 emissions.
  - The number of Group-certified forest owners in Billerud's Group certificates for FSC® and PEFC.
  - Lost time injury frequency rate (LTIFR) and Total recordable injury frequency rate (TRIFR), which includes contractors.
  - Proportion of our supplier spend by signed Supplier Code of Conduct and the proportion of purchase value covered by supplier assessment.

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

## Disclosures in relation to specific circumstances (BP-2)

### Value chain estimations

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

- E1-6 – scope 3 emissions: See E1-6 on page 85 for disclosure of methodology used for estimated metrics. Potential improvements of the accuracy of metrics include finding more suitable and supplier-specific emission factors. This is especially important for scope 3.1 emissions.

### Sources of estimation and outcome uncertainty

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

### Changes in preparation or presentation of sustainability information

Billerud has changed the presentation of sustainability information to comply with the ESRS. Such changes include updating the report structure from the Global Reporting Initiative (GRI) standards to the ESRS based on Billerud's double materiality assessment. Furthermore, the Sustainability statement is included in the Director's report, compared to previous reporting periods. As 2024

marks the first year of ESRS reporting, no comparative figures are presented for metrics except when this is required by the ESRS. However, comparative figures are presented in relation to targets and target outcomes.

### Reporting errors in previous periods

This is the first year of reporting based on the ESRS. Material errors from prior period related to previously disclosed information is presented in topical standards. However, no potential material errors have emerged during the reporting period.

### Incorporation by reference

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

- SBM-1 40 (a) i. and 40 (a) ii.: The description of significant products and markets is described in more detail in the Financial overview of the Director's report. See page 23.
- SBM-1 40 (g): Main challenges ahead connected to Billerud's strategy and its relation to sustainability matters are described in greater length in the section Risks and risk management on page 40.

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46**
      - Environmental information 74
      - Social information 114
      - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print



- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
- General information 46**
  - Environmental information 74
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

**Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements**

Billerud's Sustainability statement constitutes the Group's statutory sustainability report according to the Swedish Annual Accounts Act. The statement has been prepared according to the ESRS, as required by the Corporate Sustainability Reporting Directive (CSRD) (2022/2464) and the Taxonomy Regulation (2020/852), which is incorporated into the Swedish Annual Accounts Act. Billerud reports voluntarily for the financial year 2024. The report also constitutes Billerud's annual report to the UN Global Compact, Communication on Progress.

Billerud aligns with European and international standards to ensure high quality, environmental responsibility, and

health and safety in our operations. We are certified across multiple sustainability frameworks, including ISO standards, with details provided in the accompanying table. To promote responsible sourcing of wood raw materials, we adhere to recognized certification schemes, and our compliance is verified by external assurance providers. This commitment ensures transparency and reliability in our sustainability practices.

Information from Billerud's certification schemes underbuilds the results of our double materiality assessment and are related to certain metrics and targets that are presented in this report.

Certificates at Billerud 2024 <sup>23</sup>	ISO 9001	ISO 14001	FSSC 22000	ISO 50001	ISO 45001	FSC® FM	PEFC FM	FSC® CoC	PEFC CoC	SFI® CoC	SFI® Fiber Sourcing
Escanaba	X							X	X	X	X
Frövi/Rockhammar	X	X	X	X				X	X		
Gruvön	X	X	X	X				X	X		
Gävle	X	X	X	X				X	X		
Karlsborg	X	X	X	X				X	X		
Skärblacka	X	X	X	X				X	X		
Pietarsaari	X	X	X		X			X	X		
Quinnesec		X						X	X	X	X
Wisconsin Rapids	X							X	X	X	
Wood Supply, Europe <sup>1</sup>	X	X			X	X	X	X	X		

1 Excluding the Baltic wood supply operation.  
 2 FSC-C004906, FSC-C020000, FSC-C108771, FSC-C108782, FSC-C014984, FSC-C023846  
 3 PEFC/05-33-114, PEFC/05-33-136, PEFC/05-33-135, PEFC/05-33-137, PEFC/29-31-92, PEFC/05-31-78

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

**Composition of Billerud's Board of Directors**

The Board of Directors is the company's highest administrative body below the annual general meeting (AGM). Billerud's Board of Directors consists of six members and two employee representatives. Two additional employee representatives are deputy board members. The employee representatives represent the Swedish Paper Workers Union and PTK.

Other than the employee representatives and their deputies, none of the Board members are employed by the Group. The composition of the Board meets the Swedish Code of Corporate

Governance's requirements as to independence in relation to the company, the company's management and the company's major shareholders. For further details about Billerud's Board of Directors and employee representatives, see the section Board of Directors on page 38.

**Relevant experience**

Billerud's board members have experience relevant to the sectors, products, and geographic locations of Billerud. Such experience includes knowledge in operations, including industry experience from paper and packaging, consumer goods, and industrial manufacturing. They are furthermore experienced within global operations, with

Composition of Billerud's Board of Directors	Including ordinary employee representatives	Excluding employee representatives
Number of executive Board members	2	0
Number of non-executive Board members	6	6
Percentage of Board members by gender	25% women 75% men	33% women 67% men
Board's gender diversity ratio	33% female to male Board members	50% female to male Board members
Percentage of independent Board members	63% independent members	83% independent members

Download pdf to print



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
<b>General information</b>	<b>46</b>
Environmental information	74
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

[Download pdf to print](#)

expertise spanning across Europe, Asia, the Americas, and the Nordic region, ensuring comprehensive insights into international markets and operations. Employee representatives have industry and Billerud-specific experience.

The Board of Directors has comprehensive knowledge in matters of corporate governance, including ethical business conduct and anti-corruption. Except for the employee representatives, they have been elected by the shareholders based on their expertise. The board is committed to upholding high standards as expected of a publicly listed company.

Billerud's board hosts members with a diverse array of experience in sustainability. One of the board members has expertise in technology for the green transition, providing experience into innovative solutions for sustainability. Other board members bring expertise from sustainable solutions within paper and packaging. Furthermore, the board has broad knowledge on compliance matters, including sustainability related topics. Together, these board members enhance Billerud's capabilities and representation of sustainability within the board.

### Composition of Billerud's Group Management Team

The Group Management Team, appointed by the CEO, consists of nine executive representatives from the business: the Chief Executive Officer (CEO), Chief Financial Officer (CFO), EVP Human Resources (HR) & Communications, EVP Sustainability & Public Affairs, EVP Legal & Compliance, President Billerud Europe, Deputy President Billerud Europe, President Billerud North

### Composition of Billerud's Group Management Team

Number of executive members	9
Number of non-executive members	0
Percentage of members of the Group Management Team by gender	22% women 78% men

America and Deputy President Billerud North America. There are no workers' representatives in the Group Management Team.

### Relevant experience

Billerud's Group Management Team demonstrates extensive experience across various sectors, products, and geographic locations. Members include individuals with backgrounds in finance, operations, legal and compliance, human resources, and sustainability. This diverse expertise across different industries and regions allows the team to address various challenges and opportunities effectively.

The Group Management Team has deep expertise across various facets of the business and industry. Their extensive experience equips them with a robust understanding of strategic and operational leadership, including adherence to ethical standards and anti-corruption practices. Appointed for their specialized skills and track record of integrity, they are dedicated to fostering a culture of compliance and excellence within the company, as expected within a publicly listed organization. Billerud's EVP of Sustainability & Public Affairs brings extensive experience in sustainability leadership. Having the EVP of Sustainability & Public Affairs within the Group

Management Team ensures the embeddedness of Billerud's sustainability agenda across various functions.

### Role of supervisory, management and administrative bodies

#### Billerud's Board of Directors

Billerud's Board of Directors is the highest body overseeing sustainability at Billerud. Billerud applies the Swedish Code of Corporate Governance, according to which the Board of Directors is responsible for identifying and ensuring that Billerud prepares its annual year-end report in line with the Swedish implementation of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The role of the board is outlined in the *Rules of Procedures for the Board of Directors*.

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

The Group's key performance indicators include financial targets and sustainability targets, which reflect impacts, risks and opportunities. These are presented

on page 10. These are discussed and monitored by the board. In an annual meeting, Billerud's board focuses specifically on sustainability and related targets. However, sustainability matters are managed continuously in all meetings.

In addition to the board members' sustainability expertise, the board invites the EVP Sustainability & Public Affairs for sustainability insight.

### Nomination Committee

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

### Audit Committee

To support the board in supervising auditing issues, the board has appointed a separate audit committee. The work of the Audit Committee is regulated in the *Rules of Procedures for the Audit Committee*. The Audit Committee primarily has a preparatory and administrative role and is responsible for contributing to a high standard of financial

and sustainability reporting and ensure that Billerud is audited professionally, efficiently, and independently. It is the responsibility of the Audit Committee to keep itself informed about the review of the Sustainability statement and to review and monitor the impartiality and independence of the auditor.

### Internal audit & internal control function

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

### CEO and Group Management Team

The Board of Directors appoints the company's president and CEO. The CEO is responsible for the ongoing management of the company's and Group's business operations, as mandated by the board, to implement operational instructions and policies. Its terms of reference are stated in the *Board's Instruction to the Chief Executive Officer*.





- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
- General information 46**
  - Environmental information 74
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

The CEO and the Group Management Team are jointly responsible for day-to-day operations and the implementation and monitoring of the goals and strategies set by the board, including sustainability goals and strategies. This includes targets related to sustainability impacts, risks and opportunities.

The EVP Sustainability & Public Affairs is responsible for ensuring that impacts, risks and opportunities are taken into consideration when overseeing Billerud's strategy based on the experience from managing the double materiality assessment and direct insights into material impacts, risks and opportunities.

The Group Management Team reports regularly to the board based on pre-determined procedures and generally meets once or twice per month to review the financial and sustainability performance of the preceding month, update forecasts and plans and discuss strategic and operational activities and issues.

**Sustainability & Public Affairs department**

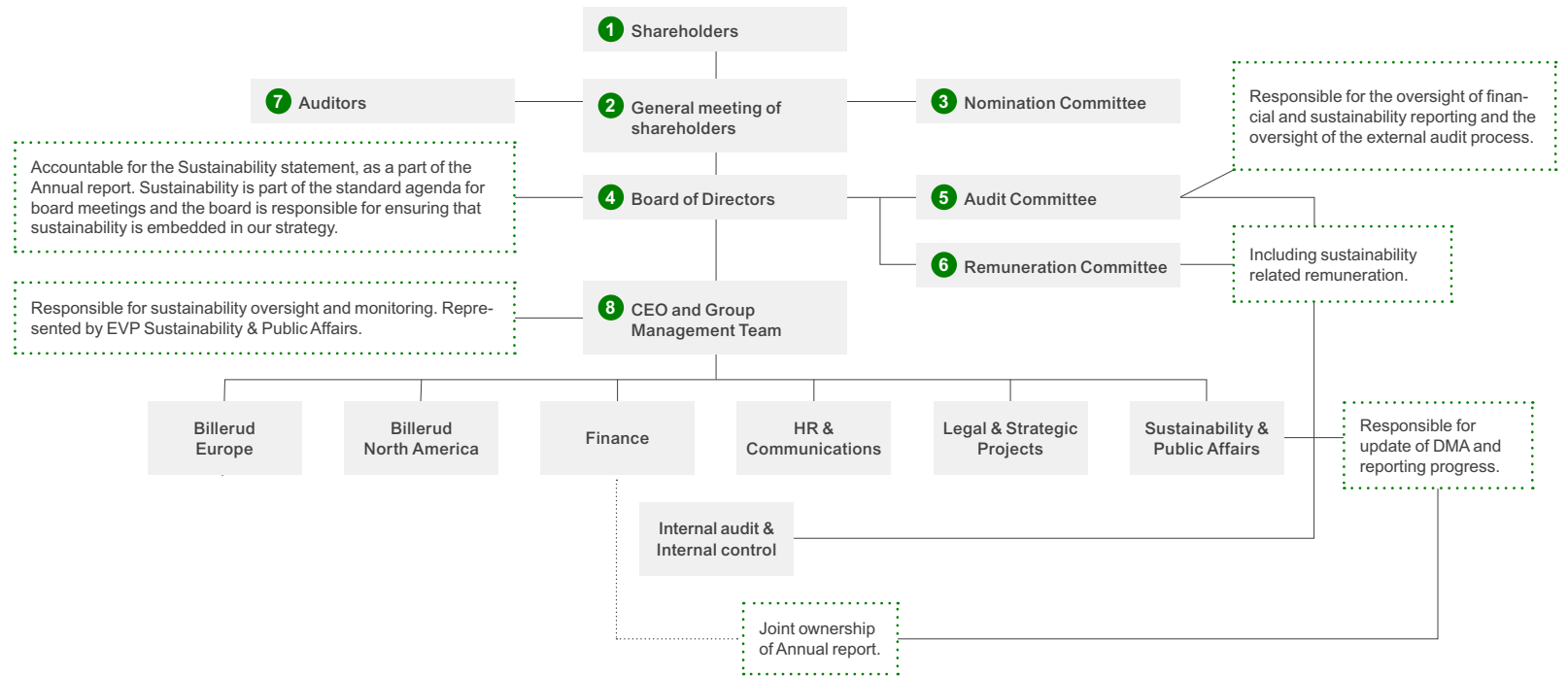
Billerud's Sustainability & Public Affairs department implements and oversees Billerud's sustainability strategy and ambition, conducts the double materiality assessment and prepares Billerud's Sustainability statement. Billerud's Sustainability & Public Affairs department's terms of reference is mandated by the Sustainability Policy.

The EVP Sustainability & Public Affairs regularly reports progress against sustainability targets and annually presents changes to identified impacts, risks and opportunities, as well as information about the implementation of related policies and actions, to the Group Management Team and board.

The Sustainability & Public Affairs department includes experts responsible for areas related to material impacts, risks and opportunities, such as environmental matters, energy matters and quality matters. The team has extensive sustainability skills, including matters of sustainability reporting, greenhouse gas

calculations, climate risk assessments and knowledge of operations. The team collaborates with administrative and operational specialists such as Finance, HR & Communications, Legal & Strategic Projects to get insights into material impacts, risks and opportunities.

**Reporting lines and functions relevant to Billerud's governance structure for sustainability**



[Download pdf to print](#)



- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
- General information 46**
  - Environmental information 74
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

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

### Board of Directors

The Board of Directors approves, monitors and follows up on Billerud's strategy. The Board has a dedicated strategy session at least once a year, which includes sustainability. However, the board manages sustainability matters on an ongoing basis.

Billerud's EVP Sustainability & Public Affairs annually presents updates on identified impacts, risks and opportunities as well as the development related to implementation of policies, actions and progress towards targets for material impacts, risks and opportunities. The board approves all Group policies, including policies related to material impacts, risks and opportunities annually. This does not include the Supplier Code of Conduct, which is approved when needed by the Group Management Team. In addition, the approval of the Operations, Quality and Procurement Policy is delegated to the Group Management Team.

The Board of Directors meets around ten times each year. At least once a year, the board engages in a longer session focused on sustainability. In addition, sustainability matters are generally discussed at each meeting. In 2024, the board received thorough information related to the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) requirements. They were also presented with the results of the double materiality assessment, which contained the full list of material impacts, risks and opportunities. The board has addressed all material impacts, risks and opportunities in connection to the approval of the double materiality assessment.

For a full list of all material impacts, risks and opportunities, see SBM-3 on page 60.

### Group Management Team

The Group Management Team is responsible for developing and executing on Billerud's strategy. Billerud launched its updated strategy "Way Forward" during the fall of 2024. The EVP of Sustainability & Public Affairs is a member of the Group Management Team and is responsible for ensuring that material sustainability matters and impacts, risks and opportunities are addressed within Billerud's strategy, in which sustainability is a central area.

The Group Management Team meets once and twice each month, and sustainability topics are considered at every meeting. Billerud's science based targets, in line with the Science Based Targets initiative (SBTi), are monitored monthly by the Group Management Team.

## Integration of sustainability-related performance in incentive programs (GOV-3)

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

### Long-term share (incentive) program

The incentive program is structured to promote not only a financial target but also the achievement of Billerud's long-term sustainability targets within E1 – Climate change on page 74 related to CO<sub>2</sub> emission reductions for the period 2024-2026.

The CO<sub>2</sub> emission reduction shall be calculated based on the information on CO<sub>2</sub> emissions presented in Billerud's Sustainability statement. Details on performance outcomes will be provided at the 2027 Annual General Meeting.

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

### Variable compensation scheme

Billerud's variable compensation program is offered to all Billerud's employees within Europe and a majority of the employees in North America, based on contractual terms. This includes the Group Management Team. The program is linked to Billerud's yearly target on lost time injury frequency rate (LTIFR), for both own workforce and workers in the value chain, as described in ESRS S1 – Own workforce on page 114.

Download pdf to print



- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
- General information 46**
  - Environmental information 74
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

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

The 2024 variable compensation for reaching the LTIFR target is 20% of the total bonus for the CEO. For the Group Management Team and other employees, the variable compensation connected to the LTIFR varies between 10% and 20% depending on their role and function. The LTIFR constitutes a performance benchmark. The terms are approved and updated accordingly.

## Statement on due diligence (GOV-4)

The following table includes a mapping of the information provided in this Sustainability statement regarding Billerud's due diligence process.

Core elements of due diligence	Paragraphs and pages in the Sustainability Statements
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV 2, page 50
	ESRS 2 GOV 2, page 50
	ESRS 2 SBM-3, page 60 SBM-3 in topic standards, page 76 (E1), 103 (E4), 115 (S1), 124 (S1), 130 (S2), 136 (S3), 141 (S4)
b) Engaging with affected stakeholders	ESRS 2 SBM-2 & SBM-2 in topic standards, page 57
	ESRS 2 IRO-1, page 68
	IRO-1 in topic standards, page 75 (E1), 92 (E2), 99 (E3), 101 (E4), 109 (E5), 146 (G1)
	ESRS 2 MDR-P, page 50 (in GOV-2) MDR-P in topical standards, page 81 (E1), 93 (E2), 99 (E3), 104 (E4), 110 (E5), 116 (S1), 125 (S1), 131 (S2), 137 (S3), 141 (S4), 146 (G1) Topical ESRS, page 118 (S1), 125 (S1), 132 (S2), 138 (S3), 142 (S4)
c) Identifying and assessing negative impacts on people and the environment	ESRS 2 IRO-1, page 68
	IRO-1 in topic standards, page 75 (E1), 92 (E2), 99 (E3), 101 (E4), 109 (E5), 146 (G1)
	ESRS 2 SBM-3, page 60 SBM-3 in topic standards, page 76 (E1), 103 (E4), 115 (S1), 124 (S1), 130 (S2), 136 (S3), 141 (S4)
d) Taking action to address negative impacts on people and the environment	MDR-A in topical standards, page 82 (E1), 94 (E2), 100 (E3), 106 (E4), 110 (E5), 119 (S1), 126 (S1), 133 (S2), 139 (S3), 143 (S4)
e) Tracking the effectiveness of these efforts	MDR-M in topical standards, page 84 (E1), 97 (E2), 100 (E3), 108 (E4), 112 (E5), 122 (S1), 129 (S1), 135 (S2), 140 (S3), 144 (S4), 150 (G1)
	MDR-T in topical standards, page 83 (E1), 96 (E2), 100 (E3), 107 (E4), 111 (E5), 121 (S1), 128 (S1), 135 (S2), 140 (S3), 144 (S4), 150 (G1)

[Download pdf to print](#)





- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
- General information 46**
  - Environmental information 74
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

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

The sustainability function and operating functions, responsible for reporting on ESRS disclosure requirements, constitute the first line of defense for sustainability reporting. As such they should define, implement, comply and assess applied controls. Billerud is currently formalizing its internal control framework for sustainability reporting, which consists of preventative, detective and corrective controls.

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

### Risk management and risk assessments

Billerud has previously conducted qualitative risk assessments for sustainability reporting risks. During 2024, Billerud has initiated the transition towards a quantitative risk assessment approach, where risks are prioritized according to likelihood and severity in similarity to our Enterprise Risk Management (ERM) framework. This risk assessment

framework will guide our risk prioritization, follow-up of sustainability reporting risks, and guide action plan design. The framework will also enable us to spot risk drivers. The first population and prioritization of risk activities within the new framework will be conducted in 2025.

Among the main risks identified for the fiscal year 2024, is a discrepancy between certain reporting processes, KPIs and methodologies in our European and North American regions. First, there are certain operational differences, for example related to supplier management processes. Second, the difference in legal and regulatory frameworks create variations in the accessibility and streamlining of data. To mitigate risk, Billerud constantly improves its processes to become aligned across all operations. Also, following the implementation of the ESRS, Billerud has improved our mapping of data sources, organizational units and consolidation procedures, which will support unity in reported measures.

A third main risk revolves around manual processing of data. For each measure presented in the Sustainability statement, the data often flows through multiple systems, including automatized, semi-automatized and manual processes. A fourth main risk is related to the formalization and documentation of processes and responsibilities to ensure continuity and reduce risk of personal dependencies. During 2025, Billerud will have a

clear focus on formalizing and documenting processes, including the documentation of controls and sanity checks on data.

Findings related to risk assessment and internal controls are continuously adjusting existing reporting procedures. For example, identified risks and control gaps related to ownership of measures, led Billerud to implement a new sustainability reporting software during 2024, with clearer defined responsibilities, dedicated four-eyes responsibilities and improved overall oversight capacities.

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

The second line of defense conducts reviews, audits and controls and reports results annually to the board and Group Management Team. The internal audit & internal control function reports to the chairman of the Audit Committee. The structure of the internal audit function's responsibility for sustainability information will be developed and formalized during 2025, based on the ESRS reporting structure.

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

### Business model

Sustainability is at the core of Billerud's business model. Billerud offers high-performing paper and packaging materials made of wood raw material. Billerud's products are manufactured in ten production facilities in Sweden, Finland and the US. In addition to board and paper, Billerud sells pulp that is not used in its own production. All facilities, except the Wisconsin Rapids converting facility in the US, are operationally integrated mills that produce paper or board as well as pulp.

Billerud has sales in the entire world and its main markets are Europe and North America. In Europe, our most significant products offered include liquid packaging board, containerboard, carton board, kraft paper and sack paper. In North America, our most significant products offered include graphic paper, specialty paper and market pulp. Our customers are leading packaging producers around the world within the food, healthcare, retail, electronics and other packaging sectors. For further information about our significant products and markets served, please see the Financial overview on page 23.

On 31 December 2024, Billerud had 5,822 employees located in 17 markets. Most of them are employed in Sweden and the US. Read more about our employees in S1-6 on page 122.

Billerud has no products and services that are banned in certain markets. Billerud is not active in fossil fuel (coal, oil or gas) sectors.

### Strategy for sustainable and profitable growth

Billerud's "Way Forward" strategy is based on choices of prioritized markets and product categories, coupled with strategic initiatives to deliver on plans and reach targets. Our purpose "We make high performance packaging materials for a low-carbon society" guides our long-term direction.

We strive for improved performance and have set ambitious objectives. Some of the strategic initiatives are group-wide, while others are regional, reflecting their different characteristics and conditions. Having operations on two continents provides differentiation benefits for the Group, while it ensures stable supply chains, for the benefit of our customers. Billerud always puts health and safety first. The company's highest priority is for our employees and contractors to work safely every day.

The strategy is grouped into four pillars. The first pillar outlines Region North America's commitment to remain a leader in graphic paper and specialty papers while evolving towards packaging materials. The second pillar demonstrates Region Europe's focus on strengthening performance through its existing asset base. The third pillar

Download pdf to print



- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
- General information 46**
  - Environmental information 74
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

is a Group commitment to a stronger performance culture centered around accountability and our core values “We care for each other” and “We do what we say”. The fourth pillar is embedding sustainability in everything we do. This is described in greater length below.

All Billerud's four pillars in our Way Forward strategy are directly or indirectly related to sustainability matters, such as safety, climate change and high performance sustainable paper and packaging material, as described below. The main challenges ahead are described in Risks and risk management on page 40 and include for example risks posed by political initiatives, laws and regulations and the challenge of securing cost competitive wood in Europe. Critical solutions and projects are detailed in relevant topical standards.

Sustainability-related targets are portrayed in the Sustainability Platform below. Our three focus areas are connected to targets that are relevant across markets, customer groups and geographies.

**We embed sustainability in everything we do**

Billerud embeds sustainability in everything we do. Our Sustainability Platform, contributing to our Way Forward strategy, consists of three focus areas supported by five sustainability foundation areas, described as follows:

**Focus areas**  
*1. Health and safety*

The health and safety for our employees and contractors is Billerud's highest pri-

ority. We will continue to work on safety training and behaviors until we reach our vision of zero injuries. Read more in S1 – Own workforce on page 124.

**2. Low carbon society**

Billerud is committed to implementing measures within all of our operations to limit our contribution to climate change. We help our customers to reduce their climate impact by replacing fossil-based packaging materials with our materials, that are not only recyclable but have a lower carbon footprint. For our own part, we have a roadmap of actions and investments that will reduce the greenhouse gas emissions from our operations in accordance with the Paris Agreement. Our updated CO<sub>2</sub>e emission reduction targets were approved by the Science Based Targets initiative in 2024. We also explore new business models for biogenic carbon capture storage and utilization (bio-CCS and bio-CCU) at our mills together with partners. Read more in E1 – Climate change on page 74.

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

We are committed to producing recyclable and reusable paper and board with a low carbon footprint. We are also committed to a packaging and paper future where sustainability goes hand in hand with our commitment to high quality and performance. Our product development is focused on an approach that supports the circular economy, low climate impact initiatives and high product safety. Read more in E5 – Resource use and circular economy on page 109.

**Sustainability foundation areas**

*Resource efficient production*

We are committed to implementing measures throughout our operations to limit emissions locally from our operations to air and water, to minimize waste, and to continuously improve resource efficiency in production. As a part of this commitment, we have taken efforts to reduce our local emissions and water usage in line with our target “reduction of water usage in our mills” during 2024. Read more in E3 – Water and marine resources on page 99.

*Responsible wood supply*

Billerud is dependent on raw materials from the forest, and we actively work to minimize our impact on biodiversity from forestry management activities. Responsible forestry, whereby the social and biological assets of forests are preserved, is necessary to ensure a wood supply for years to come. Since the forest's ability to sequester carbon dioxide decreases after the age of 60, it is also very important that we have active forestry with growth to ensure long-term maximum carbon dioxide capture. See the right-hand side graph from the Swedish University of Agricultural Sciences showing the forest's ability to sequester carbon dioxide at different ages in various parts of Sweden<sup>1</sup>. After harvesting, the entire tree is used for different purposes and the entire area that has been harvested is replanted. Certain parts of the tree are used in our products, while other parts become long life wooden product or are transformed into bioenergy. Nevertheless, all operations within the forest have an impact on

biodiversity and can potentially impact people and communities in nearby areas. Billerud addresses and manages biodiversity aspects with all wood suppliers. Read more in E4 – Biodiversity and ecosystems on page 101. and S3 – Affected communities on page 136.

*Engaging workplaces*

We work to actively promote an engaging workplace by fostering diversity and inclusion among our workforce and offering growth opportunities as well as talent management activities. Read more in S1 – Own workforce on page 114.

*Responsible supply chain*

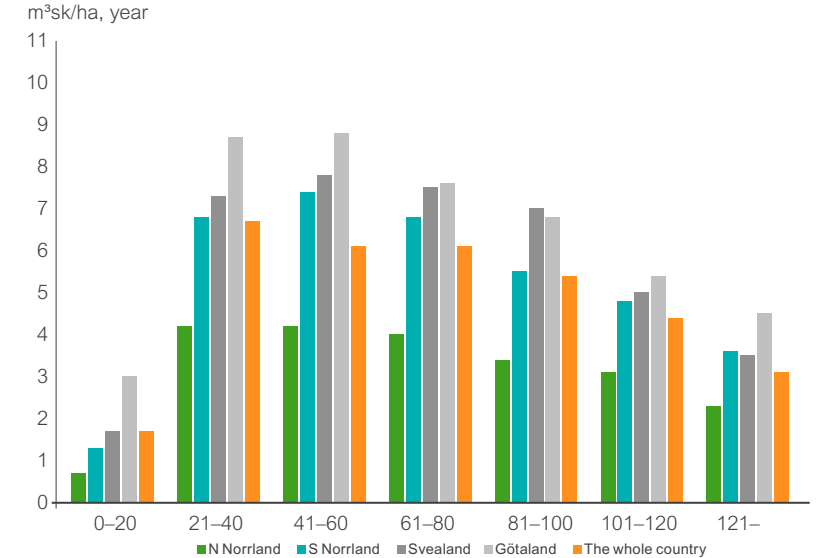
A growing international value chain requires us to work to ensure decent

working conditions in our supply chains. This is mainly achieved through assessments and close cooperation with suppliers. Read more in S2 – Workers in the value chain on page 130.

*Responsible business*

We seek to act responsibly in every part of the value chain, and to operate with integrity and in compliance with applicable laws, regulations and international standards. Billerud also aims to use its influence to improve and strengthen responsible business beyond its own operations. Read more in G1 – Business conduct on page 145.

**The forest's ability to sequester carbon dioxide at different ages in various parts of Sweden<sup>1</sup>**



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

Download pdf to print



- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
- General information 46**
  - Environmental information 74
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

**Billerud's Sustainability Platform:**

Three focus areas that are strategically vital for our future competitiveness.

## Health and safety

- Safe working environment
- Stable and efficient production

Health and safety is prioritized at Billerud. A healthy and safe workplace is a fundamental right, and we work continuously to provide this by identifying and eliminating risks. Safe and healthy environments lower not only incidents and accidents, but also contribute to a more efficient production, and are therefore essential for stable, sustainable and profitable operations. Read more in chapter S1 – Own workforce on page 124.

**Goals related to strategic priority:**

- Accidents resulting in absence per million hours worked (own employees and contractors), LTIFR: <2.5 (2024)

**S1** Own workforce

## Low carbon society

- Minimize CO<sub>2</sub>e emissions
- Renewable alternatives to replace fossil resources

Billerud has both a direct and indirect impact on the climate throughout the value chain. We work to reduce direct emissions from our own operations as well as indirect emissions from our value chain. We also enable customers to lower their carbon footprint through our recyclable products made of renewable material. Read more in chapter E1 – Climate change on page 74.

**Goals related to strategic priority:**

- Scope 1 and 2 emissions reduction of 42% & scope 3 emissions reduction of 25% (2030)

**E1** Climate change

## High performance sustainable paper & packaging materials

- Sustainable products
- Circularity

We are committed to producing recyclable and reusable paper and board with a low carbon footprint. We want to supporting the circular economy and ensure high product safety. Therefor, we aim for high-performance materials that enable customers to use less material in their packaging and reduce their own carbon footprint. Read more in chapter E5 – Resource use and circular economy on page 109 and S4 – Consumers and end-users on page 141.

**Goals related to strategic priority:**

- Proportion of Billerud's packaging paper that is certified recyclable: 100% (2024)<sup>1</sup>
- Proportion of production units certified according to food safety standards: 100% (2024) in Europe, 33% in North America.

**E5** Resource use and circular economy

**S4** Consumers & end-users

**Billerud's sustainability foundation:**

Resource efficient production	Responsible wood supply	Engaging workplaces	Responsible supply chain	Responsible business
<p><b>Target:</b> Reduction of water usage in our mills, –1% (2024)<sup>1</sup></p> <p><b>E2</b> Pollution <b>E3</b> Water and marine resources</p>	<p><b>Target:</b> Proportion of Billerud's packaging paper that is certified recyclable: 100 % (2024)<sup>1</sup></p> <p><b>E5</b> Resource use and circular economy</p>	<p><b>Target:</b> Proportion of domestic wood supply: 96% (2024)  Group-certified forest owners in Billerud's group certificates for FSC® and PEFC: 320 (2024)<sup>1</sup></p> <p><b>E4</b> Biodiversity and ecosystems <b>S3</b> Affected communities</p>	<p><b>Target:</b> Proportion of female employees in total: 22% (2024)  Proportion of female people managers: 25.5% (2024)</p> <p><b>S1</b> Own workforce</p>	<p><b>Target:</b> Proportion of our supplier spend by signed Supplier Code of Conduct: 85% (2024)  Proportion of purchase value covered by supplier assessment: 83% (2024)<sup>1</sup></p> <p><b>S2</b> Workers in the value chain</p>
				<p><b>Target:</b> Proportion of employees who had completed Code of Conduct training: 95% (2024)</p> <p><b>S2</b> Workers in the value chain <b>G1</b> Business conduct</p>

Download pdf to print

<sup>1</sup> For European operations. No targets defined for North American operations for 2024.





- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
- General information 46**
  - Environmental information 74
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

**Value chain**

**Input to operations**

Billerud purchases different types of direct and indirect material, such as wood raw material, chemicals and energy, that are essential for our operations. Billerud works with suppliers worldwide and it is important that we ensure that our suppliers meet our high standards for environmental stewardship and ethical practices. When it comes to wood raw material we work closely with both large forest owners and local suppliers, where the raw material is sourced exclusively from responsibly managed forests. This ensures a responsible, renewable resource base that supports our long-term commitment to the environment. It is also essential that Billerud maintains a stable and cost-efficient supply chain, and therefore we actively engage in strategic partnerships with our suppliers.

**Outputs from operations**

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

**Energy and byproducts**

Our manufacturing processes generate surplus renewable energy, which we use to power our facilities and contribute to district heating in nearby communities. We also repurpose byproducts like crude tall oil for biofuel production, energy recovery from wood residues further reducing waste and supporting renewable energy sources. This approach strengthens local infrastructure and reduces reliance on fossil energy.

**Benefits for stakeholders**

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

**Customers:** Customers benefit from our sustainable packaging solutions that support reduced material usage and lower associated emissions.

**Investors:** Investors see long-term value in our focus on sustainability, which enhances our market resilience and supports profitability.

**Nature:** Since the forest's ability to sequester carbon dioxide decreases after the age of 60, it is also very important that we have active forestry with growth to ensure long-term maximum carbon dioxide capture<sup>1</sup>. After harvesting, the entire tree is used for different purposes. Certain parts are used in Billerud's products, while other parts becomes solid wood products or

byproducts that become bioenergy. We only source wood raw material from forests that are responsibly managed, with respect for biodiversity and societies.

**Employees and local communities:** We strengthen local economies by providing employment and supporting jobs in areas with production facilities. Billerud had 5,822 employees on 31 December 2024, of which 4,154 in Region Europe, 1,651 in Region North America, and 17 in Asia. We engage with local communities, participating in development initiatives, addressing resident concerns or complaints, and fostering a collaborative local business environment.

**Industry and environmental organizations:** We participate in industry organizations and collaborate on environmental initiatives, contributing to regulatory dialogues, standard-setting, and the advancement of circular economy practices.

**Our value chain**  
Billerud works actively to maximize positive impacts, minimize negative impacts and manage risks and opportunities along the value chain. Collaboration with business partners and other stakeholders is essential to drive change where it makes the biggest difference. See a visualization of our value chain on page 56.

**Upstream value chain**  
Our upstream value chain consists of wood supply, as well as procurement of other input material needed for oper-

ations. In relation to wood supply, we interact with forest owners and forest companies, to secure contracts for forest harvesting operations. We also interact with other actors for direct procurement of wood raw material. We interact with foresters and logging contractors for forest management activities.

The procurement of other input material includes interaction with direct suppliers in regard to material such as chemicals, logistics and energy. It also include actors further down our value chain (tier 2 and 3 in the supply chain), who support our suppliers with input to purchased material.

Incoming transports of raw materials to the production units are also included in the upstream value chain.

**Downstream value chain**

Our downstream value chain consists of outgoing transports of products to customers from the production units, as well as our customers and end-consumers. Billerud's customers are on the international paper and packaging market, and consist of packaging manufacturers and brand owners, who constitute our customers' customers. They supply products to consumers and end-users. Our value chain ends with the end-of-life stage, including waste management of our own waste generated in process, as well as recycling and waste of the products we put on the market. Billerud's recyclable products are based on renewable material. Paper fibers can be

sent for material recovery many times, after which they can be used for energy recovery. Constant input of fresh fiber is necessary to be able to keep the recycling loop going.

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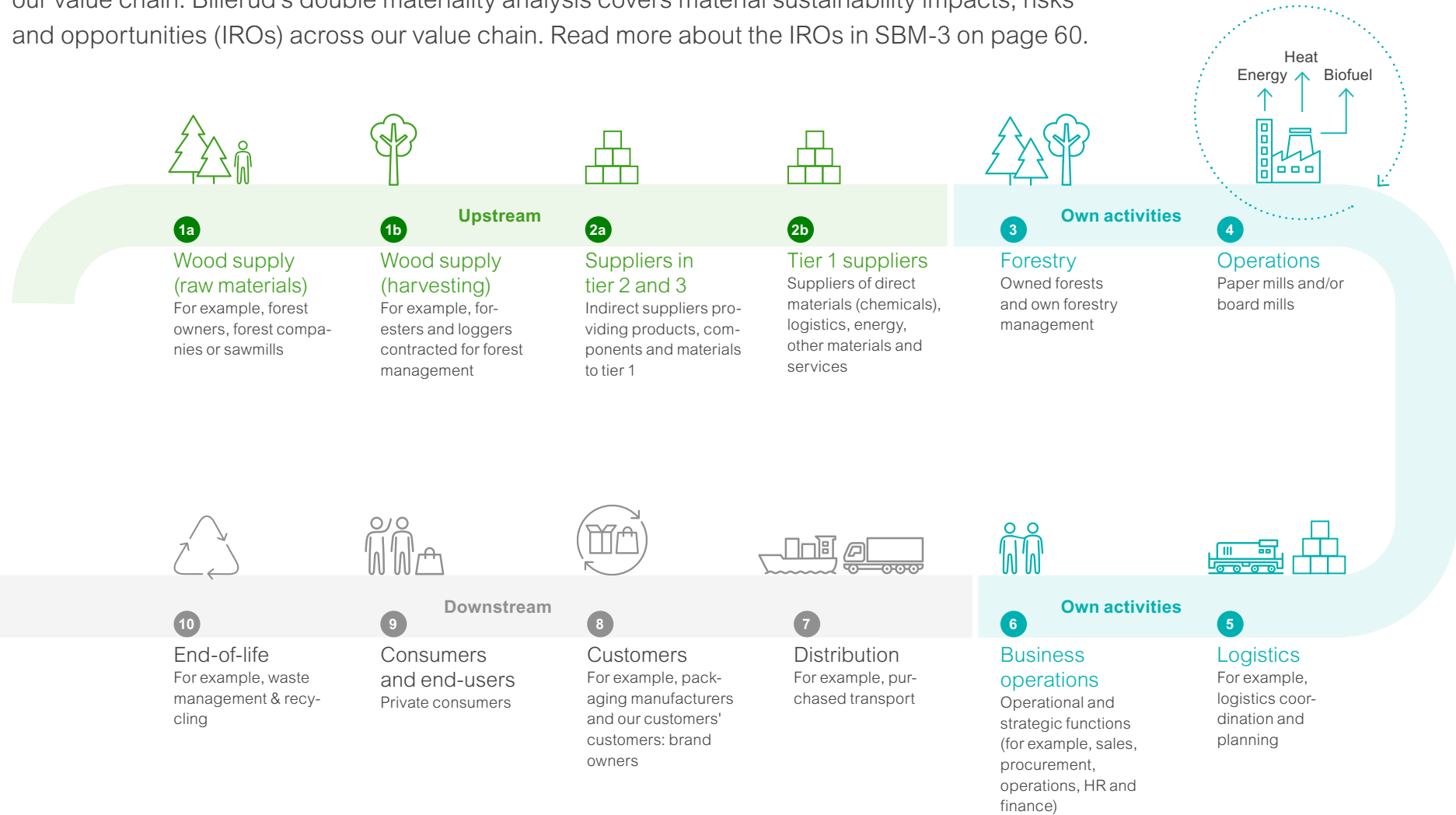
<sup>1</sup> Source: **Swedish University of Agricultural Sciences (SLU) (Umeå 2024)**, Forest statistics 2024 - Official Statistics of Sweden, page 144



- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
- General information 46**
  - Environmental information 74
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

# Our value chain

Billerud makes high performance packaging material for a low carbon society. Our value chain consists of a chain of upstream activities, own activities and downstream activities. Each step below demonstrates the business activities performed and/or business relationships involved throughout our value chain. Billerud's double materiality analysis covers material sustainability impacts, risks and opportunities (IROs) across our value chain. Read more about the IROs in SBM-3 on page 60.



[Download pdf to print](#)



- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
- General information 46**
  - Environmental information 74
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

## Interests and views of stakeholders (SBM-2)

### Stakeholder engagement

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

The table below describes key stakeholders, focus matters and how engagement is organized:

Stakeholder groups	Main engagement channels	Main sustainability matter	Key groups of affected stakeholders from ESRS topic standards
<b>Investors</b>			
Shareholders, analysts, potential investors, debt investors	Annual General Meeting, investor meetings, analyst meetings, questionnaires from analysts, Capital Markets Day	Long-term sustainable economic value development, strategy, challenges, risk management, climate change, environmental impact, biodiversity, labor practices, health and safety, ethics, Code of Conduct (CoC), sustainable innovations, regulations	
<b>Customers and consumers/end-users</b>			
Existing customers, potential customers, brand owners	Meetings, regular business contacts, networking and collaborations, fairs, seminars, customer surveys, external reporting systems, audits, customer questionnaires	Sustainable and stable business, CoC, responsible forestry and certifications in the supply chain, traceability of our products, environmental impacts of our products and transports, innovation, quality, reusability and recyclability, employee working conditions, product and food safety	Views, interests and rights of consumers/end-users are included in our DMA via insights from customers. Such interests are integrated into our daily work, risk management and strategy and business development. Read more in S4 – Consumers and end-users on page 141
Consumers/end-users	Billerud does not engage directly with end-users or consumers. Our primary interactions to address any product issues are with our customers		
<b>Own workforce</b>			
Current employees	Workplace meetings and safety rounds, management meetings, team meetings, internal training, annual employee survey, intranet, incident registration and follow-up, performance management conversations, Women in Business Taskforce	CoC, business ethics, leadership, competence development, performance management, training and skills development, cooperation, diversity and anti-discrimination efforts, health and safety, wellness and health measures, human rights, work-life balance and working hours	Views, interests, and rights of our own workforce are included in our DMA via insights from ISO-processes, our Enterprise Risk Management (ERM) system, interviews with HR representatives as well as learnings from employee surveys, incident reporting related to health and safety and a selection of other sources. Such information is escalated through applicable channels and forums and integrated into our strategy and business model development. Read more in S1 – Own workforce on page 114
Union representatives / Workers' representatives	Local collaborative meetings, collaborative forum at Group level, European Work Council, diversity groups, collaboration with safety delegates, representation of workers' representatives in the board	Health and safety, performance management review, terms of employment, human rights, diversity, organizational changes	

Download pdf to print





- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
- General information 46**
  - Environmental information 74
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Stakeholder groups	Main engagement channels	Main sustainability matter	Key groups of affected stakeholders from ESRS topic standards
<b>Workers in the value chain</b>			
Workers in the supply chain	Dialogue with legitimate representatives at our suppliers via supplier selection and procurement procedures, supplier assessments, follow-up and audits/improvement meetings, meetings, trainings	Labor and human rights, working conditions, health and safety, sustainable procurement, ethics	Views, interests and rights of our value chain workers are included in the DMA via interviews with procurement representatives based on learnings from supplier selection, assessments, audits, and potential whistleblowing cases. Such dialogues have been conducted with legitimate representatives and not value chain workers themselves. Contractors' views are reflected via the same procedures as for employees, apart from the employee survey. Read more in S2 – Workers in the value chain on page 130
Contractors	Contractor contact point, incident registration and follow-up, trainings, annual contractor survey (North America), follow-up activities, audits	Health and safety, working conditions, human rights	
<b>Business partners</b>			
Partners (for example research institutes)	Close contacts and development projects	Developing sustainable and resource-efficient packaging, sustainable raw materials, innovation, energy efficiency, business models, regulation and politics	
Existing suppliers	Supplier selection and procurement procedures, supplier assessment, follow-up and audits/improvement meetings, meetings, trainings	Supplier Code of Conduct (S CoC), reduced environmental impact related to products and logistics, health and safety in the workplace, human rights and labours rights, sustainable procurement, ethics	
Lenders	Personal meetings, financial communication	Long-term sustainable economic value performance	
<b>Society</b>			
Affected communities (local residents and local societies)	Information meetings, events	Emissions to air and water, future plans for the mills, nature conservation issues, forestry conservation and recreation	
Affected communities (indigenous peoples)	Consultation meetings, conversations as part of supplier relations, yearly management reviews, certifications procedures / forums (FSC®, PEFC, SFI®)	Nature conservation issues, impact on reindeer herding, forestry conservation and recreation, biodiversity, human rights and free, prior and informed consent regarding land use, cultural and economic property	The views, interests and rights of indigenous peoples are included in our DMA via representatives from our wood supply operations, who participate in engagement activities together with indigenous peoples through relevant forums such as consultations and via certification bodies. Furthermore, Billerud is committed to be compliant according to all applicable laws and regulations, including provisions related to indigenous rights. However, indigenous peoples are not directly involved in Billerud's strategy development process. Read more in S3 – Affected communities on page 136

Download pdf to print



- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
- General information 46**
  - Environmental information 74
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Stakeholder groups	Main engagement channels	Main sustainability matter	Key groups of affected stakeholders from ESRS topic standards
Schools, universities, future employees	Regular contacts and cooperation, career fairs at universities and colleges, study visits, lectures, degree projects and essays, network	Competence needs, employment opportunities, training content, internships, company strategies, talent management activities, industry issues, sustainable practices, working conditions, sustainable products and innovation, diversity, corporate culture	
Agencies, ministries, legislators	Contacts with county administrative boards/municipalities, meetings with decision-makers in the EU institutions, dialogue meetings, consultations, political engagement activities	Political issues of significance to the business, such as environmental, industrial and transport legislation, emissions to air and water, noise, energy, land issues, waste, use of chemicals, forestry, biodiversity	
External auditors, certification bodies	Audits, meetings	Legislation and criteria, ISO certifications, FSC®, PEFC and SFI®, nature conservation issues	
Industry organizations, nature	Working groups, directorships, inquiries, information meetings, development work, political engagement activities	Legislation, energy and climate, research issues, standardization, circular economy, waste directives, bio-economy, biodiversity, bio-based products, industry targets, policies and strategies	

**Further steps planned**

During the double materiality assessment process, Billerud leveraged the information provided from stakeholder dialogues to assess impacts, risks and opportunities. For example, learnings from ISO-certification processes from Billerud's mills and wood supply were used in the assessment, including perspectives from affected stakeholders.

In the future, Billerud will work on further integrating stakeholder dialogues into the double materiality assessment process and especially utilize stakeholder engagements from applicable management systems, to feed into the assessment of impacts, risks and opportunities.

In connection to a future revision of the double materiality assessment, Billerud plans to increase its engagement with affected and potentially affected stakeholders. An updated structure for this engagement will be developed during 2025. Such steps are not likely to modify the relationships with stakeholders. No other strategy and/or business model amendments are expected or planned to address specific interests and views of stakeholders for 2025. However, learnings from stakeholder engagements are continuously integrated into process improvements, for example, based on learnings from our annual employee survey or health and safety incidents.

**Information about the views and interests of affected stakeholders**

There are several processes in place to inform administrative, management and supervisory bodies at Billerud about the views and interests of affected stakeholders regarding our sustainability impacts, risks and opportunities. At the mills, management is informed of the views of affected stakeholders through the management system processes, which requires yearly stakeholder dialogue and communication with affected stakeholders.

Furthermore, during the board meetings, the Board of Directors is informed of stakeholder dialogues and specific

events if relevant for their knowledge, discussions and, similarly, the Group Management Team is informed by specific events if relevant for their decision making, for example in relation to strategy development or target setting processes. The EVP Sustainability & Public Affairs is responsible for presenting such information to the board and Group Management Team within the framework of the double materiality process.

The Sustainability & Public Affairs department is informed of the views of affected stakeholders through consultation and interviews with relevant stakeholders throughout the double materiality process.

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

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

Material impacts, risks, and opportunities (IRO:s) identified during the double materiality assessment are outlined below. The topic specific SBM-3 requirements are further elaborated under the respective topic standard.

Note that when an impact has already occurred, it is labelled “actual impact” in the column that demonstrates time horizons. All other impacts, risks and opportunities are labelled according to time horizon. Note that all risks and opportunities are labelled according to time horizon. Only impacts are labelled

“actual impact”. For more information about the strategy, business model and value chain, see SBM-1 on page 52.

## Overview of material impacts, risks, and opportunities E – Environmental impacts, risks and opportunities

Subtopic	Material impact, risk or opportunity	Impact on	Description	Mitigation/action	Material for			Time horizon			Direct impact (own operations) or indirect impact (direct or indirect business relationships)	
					Up-stream	Own Operations	Down-stream	Short term	Medium term	Long term		
Climate change adaptation	<b>Risk:</b> Operational disruptions due to climate change and severe weather events		Disruptions in operations from increased rain, flooding or severe weather (e.g. poor water quality)	Preventive actions (technology) to secure production		✓		✓	✓	✓		
	<b>Risk:</b> Decreased wood supply due to climate change and severe weather events		Less availability of wood raw material due to severe weather (e.g. wildfires, storms, increased pests)	Geographical purchasing strategy	✓	✓			✓	✓		
Climate change mitigation	<b>Negative actual impact:</b> Scope 1 and 2 emissions & biogenic emissions	Environment	Emissions from own operations (e.g. mills and energy consumption) and purchased energy	Scope 1 & 2 near-term science based targets (SBT), climate change transition plan		✓			Actual impact			Direct impact
	<b>Negative actual impact:</b> Scope 3 emissions	Environment	Emissions from value chain activities (e.g. purchased goods and services, transportation and processing of sold products)	Scope 3 near-term SBT, climate change transition plan and cooperation with customers and suppliers	✓		✓		Actual impact			Indirect business relationships
	<b>Positive potential impact:</b> Providing a substitute to fossil based packaging materials	Environment	Providing our customers with renewable packaging materials for safe, light-weight and high-quality packaging that can replace fossil-based alternatives	Development of new products. Collaboration with research institutes on Life Cycle Assessments (LCA) and developing Environmental Product Declarations (EDPs) to provide transparency to customers				✓		✓		Direct impact

- Introduction 2
- Directors' report 23**
- Financial overview 23
- Corporate governance in Billerud 29
- Internal control over financial reporting 34
- Group Management Team 36
- Board of Directors 38
- Risks and risk management 40
- Sustainability statement 45
- General information 46**
- Environmental information 74
- Social information 114
- Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print





- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
- General information 46**
  - Environmental information 74
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Subtopic	Material impact, risk or opportunity	Impact on	Description	Mitigation/action	Material for			Time horizon			Direct impact (own operations) or indirect impact (direct or indirect business relationships)
					Up-stream	Own Operations	Down-stream	Short term	Medium term	Long term	
Climate change mitigation, continuation	<b>Risk:</b> Financial and reputational risk		Achieving Billerud's scope 1, 2, and 3 climate targets will require strategic investments in decarbonization levers and technologies, introducing potential cost uncertainties and financial impacts	Ensuring constant supervision of climate transition plan and ensuring transition plan connected with necessary investments. Reduction targets linked to incentive program		✓			✓	✓	
	<b>Risk:</b> Increased demand for wood material and the forest		Increased demand for forest resources and the forest as a resource to support energy, materials, and carbon storage can lead to increased competition and higher prices for wood raw material	Optimizing the value chain, building long-term relationships with suppliers, and monitoring upcoming regulations	✓			✓	✓	✓	
	<b>Opportunity:</b> Increased demand for fossil-free bio-based packaging products		Increased focus on climate-related issues can lead to increased demand for bio-based products	Collaboration with research institutes on Life Cycle Assessments (LCA) and developing Environmental Product Declarations (EDPs) to provide transparency to customers			✓		✓	✓	
	<b>Opportunity:</b> Increased demand for Bio-CCS & Bio-CCU		Demand for carbon capture and storage (CCS) and carbon capture and usage (CCU) is expected to increase rapidly in the next few years as governments and companies work to meet their climate targets	Billerud is exploring the opportunity further at our Gävle mill	✓	✓			✓	✓	
Energy	<b>Negative actual impact:</b> Fossil fuels in the energy mix	Environment	Usage of fossil fuels within own operations, especially in Region North America, contributes to emissions	Climate change transition plan (including site-specific actions)		✓			<b>Actual impact</b>		<b>Direct impact</b>
	<b>Positive actual impact:</b> Recovery of excess energy generates district heating	People	Billerud's production units produce large amounts of steam and electricity, to make use of this, Billerud operates Bomhus Energy together with Gävle Energi to turn it into district heating	Efforts to supply our surplus energy to the district heating networks close to our mills in Sweden and operation of Bomhus Energi together with Gävle Energi			✓		<b>Actual impact</b>		<b>Direct business relationships</b>
	<b>Risk:</b> Increasing price of electricity and fossil free certificates		Due to the growing demand for electricity used for the green transition, electricity prices are expected to increase further	Hedging and energy efficiency strategies	✓				✓	✓	

Download pdf to print



- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
- General information 46**
  - Environmental information 74
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Subtopic	Material impact, risk or opportunity	Impact on	Description	Mitigation/action	Material for			Time horizon			Direct impact (own operations) or indirect impact (direct or indirect business relationships)
					Up-stream	Own Operations	Down-stream	Short term	Medium term	Long term	
<b>E2 Pollution</b>											
Pollution of air	<b>Negative actual impact:</b> Emissions to air	Environment	Activities in mills give rise to emissions to air that can create local air pollutions	Ensuring compliance with environmental permits	✓			Actual impact			Direct impact
	<b>Negative actual impact:</b> Disturbances from production	People	Activities in mills give rise to smell and sound disturbances	Ensuring communication with local communities	✓			Actual impact			Direct impact
	<b>Negative potential impact:</b> Emergency situations causing leakage into the air	People	Emergency situations, such as fires or malfunctions leading to release of toxic gases	Safety procedures, training and/ or simulation of emergency situations	✓				✓		Direct impact
	<b>Risk:</b> Investments needed to comply with new regulation/ permits		New regulations on pollution to air could make Billerud subject to tighter production permits, requiring us to invest in new technologies, equipment and processes	Ensuring compliance with existing regulations and working with Best-Available-Techniques (BAT)	✓				✓		
Pollution to water	<b>Negative actual impact:</b> Emissions to water	Environment	Release of emissions to water from Billerud's production units.	Ensuring compliance with environmental permits and water usage reduction target	✓			Actual impact			Direct impact
	<b>Risk:</b> Investments needed to comply with new regulation/ permits		Upcoming regulation on pollution to water could require investments in new technologies, equipment, or processes to ensure compliance with stricter pollution standards	Ensuring compliance with existing regulations and working with Best-Available-Techniques (BAT)	✓				✓		
Substances of concern	<b>Negative actual impact:</b> Faulty handling of chemicals and substances of concern	People/ Environment	Accidents involving chemicals or faulty handling in chemical preparation can cause negative impact on people and the environment	Safety procedures, training and/ or simulation of emergency situations, health and safety audits, targets connected to LTIFR	✓			Actual impact			Direct impact
<b>E3 Water and marine resources</b>											
Water withdrawal & water discharges	<b>Negative actual impact:</b> Water usage in operations	Environment	Use of water in operations can have impact on water in local areas	Ensuring compliance with environmental permits and water usage reduction target	✓			Actual impact			Direct impact

Download pdf to print



- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
- General information 46**
  - Environmental information 74
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Subtopic	Material impact, risk or opportunity	Impact on	Description	Mitigation/action	Material for			Time horizon			Direct impact (own operations) or indirect impact (direct or indirect business relationships)
					Up-stream	Own Opera-tions	Down-stream	Short term	Medium term	Long term	
<b>E4 Biodiversity and ecosystems</b>											
Direct impact drivers of biodiversity loss	<b>Negative actual impact:</b> Impact on biodiversity loss from GHG emissions	Environment	GHG emissions can indirectly lead to biodiversity loss negatively impacting nature	Scope 1 & 2 near-term SBT and climate change transition plan	✓	✓	✓	Actual impact			Direct business relationships
	<b>Negative actual impact:</b> Impact on biodiversity loss from sourcing/harvesting wood material	Environment	Harvesting wood raw material can have a negative impact on short-term biodiversity loss	Responsible sourcing practices (FSC®, PEFC, and SFI®), closer to nature forestry, partnership and habitat protection	✓	✓		Actual impact			Direct business relationships
	<b>Risk:</b> Increased regulations and restrictions on wood supply for biodiversity purposes		Increasingly stringent EU or national regulation on preserving forest for biodiversity purposes could introduce financial risk for Billerud, and our ability to source wood raw material	An agile wood supply management adhering to regulatory changes with a focus on securing wood raw material at commercial viable price	✓			✓	✓	✓	
Impacts on the state of species	<b>Negative actual impact:</b> Impact on species from sourcing/harvesting of wood material	Environment	Harvesting wood raw material can have a negative impact on certain species	Responsible sourcing practices (FSC®, PEFC, and SFI®), closer to nature forestry, partnership and habitat protection	✓	✓		Actual impact			Direct business relationships
Impacts on the extent and condition of ecosystems	<b>Negative actual impact:</b> Impacts on soil and ecosystems from sourcing/harvesting wood material	Environment	Harvesting wood raw material can have a negative impact on soil and local ecosystems	Responsible sourcing practices (FSC®, PEFC, and SFI®), closer to nature forestry, partnership and habitat protection	✓	✓		Actual impact			Direct business relationships
Impacts and dependencies on ecosystem services	<b>Negative actual impact:</b> Impacts on ecosystems provisioning services from sourcing/harvesting wood material	Environment	Harvesting wood raw material can have a negative short-term impact on biodiversity provisioning services	Responsible sourcing practices (FSC®, PEFC, and SFI®), closer to nature forestry, partnership, habitat protection and community engagement	✓	✓		Actual impact			Direct, Direct business relationships
<b>E5 Resource use and circular economy</b>											
Resource inflows, including resource use	<b>Negative actual impact:</b> Resource inflows – sourcing of materials	Environment	Sourcing of virgin, non-renewable and materials made from fossil-consuming production processes have a negative impact on the environment, as it contributes to CO <sub>2</sub> e emissions and depletion of natural resources	Development of scope 3 climate transition plan, Supplier Code of Conduct, Supplier assessment EcoVadis and collaboration with suppliers	✓			Actual impact			

Download pdf to print



- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
- General information 46**
  - Environmental information 74
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Subtopic	Material impact, risk or opportunity	Impact on	Description	Mitigation/action	Material for			Time horizon			Direct impact (own operations) or indirect impact (direct or indirect business relationships)
					Up-stream	Own Operations	Down-stream	Short term	Medium term	Long term	
Resource outflows related to products and services	<b>Positive actual impact:</b> Minimizing resource outflows by utilizing byproducts	Environment	Billerud optimizes the use of byproducts within its operation to create energy and products. Forest residue is used to create energy for district heating and chemicals are recycled and reused in the pulping process	Energy recovery and circular use of byproduct		✓				Actual impact	Direct business relationships
	<b>Positive actual impact:</b> Recyclable paper packaging products contributing to a circular economy	Environment	Billerud's products are recyclable and when reaching end-of-life products can be used for energy recovery. 100% of Billerud Europe's packaging assortment have been certified recyclable according to Papiertechnische Stiftung (PTS) method. Currently, Region North America is awaiting the same certification of their product assortment, but it is expected to be recyclable too	Development of new products. Collaboration with research institutes on Life Cycle Assessments (LCA) and developing Environmental Product Declarations (EPDs) to provide transparency to customers			✓			Actual impact	Direct impact
	<b>Opportunity:</b> Closed recovery process for retrieving and usage of wood residuals for energy and recovery of resin to create raw material for biofuel			Billerud has an opportunity in using by-products from its operations and recovery processes to sell off as bio-based district heating, biofuel and byproducts sales	Continue to work with recovery of byproducts from operations (district heating expansion and byproduct processing)		✓			✓	
Waste	<b>Negative actual impact:</b> Waste generated in process	Environment	Non-hazardous process waste from Billerud's and Bomhus Energi's operations is either used as structural landfill construction material, for its soil enrichment properties, or as landfill capping material. As a last step, waste is disposed at landfill	Reduce, reuse, recovery, recycling and circular use of byproducts		✓				Actual impact	Direct impact
	<b>Negative actual impact:</b> Inefficiencies in recycling collection system/processes leading to non-recycling	Environment	Challenges and inefficiencies in recycling collection system and/or in recycling processes can lead to that Billerud's products are not recycled. Even though recycling rates of most paper and carbon material is high in markets where Billerud operates, there is a share of paper packaging products that are recyclable but are not recycled	Development of new products. Collaboration with customers, Environmental Product Declarations (EPDs), innovation of material and monitoring industry standards			✓			Actual impact	Indirect business relationships

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**S – Social impacts, risks and opportunities**

Subtopic	Material impact, risk or opportunity	Impact on	Description	Mitigation/action	Material for			Time horizon			Direct impact (own operations) or indirect impact (direct or indirect business relationships)
					Up-stream	Own Operations	Down-stream	Short term	Medium term	Long term	
<b>S1 Own workforce</b>											
Working conditions	<b>Negative actual impact:</b> High workload impacting well-being for our workforce	People	Billerud's employee engagement survey indicated that both blue-collar workers and white-collar workers have experienced stress due to high workload	Training activities and Sustainable Leadership program, employee survey and performance review, and occupational health and remedy measures	✓					Actual impact	Direct impact
	<b>Negative actual impact:</b> Accidents resulting in injuries, and in worse case, fatalities	People	Billerud's workplace activities include operating heavy machinery. The handling of sharp objects, handling of hazardous chemicals, transport-related lifting of material and equipment from transports can pose potential injuries and in worst case also fatalities. The main types of work-related injuries include falls, wounds and burns, and eye injuries, while main risks include for example chemical exposure and contact with sharp objects	Health and safety trainings, risk assessments, audits and certification of mills, safety rounds and risk and safety observations, incident reporting and analysis, LTIFR tracking	✓					Actual impact	Direct impact
Equal treatment and opportunities for all	<b>Negative actual impact:</b> Employee discrimination and harassment & imbalanced gender ratio	People	Based on the gender imbalance in our industry and in blue-collar roles in our operations, blue-collar employees are considered at greater risk of harm for diversity impacts. This could contribute to lower morale, lower retention and increase the number of discrimination and harassment cases	Systematic work environment improvements, inclusive recruitment practices, gender pay analysis, training, local diversity committees, employee engagement, grievance and provision of remedy	✓					Actual impact	Direct impact
	<b>Positive potential impact:</b> Professional growth and skills acquisition	People	Competence development and training provided by Billerud, covering areas such as safety, diversity inclusion and leadership can support employee development and job satisfaction, while also building capacity for our employees' further career development	Structured training programs, goal setting and performance management, leadership development	✓				✓		Direct impact

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
- General information 46**
  - Environmental information 74
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print



- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
- General information 46**
  - Environmental information 74
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Subtopic	Material impact, risk or opportunity	Impact on	Description	Mitigation/action	Material for			Time horizon			Direct impact (own operations) or indirect impact (direct or indirect business relationships)
					Up-stream	Own Operations	Down-stream	Short term	Medium term	Long term	
<b>S2 Workers in the value chain</b>											
Working conditions	<b>Negative potential impact:</b> Risk of substandard working conditions in the value chain	People	Workers in Billerud's value chain can be subject to substandard working conditions	Supplier Code of Conduct, EcoVadis supplier assessment and Billerud specific supplier assessment, on site audits, trainings	✓		✓	✓	✓	✓	
	<b>Negative actual impact:</b> Occupational health and safety in the value chain	People	Workers in Billerud's value chain can be subject to occupational health and safety risks	Supplier Code of Conduct, EcoVadis supplier assessment and Billerud specific supplier assessment, on site audits, trainings	✓	✓				Actual impact	Direct business relationships
<b>S3 Affected communities</b>											
Particular rights of indigenous communities	<b>Negative potential impact:</b> Potential sourcing without consultation of indigenous people	People	Sourcing of wood material without consulting and obtaining consent from the indigenous communities could potentially cause negative material impact on their right to free, prior and informed consent	Consultations with local communities and indigenous communities, management of sourcing activities for certified suppliers (FSC®, PEFC, and SFI®), and ensuring compliance with law	✓	✓			✓		Direct impact
<b>S4 Consumers and end-users</b>											
Personal safety of consumers and or end users	<b>Negative potential impact:</b> Products not meeting specifications may pose risks to end-consumers	People	Billerud's packaging solutions are used within the food and medical industry and can come in direct or indirect contact with consumers. Should the packaging solutions provided by Billerud not live up to the specifications, it could negatively impact the health and safety of consumers	Ensuring compliance with regulations, certification of process to confirm with standards (FSSC 22000) and customer audits			✓	✓	✓	✓	Direct impact

Download pdf to print



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
<b>General information</b>	<b>46</b>
Environmental information	74
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

**G – Governance impacts, risks and opportunities**

Subtopic	Material impact, risk or opportunity	Impact on	Description	Mitigation/action	Material for			Time horizon			Direct impact (own operations) or indirect impact (direct or indirect business relationships)
					Up-stream	Own Operations	Down-stream	Short term	Medium term	Long term	
<b>G1 Business conduct</b>											
Corruption and bribery	<b>Risk:</b> Fines and damage to brand image and customer relations following potential corruption cases		Risk of representatives taking actions on behalf of Billerud undertaking transactions that violate applicable laws and international standards	Billerud's Responsible Business Compliance Program, training and awareness initiatives and Speak-Up Line		✓			✓	✓	
Management of relationship with suppliers	<b>Negative potential impact:</b> Lack of supplier assessment might negatively impact working conditions and nature of the value chain	People	Billerud lacks processes for ESG-supplier assessment for parts of its value chain in North America and Europe	Supplier Code of Conduct (incorporated into all new contracts), targeted compliance goal (target on percent of signature of Supplier Code of Conduct) and supplier engagement	✓			✓	✓		Direct impact
	<b>Negative potential impact:</b> High dependency among wood supply contractors	People	Some suppliers within Billerud's wood supply are highly dependent on Billerud, and delaying payments could have a potential negative impact on their finances	Ensure payments on time	✓				✓		Direct business relationships
Political engagement and lobbying activities	<b>Opportunity:</b> Advocacy for fiber-based packaging solutions and lobbying activities that support the transition to a fossil free society		By engaging in various network industry associations, Billerud supports initiatives for circular and fiber-based packaging solutions	Sustainability & Public Affairs department that monitors key legislation, and collaboration through industry associations		✓			✓	✓	

Download pdf to print



- Introduction 2
- Directors' report 23**
- Financial overview 23
- Corporate governance in Billerud 29
- Internal control over financial reporting 34
- Group Management Team 36
- Board of Directors 38
- Risks and risk management 40
- Sustainability statement 45
- General information 46**
- Environmental information 74
- Social information 114
- Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

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

The process for conducting Billerud's double materiality assessment is described below. For topic specific IRO-1 disclosures, see the standards E1 – Climate change on page 74, E2 – Pollution on page 92, E3 – Water and marine resources on page 99, E4 – Biodiversity and ecosystems on page 101, E5 – Resource use and circular economy on page 109 and G1 – Business conduct on page 145.

## Methodologies and assumptions applied

Billerud's double materiality assessment is the basis for our 2024 Sustainability statement. The process has changed since the previous year, when the GRI standards were used as the basis for preparation. The process for the double materiality assessment involved collaboration with a wide range of stakeholders as well as interviews and desktop research. The double materiality assessment followed a defined process to ensure continuity and transparency of the results.

Key steps of the process are listed below:

### Identification of key sustainability matters and stakeholders

Billerud's Sustainability & Public Affairs department is responsible for developing and overseeing the double materiality assessment. First, a working group identified key stakeholders within Billerud to identify and assess impacts, risks and opportunities. To ensure rep-

resentation of affected stakeholders and users of the Sustainability statement, stakeholders who had a broad knowledge of Billerud's operations and regular interaction with external stakeholders were selected. For full information on how Billerud engages with affected stakeholders and interested parties, see SBM-2 on page 57. No external stakeholders were directly involved in this year's double materiality assessment, as their views were deemed to be properly represented by the involved internal stakeholders.

To ensure that all sustainability matters were covered by a stakeholder interview, the double materiality assessment working group conducted a mapping of all sustainability matters and ensured that information on such sustainability matters were covered in each interview. If no impacts, risks or opportunities were identified, sanity checks with key stakeholders were completed, to assess that this was reasonable due to the nature of Billerud's business.

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

The double materiality assessment covered Billerud's own operations as well as our value chain. The focal points of our value chain assessment were impacts, risks and opportunities connected to workers within forestry and at our mills as well as first-tier suppliers. Upstream value chain impacts, risks and opportunities relate to, for example, suppliers within wood supply and forestry activi-

ties as well as chemical suppliers, while downstream impacts, risks and opportunities were related to end-products and consumers, waste management and recycling.

Prior to interviews, the working group collected information on already identified impacts, risks and opportunities related to environmental, social and governance (ESG). This included incorporating data from our previous materiality assessment, our Task Force on Climate-Related Financial Disclosures assessment, other sustainability disclosures, ISO risk assessments, as well as topics highlighted by external databases such as ENCORE and SASB. The process allowed for the assessment of impacts, risks and opportunities that had already been identified as relevant and inclusion of entity specific topics. No additional entity specific topics were included.

During the interviews, stakeholders provided input to already identified topics as well as new insights on sustainability matters. The identification and assessment of all impacts, risks and opportunities was documented together with applicable assumptions, scorings, rationales and associations to affected stakeholders, value chain position from where the impact, risk or opportunities emerged, time horizons, positive/negative impacts, actual/potential impacts and human rights impacts.

### Impact prioritization

Impacts were assessed by severity (scale, scope and irremediability) and likelihood. A threshold was established that gave precedence to severity over likelihood. Adjustments were made for human rights-related impacts by applying a lower threshold. When it comes to likelihood, actual impacts were given a 100% likelihood. Potential impacts were categorized from unlikely to almost certain using a five-step scale. When it comes to severity, scale, scope, and irremediability were each assessed on a scale from one to five, respectively. Each score is uniquely described based on the stakeholder(s) being affected by the impact.

### Risk and opportunity prioritization

We identified risks and opportunities that derived from identified impacts, as well as risks and opportunities originating from dependencies on environmental or social topics. The link between impacts and risks was assessed by first identifying the impact of a sustainability matter, and thereafter turning to the risk/opportunity side to identify whether the impact had any attributed financial risks or opportunities. For climate risks and opportunities, our TCFD assessment was incorporated within the assessment, which had earlier identified impacts, risks and opportunities according to climate emission scenarios. Risks identified within the Enterprise Risk Management (ERM) framework were also mapped to the sustainability topics and included

when relevant. Additional risks were assessed on a qualitative basis. Risks and opportunities were scored based on financial magnitude and likelihood and classified by nature of the financial effects.

The financial magnitude was built on the existing scale in the ERM framework. The scale for likelihood was the same as outlined for impacts.

When scoring impacts, risks and opportunities, internal control measures were applied to ensure objectivity in scoring. This included documenting all identified impacts, risks and opportunities with a description, scoring, a rationale of the score and a source of who had identified the impact, risk or opportunity.

### Calibration of result

The preliminary result was presented in a session with Billerud's Group Management Team. The purpose of this step was to quality check the scoring conducted by internal stakeholders and ensuring calibration and consistency of the material matters against Billerud's business model.

### Sign-off by management

After final adjustments, the result of the double materiality assessment was presented to members of Billerud's Group Management Team for sign-off. Billerud's Audit Committee and Board of Directors have also been presented with the result of the double material-

[Download pdf to print](#)





Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
<b>General information</b>	<b>46</b>
Environmental information	74
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

ity assessment during the year and accepted results. In addition, the final result of the double materiality assessment has been presented to external stakeholders, including an employee representative group, customers as well as business partners.

**Internal control of processes**

During the first year of conducting the double materiality assessment, no pre-defined internal control process of the assessment has been in place. However, by following a set methodology for the double materiality assessment described above, checks have been carried out to ensure transparency, objectivity and consistency as a basis for internal control. During the year, the Audit Committee has given an increased mandate to the Internal control function to set up its capabilities for conducting internal control of the double materiality assessment process and Billerud's Sustainability statement.

**Double materiality integration, monitoring and review**

Billerud will define a process to evaluate our double materiality assessment annually to ensure relevancy and alignment with best practices. The next scheduled double materiality assessment review will be conducted during 2025. A process has been initiated for capturing the identified risks within the double materiality assessment in the yearly Enterprise Risk Management review.

In our next double materiality assessment review, Billerud will work on developing the process of integrating our ISO risk management findings, as well as findings from other relevant frameworks,

into the double materiality assessment. Billerud will also focus on reviewing how to feed our stakeholder engagement directly into the double materiality assessment.

Materiality result on ESRS topic level

Impact materiality

**Impact material**

- Affected communities (S3)
- Own workforce (S1)
- Workers in the value chain (S2)
- Consumers and end-users (S4)
- Water and marine resources (E3)

**Double material**

- Climate change (E1)
- Resource use and circular economy (E5)
- Pollution (E2)
- Biodiversity and ecosystems (E4)
- Business conduct (G1)

**Non-material**

All ESRS standards are material.

**Financial material**

All financially material topics are also impact material and are presented under the title *double material* above.

- Environmental
- Social
- Governance

Financial materiality

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

### Content index

The below content index demonstrates a list of disclosure requirements presented in the Sustainability statement, including datapoints deriving from other EU legislation. Following the double materiality assessment, the disclosure

requirements and datapoints included in the Sustainability statement have been identified by conducting a gap assessment, following the ESRS 1 section 3.2 Material matters and materiality of information, Appendix E, as well as available guidance from EFRAG.

Disclosure requirement and related datapoint	Location in Billerud's Sustainability statement	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS 2 BP-1	Page 46				
ESRS 2 BP-2	Page 46				
ESRS 2 GOV-1	Page 47				
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Page 47	✓		✓	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	Page 47			✓	
ESRS 2 GOV-2	Page 50				
ESRS 2 GOV-3	Page 50				
ESRS 2 GOV-4	Page 51				
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Page 51	✓			
ESRS 2 GOV-5	Page 52				
ESRS 2 SBM-1	Page 52				
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Page 52	✓	✓	✓	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Not material	✓		✓	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Not material	✓		✓	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	Not material			✓	

Disclosure requirement and related datapoint	Location in Billerud's Sustainability statement	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS 2 SBM-2, S1 SBM-2, S2 SBM-2, S3 SBM-2, S4 SBM-2	Page 57				
ESRS 2 SBM-3	Page 60				
ESRS 2 IRO-1	Page 68				
ESRS 2 IRO-2	Page 70				
ESRS E1 IRO-1	Page 75				
ESRS E1 SBM-3	Page 76				
ESRS E1-1	Page 79				
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	Page 79				✓
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	Page 80		✓	✓	
ESRS E1-2	Page 81				
ESRS E1-3	Page 82				
ESRS E1-4	Page 83				
ESRS E1-4 GHG emission reduction targets paragraph 34	Page 83	✓	✓	✓	
ESRS E1-5	Page 84				
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Page 84	✓			
ESRS E1-5 Energy consumption and mix paragraph 37	Page 84	✓			

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
- General information 46**
  - Environmental information 74
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
<b>General information</b>	<b>46</b>
Environmental information	74
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

Disclosure requirement and related datapoint	Location in Billerud's Sustainability statement	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Page 84	✓			
ESRS E1-6	Page 85				
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Page 85	✓	✓	✓	
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Page 86	✓	✓	✓	
ESRS E1-7 GHG removals and carbon credits paragraph 56	Not material				✓
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Transitional provision			✓	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)	Transitional provision		✓		
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).	Transitional provision				
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).	Transitional provision		✓		
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69	Transitional provision			✓	
EU Taxonomy disclosures	Page 87				
ESRS E2 IRO-1	Page 92				
ESRS E2-1	Page 93				
ESRS E2-2	Page 94				
ESRS E2-3	Page 96				
ESRS E2-4	Page 97				
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Page 97	✓			
ESRS E2-5	Page 98				
ESRS E3 IRO-1	Page 99				
ESRS E3-1	Page 99				

Disclosure requirement and related datapoint	Location in Billerud's Sustainability statement	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS E3-1 Water and marine resources paragraph 9	Page 99	✓			
ESRS E3-1 Dedicated policy paragraph 13	Not material	✓			
ESRS E3-1 Sustainable oceans and seas paragraph 14	Not material	✓			
ESRS E3-2	Page 100				
ESRS E3-3	Page 100				
ESRS E3-4	Page 100				
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Page 100	✓			
ESRS E3-4 Total water consumption in m <sup>3</sup> per net revenue on own operations paragraph 29	Page 100	✓			
ESRS E4 IRO-1	Page 101				
ESRS E4 SBM-3	Page 103				
ESRS 2 - SBM 3 - E4 paragraph 16 (a) i	Page 102	✓			
ESRS 2 - SBM 3 - E4 paragraph 16 (b)	Page 103	✓			
ESRS 2 - SBM 3 - E4 paragraph 16 (c)	Page 103	✓			
ESRS E4-1	Page 104				
ESRS E4-2	Page 104				
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Not material	✓			
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Not material	✓			
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Page 104	✓			
ESRS E4-3	Page 106				
ESRS E4-4	Page 107				
ESRS E4-5	Page 108				
ESRS E5 IRO-1	Page 109				
ESRS E5-1	Page 110				
ESRS E5-2	Page 110				
ESRS E5-3	Page 111				
ESRS E5-4	Page 112				

Download pdf to print



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
<b>General information</b>	<b>46</b>
Environmental information	74
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

Disclosure requirement and related datapoint	Location in Billerud's Sustainability statement	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS E5-5	Page 113				
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Page 113	✓			
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Page 113, Not material	✓			
ESRS S1 SBM-3	Page 115				
ESRS 2 - SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Page 115	✓			
ESRS 2 - SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Page 115	✓			
S1-1	Page 116, 125				
ESRS S1-1 Human rights policy commitments paragraph 20	Page 117	✓			
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	Page 117			✓	
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Page 117	✓			
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Page 125	✓			
ESRS S1-2	Page 118, 125				
ESRS S1-3	Page 118, 126				
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Page 126	✓			
ESRS S1-4	Page 119, 126				
ESRS S1-5	Page 121, 128				
ESRS S1-6	Page 122				
ESRS S1-9	Page 123				
ESRS S1-14	Page 129				
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Page 129	✓		✓	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Transitional provision	✓			

Disclosure requirement and related datapoint	Location in Billerud's Sustainability statement	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Not material	✓		✓	
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Not material	✓			
ESRS S1-17	Page 123				
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Page 123	✓			
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Page 123	✓		✓	
ESRS S2 SBM-3	Page 130				
ESRS 2 - SBM3 - S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Page 130	✓			
ESRS S2-1	Page 131				
ESRS S2-1 Human rights policy commitments paragraph 17	Page 131	✓			
ESRS S2-1 Policies related to value chain workers paragraph 18	Page 131	✓			
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	Page 131	✓		✓	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	Page 131			✓	
ESRS S2-2	Page 132				
ESRS S2-3	Page 133				
ESRS S2-4	Page 133				
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Page 134	✓			
ESRS S2-5	Page 135				
ESRS S3 SBM-3	Page 136				
ESRS S3-1	Page 137				

Download pdf to print





Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
<b>General information</b>	<b>46</b>
Environmental information	74
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

Disclosure requirement and related datapoint	Location in Billerud's Sustainability statement	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS S3-1 Human rights policy commitments paragraph 16	Page 137	✓			
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Page 137	✓		✓	
ESRS S3-2	Page 138				
ESRS S3-3	Page 138				
ESRS S3-4	Page 139				
ESRS S3-4 Human rights issues and incidents paragraph 36	Page 140	✓			
ESRS S3-5	Page 140				
ESRS S4 SBM-3	Page 141				
ESRS S4-1	Page 141				
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Page 141	✓			
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Not material	✓		✓	
ESRS S4-2	Page 142				
ESRS S4-3	Page 142				
ESRS S4-4	Page 143				
ESRS S4-4 Human rights issues and incidents paragraph 35	Not material	✓			
ESRS S4-5	Page 144				
G1 IRO-1	Page 146				
ESRS G1-1	Page 146				
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Page 146	✓			
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Page 147	✓			
ESRS G1-2	Page 149				
ESRS G1-3	Page 149				
ESRS G1-4	Page 150				
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Page 150	✓		✓	

Disclosure requirement and related datapoint	Location in Billerud's Sustainability statement	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Page 150	✓			
ESRS G1-5	Page 151				
ESRS G1-6	Page 152				

[Download pdf to print](#)



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
<b>Environmental information</b>	<b>74</b>
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

[Download pdf to print](#)



## Environmental information

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





# ESRS E1 Climate change

## Identification and assessment of material impacts, risks and opportunities (E1 IRO-1)

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

By including information from Billerud's green house gas accounting and climate transition plan, the double materiality assessment incorporated information from the screening of Billerud's activities and plans to ensure that both current and future green house gas emissions were identified and included.

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

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

The scenarios used cover plausible risks and uncertainties, such as the RCP 2.6 scenario to identify transition risks that can come into play because of stricter policy measures and changed market behavior, increased demand for fossil free electricity, a continuously growing demand for increased transparency from companies, and a higher focus on circularity. RCP 8.5 is a high-emission scenario that helps uncover exposure to physical climate-related risks due to a higher degree of climate change. It enables the consideration of physically acute and chronic climate hazards leading to risks due to increased expectation of heavy precipitation, increased heat waves and wildfires, and where the world has passed several tipping points.

See overview of identified material impacts, risks and opportunities in SBM-3 on page 60.

The time horizons used in the climate scenario assessments align with Billerud's time horizons in its double materiality assessment as well as Billerud's strategic planning horizons and capital allocation plan. See E1 SBM-3 on page 76 for how the material risks were identified and for Billerud's mitigating actions.

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

Business activities and assets that are vulnerable to chronic and acute risks were assessed by considering the gross effect, likelihood, magnitude, duration and scope of these hazards if these impacts were to materialize within the double materiality assessment. This included a screening of business activities and assets that may be exposed to these hazards. Particular focus has been given to business activities in a geographical location where climate change impacts are more prevalent

and likely, such as forestry activities (upstream and in own operations) and physical risks towards our mills. Exact geospatial coordinates were not used in the climate scenario analysis. The assessment did not consider the expected lifetime of Billerud's assets.

The result of the climate scenario analysis and the identified acute and chronic climate risks have been included in Billerud's double materiality assessment and is disclosed in E1 SBM-3 on page 76.

**Climate-related transition risks and opportunities**  
To identify climate-related transition risks and opportunities, Billerud integrated information into its double materiality assessment from its climate-related scenario analysis. Risks and opportunities were considered both within Billerud's own operations as well as for its value chain, using IPCC's RCP 2.6 scenario in line with the Paris Agreement. The RCP 2.6 does not align with limiting global warming to 1.5 °C but was considered the most relevant scenario during the time the assessment took place. During 2025, Billerud will update its climate scenario analysis with a climate scenario in line with 1.5 °C.

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

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

The climate scenarios and related assumptions used are compatible with the impairment tests that are part of the financial statement. See note 9 on page 168 for more information.

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74**
    - Social information 114
    - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

[Download pdf to print](#)



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

## Description of impacts

### ● Scope 1 and 2 emissions

Greenhouse gases (GHGs) released from Billerud's operations contribute negatively to climate change. In 2024, Billerud's scope 1 and 2 emissions were 696 ktots CO<sub>2</sub>e. The release of GHGs from operations contributes to climate change, which in turn causes adverse environmental effects such as rising global temperatures, rising sea-levels, and extreme weather events.

### ● Biogenic emissions

Biogenic emissions released from Billerud's operations contribute negatively to climate change. In 2024, operations released 8,031 ktots biogenic CO<sub>2</sub>. While biogenic emissions are a part of the natural carbon cycle, these emissions contribute to global warming, as the biogenic and fossil CO<sub>2</sub> released exceeds the capacity of natural systems to absorb it. However, forests where Billerud sources renewable raw material are considered carbon sinks.

### ● Scope 3 emissions

Billerud contributes to climate change via indirect emissions (scope 3). In 2024, Billerud's scope 3 emissions were 3,016 ktots CO<sub>2</sub>e. A large share of emissions in scope 3 are connected to purchasing chemicals, processing of sold products, and transports.

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

Billerud provides its customers with renewable packaging materials for safe, lightweight and high-quality packaging that can replace fossil-based alternatives.

Billerud helps its customers to decrease their carbon footprint by transitioning from fossil-based packaging to paper packaging products made with responsible sourced biomass and bioenergy. This has a positive impact on customers' environmental footprint, as paper packaging products are renewable and biodegradable and can replace fossil fuel-based alternatives.

### ● Fossil fuels in the energy mix

Billerud operates within the energy-intensive pulp and paper sector, and its consumption of fossil fuel contributes to climate change. Natural gas used in Billerud's operations is more prominent in North America.

### ● Recovery of excess energy generates district heating

Billerud uses the excess energy produced at most of the european mills to supply district heating. This has a positive impact on the surrounding communities and the environment. Most significant is the impact near Billerud's Gävle mill, where Billerud operates

Bomhus Energi In close cooperation with the local district heating supplier.

### Resilience for climate change-related impacts

Our efforts to mitigate climate change are based on the strong belief that climate and sustainability efforts are crucial for the future success of the company, its employees, customers, other stakeholders, and society in general. Mitigating actions for reducing Billerud's climate impact is supported by our revised corporate strategy "Way Forward" 2024 which highlights Billerud's ambition of embedding sustainability into everything we do and solidifies Billerud's climate ambition to set a net zero target. Climate change is one of three focus areas (along with safety first and materials for the future) that are strategically vital for our future competitiveness.

### Risks and opportunities

#### Process of resilience analysis

By using the input from Billerud's climate scenario analysis, Billerud has considered its resilience against different types of climate-related risks and has identified both physical and transition risks. The process of scenario analysis, including the scenarios used, the time horizons, the key forces and drivers as well as the key inputs and constraints, are outlined in E1 IRO-1 on page 75. Billerud updated its climate-related scenario analysis in 2023, to consider

Billerud's full value chain, including its own operations, upstream supply chain and downstream customers. The result of the climate scenario analysis of 2023 has been included in Billerud's double materiality assessment.

By using the input from Billerud's climate scenario analysis to feed into the double materiality assessment, Billerud has considered its resilience against different types of climate-related risks and has identified both physical and transition risks. When considering the risks identified related to the transition to a lower carbon and resilient economy and the consequences in regulations (macroeconomic trends), the impact on energy supply and necessary technological deployments were considered along with Billerud's resilience in handling the identified risks. The resilience analysis was based on assumptions related to increased costs for energy, raw materials and changes in the supply chain. Assumptions also included changes in the regulatory landscape towards stricter requirements on permits and sourcing activities, with a key focus on wood supply.

The time horizons applied for considering resilience are based on the time horizons within the double materiality assessment – short term (below 1 year), medium term (1-5 years) and long term (above 5 years), which are aligned with

the time horizons in Billerud's climate scenario analysis. One deviation exists, where the scenario analysis used the climate scenario of RCP 2.6. This scenario is based on emissions significantly below 2°. Billerud's short-term climate targets (Science-based targets to 2030) for value chain emissions are in line with the RCP 2.6 scenario. The targets for our own operations and our ambition to reach net zero are based on limiting warming to 1.5°, in line with the Paris Agreement.

Anticipated financial effects from physical and transition risk have been considered as a part of Billerud's double materiality assessment, based on a financial risk scale building on Billerud's Enterprise Risk Management Scale. Risks already quantified in Billerud's ERM framework and/or scenario analysis have been included in the double materiality assessment. Billerud has chosen to use the phase-in provision regarding not disclosing the anticipated financial effects for the first year of reporting. Mitigating actions and resources needed as a response to identified risks are listed in the tables on page 77 and page 78, but for more details on Billerud's decarbonization actions, see section E1-3 on page 82.

No part of Billerud's value chain was excluded from the scenario analysis. Nor were any physical risks or transition risks excluded. The results of the resilience analysis are shown on page 77.

- Introduction 2
- Directors' report 23**
- Financial overview 23
- Corporate governance in Billerud 29
- Internal control over financial reporting 34
- Group Management Team 36
- Board of Directors 38
- Risks and risk management 40
- Sustainability statement 45
  - General information 46
  - Environmental information 74**
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print





- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
- Environmental information 74**
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

**Climate-related physical risks**

E1 Climate change	Climate-related hazards identified	Location in value chain			Time horizon			Effect	
	Type of hazard:	Upstream	Own operations	Downstream	Short term	Medium term	Long term	Type of financial effect	Mitigating action
<b>Adaptation</b>									
<b>Risk:</b> Operational disruptions due to climate change and severe weather events	<b>Acute risks:</b> Flooding leading to reduced water quality		✓		✓	✓	✓	Operational disruptions leading to increased operational costs and decreased sales	Preventive actions installed to secure production
	Heavy rain leading to reduced water quality		✓		✓	✓	✓		
	<b>Chronic risks:</b> Water stress or water shortage		✓		✓	✓	✓		
<b>Risk:</b> Decreased wood supply due to climate change and severe weather events	<b>Acute risks:</b> Increased frequency of extreme weather (storms, heavy rainfall)	✓	✓			✓	✓	Disrupted harvests (own operations)  Supply chain disruptions (upstream) leading to increased operational costs and decreased sales	Climate adaptation measures to reduce physical risks  Geographic purchasing strategy  Sourcing of certified wood raw material to ensure forest management with resilience in mind
	Increased frequency of wildfires and forest fires	✓	✓			✓	✓		
	<b>Chronic risks:</b> Increased pest infections	✓	✓			✓	✓		
	Increased population of bark beetles	✓	✓			✓	✓		
	Droughts affecting forest health and productivity	✓	✓			✓	✓		

**Description of risks**

● **Risk:** *Operational disruptions due to climate change and severe weather events* (both chronic and acute risks)  
An increase in severe climate change events can make Billerud's production facilities more vulnerable to climate hazards such as increased periods of heavy rain, flooding and water shortages, which can cause physical damage to production sites. The most significant impact is on water quality, as poor quality of incoming surface water can make production sites inoperable.

● **Risk:** *Decreased wood supply due to climate change and severe weather events* (both chronic and acute risks)  
An increase in severe climate change events can lead to a decreased availability of wood raw materials. This can be caused by acute risks such as increased frequency of extreme weather (storms, heavy rainfall and forest fires), as well as chronic risks such as increased pest infections, a larger population of bark beetles and droughts impacting forest health and productivity.

**Resilience:** To ensure the resilience of Billerud's business activities and strategy to withstand climate change's physical impacts, Billerud conducts cli-

mate-related scenarios and a resilience analysis. This is especially important due to the nature of Billerud's business activities and sourcing from forest resources, which are vulnerable to climate change effects. It is also important for Billerud's own activities in its mills, which rely on high water intake to operate, as water availability and quality is vulnerable to climate change effects.

For forestry activities, Billerud's activities differ between owned and controlled operations and raw materials from sourcing. Within own operations, Billerud increasingly takes on climate adaptation measures to reduce physical climate risks in the forest areas that we

manage by, for example, cooperating with contractors to minimize rutting damage due to changes in soil condition. We also utilize site-adapted forestry management to increase long-term pest resiliency. These measures increase our resilience to climate change effects.

For sourced wood raw material, Billerud applies a geographic purchasing strategy. This ensures a steady wood supply and minimizes the risk of supply chain disruptions in the case of decreased wood supply from certain regions due to climate change's physical impacts. In addition, by sourcing certified wood raw material (FSC®, PEFC and SFI®), Billerud can ensure that forests are managed

with resilience in mind, which in turn reduces supply chain disruptions. An example is that wood raw material from responsible managed forests certified under FSC®-standards, include resilience actions to set aside at least 10% of the productive forest land area for conservation or social purposes and carrying out conservation burning to promote fire-dependent biodiversity.

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

[Download pdf to print](#)



- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
- Environmental information 74**
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

**Climate-related transition risks**

E1 Climate change	Climate related transitional risk / opportunity identified Type of risk:	Location in value chain			Time-horizon			Effect Type of financial effect	Mitigating action
		Upstream	Own operations	Downstream	Short term	Medium term	Long term		
<b>Climate mitigation</b>									
<b>Risk:</b> Financial and reputational risk	Policy and legal risk		✓					Lost opportunities	Transition plan with clear investment plan & SBTs & net zero targets
<b>Risk:</b> Increased demand for wood raw material and forest	Market risk	✓			✓	✓	✓	Increased operational costs	Optimizing the value chain and building long-term relationships with suppliers
<b>Opportunity:</b> Increased demand for fossil-free bio-based packaging products	Market opportunity			✓				Increased sales and increased business opportunities	Life cycle assessment together with RISE & Environmental Product Declarations to support environmental claims
<b>Opportunity:</b> Increased demand for Bio-CCS and Bio-CCU	Technologies and market opportunity	✓	✓					Increased sales and new business opportunities	Billerud is now investigating this opportunity in more depth
<b>Energy</b>									
<b>Risk:</b> Increasing the price of electricity and fossil free certificates	Market risk	✓						Increased operational costs	Hedging policy, selling of own bio GoOs, flexibility, energy efficiency

**Description of risks and opportunities**

● **Risk:** *Financial and reputational risk* (of not reaching climate targets)  
In pursuit of a low-carbon society, achieving Billerud's scope 1, 2, and 3 climate targets will require strategic investments in decarbonization levers and technologies, which introduces potential cost uncertainties and financial impacts. Failing to implement the investments and

not meeting climate targets may pose a reputational risk.

**Resilience:** While transitions are required to ensure that Billerud meets its climate targets, the investments required in our transition plan only include scope 1 and 2, which encompass both assets and business activities. For scope 3, we are currently developing our transition plan, for reducing emissions from specific activities. By being transparent with our climate

transition actions and status we can minimize reputational risk.

● **Risk:** *Increased demand for wood material and the forest*  
An increased demand for woody biomass and forest resources and the forest as a resource to support energy, materials, and carbon storage in a low-carbon future poses a market-driven transitional risk, likely leading to increased competition and higher prices for wood raw material.

**Resilience:** In order to reduce the risk associated with the supply and price of woody biomass, Billerud focuses on optimizing the value chain and building long-term relationships with suppliers. Furthermore, we increasingly take on climate adaptation measures, as described under physical risks above. Billerud's Sustainability & Public Affairs department monitors events that may impact industry and forestry to ensure that Billerud can prepare for changing conditions.

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

Download pdf to print



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
<b>Environmental information</b>	<b>74</b>
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

Download pdf to print

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

● **Opportunity: Increased demand for Bio-CCS & Bio-CCU**  
Demand for carbon capture and storage (CCS) and carbon capture and usage (CCU) is expected to increase rapidly in the next few years as governments and companies work to meet their climate targets. Through Bio-CCS and Bio-CCU our industry has a significant business opportunity to be part of a negative carbon emissions market.

**Resilience:** Billerud is exploring this opportunity further at our Gävle mill.

● **Risk: Increasing the price of electricity and fossil free certificates**  
Europe has a higher electricity price volatility caused by Russia's invasion of Ukraine together with a higher degree of intermittent power production on the grid. Higher prices of EUAs and

the flow-based calculation model also increases price volatility in Europe.

The US electricity price is highly connected to the natural gas price, currently the risk for significant price increase are considered low.

**Resilience:** The risk of increasing electricity prices is mitigated by financial hedging. Billerud stabilizes energy costs and reduce exposure to market volatility. Billerud is increasing flexibility in its operations and operating strategies and together with ongoing energy efficiency improvements it will lower overall energy cost and demand.

## Transition plan (E1-1)

Billerud's purpose and business strategy is to make high performance packaging materials for a low carbon society. Billerud's transition plan and strategy is based on conscious choices, efficiency improvements and expected effect of investments where they will have the biggest impact. Decarbonization levers and the following activities that reduce energy consumption, lowers raw materials in production and enable cost saving are promoted to align to our strategic direction.

Billerud's transition plan for own operations is approved by senior management and executives of Billerud's Group Management Team. The transition plan has been approved during the reporting period and covers both our European and North American operations. Activities listed below will be initiated in 2025 and carried out until 2030.

Billerud has near-term science-based targets approved by the Science Based Targets initiative with the target year of 2030. Billerud will decarbonize its own operations by promoting energy efficiency and fossil free energy within its own operations using an established roadmap for our pulp and paper mills. Upstream and downstream value chain emissions in our own operations will be mitigated with a roadmap that is outside Billerud's operational control. During the reporting period, Billerud phased out the remaining coal from its North American operations and will continue to decarbonize its operations in line with our established roadmap.

Billerud's approved near-term targets fulfill the criteria set out by the Science Base Targets initiative resulting in a 42% absolute reduction of scope 1 and 2 and a 25% absolute reduction of selected scope 3 categories by 2030. Scope 3 targets are well below 2°C compatible. Billerud has no long-term climate mitigation target (beyond 2030). Our ambition is to set a net zero target that is based on a 90% absolute reduction of scope 1-3 emissions and follows the 1.5°C pathway.

Targets are based on cross-sector absolute reduction pathways.

Scope 3 decarbonization levers and activities are not part of the current transition plan.

For actions and targets see E1-3 on page 82 and E1-4 on page 83.

### Decarbonization levers and key actions

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

### Efficiency in production

Efficiency in production aims to increase Overall Equipment Efficiency (OEE) to utilize each production line to the fullest capacity and increasing asset performance. Efficiency in production also includes increasing energy performance in operation. This lever will have proportional effect to the energy mix per production unit and includes landfill projects mainly in North America.

Lever(s)	Key action(s)
Efficiency in production	<ul style="list-style-type: none"> <li>Overall energy efficiency improvements in own operations</li> <li>Landfill projects</li> </ul>
Fossil free energy	<ul style="list-style-type: none"> <li>Use of Renewable Energy Credits (RECs) / Emission Free Energy Credits (EFECs)</li> <li>Switching from fossil to bioenergy alternative feedstocks</li> </ul>
Electrification	<ul style="list-style-type: none"> <li>Technology switching in production</li> </ul>



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
<b>Environmental information</b>	<b>74</b>
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

[Download pdf to print](#)

### Fossil free energy

Alongside efficiency improvements in production, we will continue switching to bioenergy in North America and transition towards eliminating fossil free in our production in Europe. This lever includes both on-site generated energy and purchased electricity. Purchased electricity for all Billerud's pulp and paper mills is fossil free globally. Purchased heat and steam in Europe is 99% fossil free during the reporting period.

### Electrification

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

### Financial plan

Future Capex required to implement a scope 1-2 action plan for Billerud's European and North American operations is estimated at SEK 150-200 million. Investments include improvements in bark handling equipment, renewal of drying systems, retrofitting old oil systems to enable using bioenergy in production and other investments for increasing energy performance in operations. Future climate related action plan investments are separate from other investment portfolios.

Billerud's climate change mitigation action plan is outside the context of available economic activities within the EU Taxonomy. No mapping of EU Taxonomy-defined KPIs in relation to alignment has been done, nor an EU Taxonomy capital expenditures plan.

Operating expenses is seen as insignificant in the context of the action plan.

### Locked-in GHG emissions

Billerud mainly uses bioenergy at the mills. Billerud's North American operations used approximately 1.9 TWh of natural gas during 2024. In the following reporting periods Billerud will focus on reducing use of fossil fuels with efficiency measures and fuel switching towards bioenergy in accordance with the established roadmap. Starting fuel and some natural gas boilers can be viewed as locked in-emissions.

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

The evaluation determined that locked-in emissions do not drive transition risks or jeopardize climate targets. Billerud will evaluate alternative use cases for landfill gas and generated organics currently put on landfill in North America. Current emissions from landfills are not to the magnitude to divert from target fulfilment. Operational use of fossil fuels will be continuously phased out. Electrification, increased efficiency measures and higher use of fossil free energy will enable Billerud to reach current action plan for own operation.

Billerud's operations and business practices are not covered under Article 12 of the Commission Delegated Regulation (EU) 2020/1818 and are hence not excluded from EU Paris-aligned Benchmarks.

Locked-in emissions were evaluated for our production units in parallel with planned activities in the action plan. Since the current scope of the action plan is limited to our own operation, screening of locked-in emissions do not include scope 3 activities.





## Policies (E1-2)

Billerud's climate change endeavours are governed by our Sustainability Policy and the subsequent Environmental Directive and Energy Directive.

Billerud's Speak-Up Line cover anonymous whistleblowing for policy documents and directives.

### Sustainability Policy

The Sustainability Policy sets out the overarching ambition related to Billerud's environmental, social and economic responsibility and direction. It highlights that sustainability shall be integrated throughout all business activities and strategic decision-making. The policy includes, but is not restricted to, climate change matters such as environment and energy.

Key objectives include setting the Group's overarching ambition related to materials, transport and production and reducing Billerud's climate footprint. The major impacts, risks and opportunities covered are negative material impacts on scope 1 and 2 emissions, biogenic emissions and scope 3 emissions as well as the positive impact of providing a substitute to fossil fuel-based packaging.

The Sustainability Policy applies to the Group and its subsidiaries and covers Billerud's global business activities and operations globally, including board members, employees, trainees and consultants. All stakeholders working for or on behalf of Billerud are covered by the

policy. The policy covers our upstream and downstream value chain. It also covers that climate change adaptation actions are taken as needed.

The EVP Sustainability & Public Affairs is the owner of the Sustainability Policy and is responsible for the implementation of the policy. The process for monitoring the policy includes the annual oversight and board approval of the policy as well as compliance of the policy.

The Sustainability Policy commits Billerud to a multitude of initiatives and international guidelines. A selection of the most relevant initiatives for environment and energy are the Rio Declaration on Environment and Development, the UN Global Compact, the UN Global Goals, the Science Based Targets initiative (SBTi) and the Paris Agreement on Climate Change. The policy is published on Billerud's webpage and on the intranet.

### Environmental Directive

Billerud's Environmental Directive establishes common rules to ensure that our actions are aligned and comply with Billerud's operating licenses. It includes water emissions, emissions to air, chemicals, waste, greenhouse gas (GHG) emissions, and products and solutions. The directive is a more detailed expansion of the Sustainability Policy. It concerns climate change mitigation but does not include climate change adaptation activities.

The Environmental Directive applies to the Group and its subsidiaries and covers Billerud's global business activities and operations globally. All stakeholders working for or on behalf of Billerud are covered by the directive, which mainly focuses on the production units. The directive spans across Billerud's value chain, for example, managing scope 3 emissions.

The Director Global Environment & Quality is the owner of the Environmental Directive and is responsible for its implementation. The process for monitoring the directive includes the annual oversight and assessment of the implementation of the directive through self-assessments or equivalent procedures. Billerud also performs reviews, audits and controls to monitor compliance with the directive.

The Environmental Directive commits to the Science Based Targets initiative. Further international commitments are governed in the Sustainability Policy. The directive is published on Billerud's webpage and on the intranet.

### Energy Directive

The Energy Directive establishes common energy guidelines for Billerud to ensure compliance with laws and regulations and meet sustainability and efficiency targets of the Group. The directive covers climate mitigation activities, including energy efficiency measures and renewable energy deployment measures, but does not

cover climate adaptation measures. The directive highlights compliance monitoring according to Energy Management Systems, and covers Billerud's activities within energy planning, use, generation and trading in various energy sources. The directive further stipulates Billerud's aim to optimize energy costs, use energy efficiently, and decrease climate impact. The impacts, risks and opportunities covered in this directive are the negative impact of "fossil fuels in the energy mix" as well as the positive impact of "recovery of excess energy".

The Director Global Environment & Quality is the owner of the energy directive and is accountable for its implementation. The Group Energy Manager is responsible for monitoring performance according to targets. The process for monitoring compliance with the directive includes the annual oversight, follow-up on actions and targets related to the directive, as well as the performance of relevant reviews and audits.

The Energy Directive refers to the overarching Sustainability Policy in terms of commitment to international commitments and initiatives. Directives are available on the internal intranet and on Billerud's webpage.

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74**
    - Social information 114
    - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

[Download pdf to print](#)



## Actions and resources (E1-3)

Key actions – reporting period, 2024			Key actions – planned, 2025–2030	
Action	Expected outcome	Achieved outcome	Action	Expected outcome
Recovery boiler & resource efficiency, coating optimization (efficiency in production)	–9 ktons CO <sub>2</sub> e	–13 ktons CO <sub>2</sub> e	Fossil free electricity (fossil free energy)	–79 ktons CO <sub>2</sub> e
Conversion from fossils to bio-fuel, step I (fossil free energy)	–16ktons CO <sub>2</sub> e	–26 ktons CO <sub>2</sub> e	Landfill project (efficiency in production)	–47 ktons CO <sub>2</sub> e
Replacing line shaft with electric motor (electrification)	–3 ktons CO <sub>2</sub> e	–4 ktons CO <sub>2</sub> e	Conversion from fossil fuels to bio-fuel, step II (fossil free energy)	–160 ktons CO <sub>2</sub> e
			Electrification of equipment (electrification)	–31 ktons CO <sub>2</sub> e

### Key actions

Billerud's key actions under the approved transition plan cover own operations in Europe and North America.

For a list of key actions and resources related to climate change mitigation and adaptation, see the table above.

Billerud's overarching plan to reduce our CO<sub>2</sub>e emissions is incorporated in its science-based targets with an absolute scope 1 and 2 reduction of 42% CO<sub>2</sub>e reduction by 2030. Key actions are to be completed before the end of 2030.

Actions taken during the reporting period reduced scope 1 and 2 emis-

sions. Actions planned for future reporting periods except for fossil free electricity will contribute to scope 1 reductions.

Billerud has taken the following key actions per decarbonization lever type.

#### Efficiency in production:

- Coating optimization: application of more efficient drying techniques in the production process
- Recovery boiler efficiency: application of more efficient dust removal technique with reduced steam consumption for dust removal
- Resource efficiency: general water and energy efficiency improvements

#### Fossil free energy:

- Conversion from fossil fuels to bio-fuel step I: removal of coal and increased bark in production
- Purchased electricity is 100% fossil free in all pulp and paper mills

No nature-based solutions have been initiated or implemented during the reporting period for climate change mitigation or adaptation.

Planned actions taken during the reporting period achieved 43 ktons CO<sub>2</sub>e reduction. Purchased fossil free electricity progressed ahead of schedule for the coming reporting period and accounted for an additional 79 ktons CO<sub>2</sub>e reduction. Resulting in a total reduction for the reporting year of 122 ktons CO<sub>2</sub>e.

### Financing the action plan

During the reporting period, Capex of SEK 36 million has been invested in Billerud's European and North American operations. These investments are for projects related to the transition plan. Future Capex is estimated to amount to SEK 150-200 million between 2025-2030.

No future Opex has been calculated for the duration of the action plan. Capex investments will lead to significant Opex reductions after implementation.

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

Billerud's operations are largely outside the scope of the delegated acts and available economic activities outlined in the EU Taxonomy. Due to this, Billerud does not present the relationship of significant Capex and Opex required for implementation of said action plan in

accordance with the defined KPIs under the EU Taxonomy. No EU Taxonomy Capex plan is available based on the same criteria.

Billerud has several financing streams through its debt portfolio with different time horizons as well as a syndicated credit facility. Total capacity of the debt portfolio amounts to SEK 16,500 million excluding term and bond loans. In addition to the available financial resources in the debt portfolio, Billerud has a SEK 400 million R&D use of proceeds loan from the Nordic Investment Bank (NIB) that will be partly allocated to the action plan.

Billerud has no green bonds or sustainability linked loans at this time.

All Capex for the reporting period can be found in note 10 in the financial statement.

Download pdf to print

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74**
    - Social information 114
    - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205



# Metrics and targets

## Targets (E1-4)

Billerud's Sustainability Policy includes the objective to establish and maintain Paris Agreement-aligned targets regarding climate action.

Billerud's near-term climate change mitigation target is approved and verified by the Science Based Targets initiative (SBTi) and includes scope 1 and 2 reductions of 42% and a 25% reduction of scope 3 emissions.

Billerud's climate change mitigation targets are both absolute reduction targets to ensure reductions in line with climate science and established cross-sector reduction pathways. They cover both own operations and activities upstream and downstream in the value chain.

## Baseline value

Billerud's near-term targets have the baseline year of 2022 and target year are 2030. We currently do not have any interim or milestone targets. SBTi stipulates that near-term targets include at least 95% of scope 1 and 2 and 67% of scope 3. We currently do not have any long-term climate mitigation targets. Our ambition is to set a net zero target that follows the 1.5°C pathway. See baseline values below.

*Billerud's near term targets 2030*  
Scope 1 and 2: 1,032 kt<sub>CO2e</sub>  
(Covering 100% of total scope 1 and 2)

Scope 3: 2,650 kt<sub>CO2e</sub>  
(Covering 70% of total scope 3)

## Methodologies

Billerud follows the Greenhouse Gas Protocol calculated emissions. Billerud's near-term targets follow the latest criteria document from the SBTi. Emission factors used in calculations are based largely on product-specific reference values from, for example, EcoInvent LCA databases and other available sources. Activity data ranges from primary data from own operations, product specific sourced volumes and financial data where no other applicable activity data is available. Customer-specific reference values for further processing downstream in the value chain is used conservatively.

Billerud's climate targets are based on conclusive scientific evidence on needed reduction pathways to ensure the objectives of the Paris Agreement.

Internal stakeholders from central functions and operations at mills in both Europe and North America have participated in target setting.

The scope 1 and 2 transition plan also include production increases based on 2022 levels of production.

## Changes in target, metrics or methodologies

Billerud's previous verified and approved science-based targets covered only our European operations. Official targets now also include our North American operations.

## Description of performance against disclosed target

Billerud's climate agenda is progressing ahead of schedule, achieving a reduction of 337 kt<sub>CO2e</sub> (33%) compared to the base year. This accounts for 78% of the total reductions needed to meet our scope 1 and 2 targets. During the reporting period, actions taken resulted in a reduction of 43 kt<sub>CO2e</sub>. These actions exceeded expectations, and some have not yet shown their full annual impact. The early procurement of fossil-free electricity for our Escanaba and Quinnesec operations led to a 79 kt<sub>CO2e</sub> reduction in 2024. Additionally, volume, efficiency improvements and other changes combined with other indi-

rect effects contributed to a 164 kt<sub>CO2e</sub> reduction compared to 2022.

Greenhouse gas (GHG) emission reduction targets have been set to strengthen Billerud's position on the global market and supply customers with high performance packaging materials for a low carbon society. Billerud's targets contribute to reducing its physical risks regarding climate change impacts.

GHG inventory boundaries are ensured via comprehensive screening and usage of consistent data sources. GHG inventory is screened as part of the target review by the SBTi and in a limited assurance auditing process for the content of this Sustainability statement.

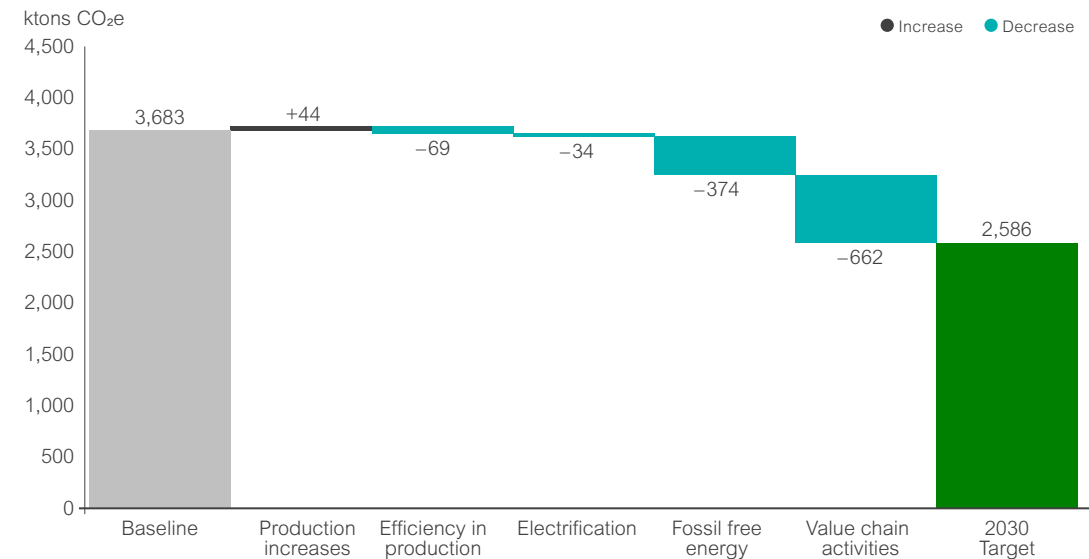
All disclosed climate targets are gross targets.

Billerud's baseline value and year was selected based on the acquisition of our North American operations. The baseline is determined to be representative of normal production-related circumstances not greatly affected by external factors.

## Science Based Targets

Billerud's GHG emission reduction targets follow a cross-sector pathway and are absolute reduction targets. The scope 1 and 2 targets are aligned with 1.5°C and the scope 3 target is well below 2°C compatible. Billerud's near-

Billerud's GHG emission reduction targets



Download pdf to print



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
<b>Environmental information</b>	<b>74</b>
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

[Download pdf to print](#)

term target has been validated by the Science Based Targets initiative.

Expected decarbonization levers and overall contribution for own operations are defined under E1-3 on page 82. For scope 3 near-term targets, a change in the production of chemicals, upstream logistics and further processing of sold products by customers are seen as vital reduction areas to meet the target.

Decarbonization levers in the value chain have not yet been individually quantified and formulated into an action and transition plan.

#### Climate scenarios

Billerud has used two climate scenarios to establish its climate-related impacts, risks and opportunities that are derived from its Task Force of Climate-Related Financial Disclosures (TCFD) reporting. Climate scenarios range between well below 2°C and 4°C. In 2025, Billerud will initiate a TCFD update to reflect necessary changes in climate projections.

Billerud follows technological and policy related changes closely to ensure that new interest in the pulp and paper sector can be evaluated as potential decarbonization levers going forward.

### Metrics

#### Energy Metrics (E1-5)

	2023	2024
<b>Energy consumption and mix</b>		
Fuel consumption from coal and coal products (GWh)	3	26
Fuel consumption from crude oil and petroleum products (GWh)	409	341
Fuel consumption from natural gas (GWh)	2,008	1,865
Fuel consumption from other fossil sources (GWh)	–	–
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (GWh)	83	12
<b>Total fossil energy consumption (GWh) (calculated as the sum of lines 1 to 5)</b>	<b>2,504</b>	<b>2,244</b>
Share of fossil sources in total energy consumption (%)	10	9
<b>Consumption from nuclear sources (GWh)</b>	<b>2,230</b>	<b>2,665</b>
Share of consumption from nuclear sources in total energy consumption (%)	9	11
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (GWh)	19,486	19,987
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (GWh)	221	241
The consumption of self-generated non-fuel renewable energy (GWh)	–	–
<b>Total renewable energy consumption (GWh) (calculated as the sum of lines 8 to 10)</b>	<b>19,707</b>	<b>20,228</b>
Share of renewable sources in total energy consumption (%)	81	80
<b>Total energy consumption (GWh) (calculated as the sum of lines 6, 7 and 11)</b>	<b>24,441</b>	<b>25,137</b>

	2023	2024	% 2024 / 2023
<b>Energy intensity per net revenue</b>			
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (GWh/SEKm)	0.59	0.58	–2

#### Entity specific metric – district heating

Sold Energy in Average Houses

**Outcome 2024**

65,000

Billerud's Swedish integrated mills are all certified according to ISO 50001 and the other mills are aligned with the certification. Billerud mainly use bioenergy in its processes. Most biofuel comes from internal processes such as black liquor and bark. All biomass is responsibly sourced. Billerud's energy consumption is monitored and third-party validated. Reported energy consumption from certified locations are validated by Det Norske Veritas (DNV) in accordance with ISO 50001 and is separate from the assurance provided for this report.

Net revenue and energy consumption are based on Billerud's operations in manufacturing of paper and paperboard, forestry and logging, electric power generation, transmission and distribution and freight rail transport. Net revenue is the total net sales for the group and can be found in note 2 in the financial statement and is used for all intensity measures. Energy consumption is the total energy consumption. Energy mixes for electricity are based on information from national or interna-

tional energy agencies and contractual agreements. Non-production units energy use is less than 0.1% of Billerud's total energy and are based on consumption estimates. The entity specific metric of sold energy in average houses includes the sale of primary and secondary energy to the district heating network from Gävle mill (including our joint arrangement with Bomhus Energi) as well as Frövi, Gruvön, and Skärblacka mills. It is based on the heat consumption for an average

house. The district heating network supplies heat to both individual households, multi-family houses, and corporate and industrial customers. The energy values are audited according to the obtained ISO 50001 certification.





**GHG Metrics (E1-6)**

Gross Scopes 1, 2, 3 and Total GHG emissions

	Retrospective				Milestones and target years	
	Base year (2022)	Comparative (2023)	2024	2024 / 2023 [%]	2030	Annual % target / Base year <sup>1</sup>
<b>Scope 1 GHG emissions</b>						
Gross scope 1 GHG emissions (ktons CO <sub>2</sub> e)	883	733	686	-6	562	5
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%) <sup>2</sup>	10	11	10 <sup>4</sup>	N/A	N/A	N/A
<b>Scope 2 GHG emissions</b>						
Gross location-based scope 2 GHG emissions (ktons CO <sub>2</sub> e) <sup>3</sup>	303	258	274	6	N/A	N/A
Gross market-based scope 2 GHG emissions (ktons CO <sub>2</sub> e)	150	74	9	-87	37	-9
<b>Significant scope 3 GHG emissions</b>						
Total Gross indirect (scope 3) GHG emissions (ktons CO <sub>2</sub> e)	3,770	3,103	3,016	-3	3,108	-2
1 Purchased goods and services	1,314	1,090	1,124	3	986	-3
2 Capital goods	163	125	90	-28	163	-
3 Fuel and energy-related Activities (not included in scope1 or scope 2)	558	385	349	-9	558	-
4 Upstream transportation and distribution	499	489	502	2	375	-3
5 Waste generated in operations	32	5	3	-45	32	-
6 Business traveling	2	1	2	43	2	-
7 Employee commuting	6	6	6	-4	6	-
8 Upstream leased assets	-	-	-	-	-	-
9 Downstream transportation	263	256	229	-10	197	-3
10 Processing of sold products	574	484	432	-11	430	-3
11 Use of sold products	-	-	-	-	-	-
12 End-of-life treatment of sold products	360	261	280	7	360	-
13 Downstream leased assets	-	-	-	-	-	-
14 Franchises	-	-	-	-	-	-
15 Investments	0	0	0	-26	0	-
<b>Total GHG emissions</b>						
<b>Total GHG emissions (location-based) (ktons CO<sub>2</sub>e)<sup>3</sup></b>	<b>4,957</b>	<b>4,094</b>	<b>3,976</b>	<b>-3</b>	<b>N/A</b>	<b>N/A</b>
<b>Total GHG emissions (market-based) (ktons CO<sub>2</sub>e)</b>	<b>4,803</b>	<b>3,910</b>	<b>3,711</b>	<b>-5</b>	<b>3,707</b>	<b>-3</b>
<b>Biogenic emissions</b>						
<b>Total gross biogenic emissions (ktons CO<sub>2</sub>)<sup>3</sup></b>	<b>8,400</b>	<b>7,819</b>	<b>8,031</b>	<b>3</b>	<b>N/A</b>	<b>N/A</b>

1) Change compared to the base year reported as - in scope 3 is not part of our short-term science- based targets.

2) Monitoring and target setting for the coverage rate of greenhouse gases within scope 1 from regulated emission trading systems are not applicable for the reporting.

3) Our near-term science- based targets follow the market-based method. Location-based and biogenic emissions are not part of targets.

4) Percentage of Scope 1 GHG emissions from regulated emissions trading schemes is preliminary and had not been finalized at the time of publication of this report.

Introduction 2

**Directors' report 23**

- Financial overview 23
- Corporate governance in Billerud 29
- Internal control over financial reporting 34
- Group Management Team 36
- Board of Directors 38
- Risks and risk management 40
- Sustainability statement 45
  - General information 46
  - Environmental information 74**
  - Social information 114
  - Governance information 145
- Assurance report 153

Financial statements, signatures and auditor's report 155

Other information 205

Download pdf to print



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
<b>Environmental information</b>	<b>74</b>
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

[Download pdf to print](#)

<b>GHG intensity per net revenue</b>	<b>2023</b>	<b>2024</b>	<b>% 2024 / 2023</b>
Total GHG emissions (location-based) per net revenue (ktons CO <sub>2</sub> e/SEKm)	0.10	0.09	-8
Total GHG emissions (market-based) per net revenue (ktons CO <sub>2</sub> e/SEKm)	0.09	0.09	-10

Billerud follows the Greenhouse gas (GHG) standards provided by the GHG Protocol (GHG Corporate Accounting and Reporting Standards, the GHG Protocol Scope 2 Guidance and the Corporate Value Chain Scope 3 Accounting and Reporting Standard). Verso Corporation (Billerud's North American operation) that was acquired April 1, 2022 are included pro forma in emission figures and target setting full year 2022. Total emissions include all relevant GHGs where relevant (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub>) and is converted in accordance with IPCC AR6 Global Warming Potential (GWP) factors where direct GHGs are available separately from CO<sub>2</sub>. We adhere to the minimum boundaries defined by the Science Based Targets initiative Services Criteria Assessment Indicators.

We use operational control as our GHG consolidation approach in accordance with the GHG protocol. All subsidiaries are part of the consolidated parent company report. Joint arrangements without operational control is included as an investment in our scope 3 and follow the equity share approach. Business relations between subsidiaries and joint arrangements have been mapped not to double count goods and services

between the group companies and joint arrangements.

We follow an activity-based methodology for scope 1 and 2 and a mixture of activity-based and spend-based factors for scope 3. Spend-based factors are primarily used for capital goods (scope 3 category 2) and partially used for Purchased goods and services (scope 3 category 1). Spend-based factors originate from an environmental spend-analysis from the National Agency for Public Procurement and is subject to value-adjustment from applicable publicly available indexes. Our North American operations use the same methodology, and currencies are converted based on exchange rates from Sveriges Riksbank (Central Bank of Sweden). Business Travel data is supplied by service providers and is based on secondary data for each mode of transportation. Employee commuting is based on assumed distance, mode of transportation and average full time equivalents (FTEs) for the reporting period and used for all our employees regardless of market. Downstream activities are calculated based on general geographical region for transportation activities. Further processing is based on primary

data from a large customer and is used conservatively for all products.

We use emission factors in line with global standards, with a majority originating from DEFRA, EPA (Sweden and the US) and EcoInvent (v3.8) or other Life Cycle Assessment databases. Emission factors from EcoInvent or other service providers are verified in their process before publication. No information on external assurance has been identified by DEFRA and EPA values, however, they are provided by governmental authorities and are seen as legitimate for the purpose of the calculations. No assurance other than the assurance of this report has taken place for the calculations of GHG metrics outside the verification of our climate mitigation targets, outside the verification of our Climate Mitigation Targets.

During the reporting period Billerud's North American operations experienced organizational changes and part of the operations in Wisconsin Rapids was divested. This has resulted in a retroactive calibration of organizational boundaries. Calibrations also included screening of operational control criteria to ensure consistency of inclusion for this report. Emission factors for mainly scope 1 and 2 have been recalculated to include GWP values from the most recent IPCC report. There is greater uncertainty in downstream scope 3 categories due to lower data quality compared to primary data from our own operations or procurement practices. We plan to review downstream catego-

ries during the coming reporting period to address potential quality issues.



## EU Taxonomy disclosures

The European Union has introduced the EU taxonomy as part of the action plan for financing sustainable growth. Reporting alignment and eligibility towards EU environmental objectives according to the taxonomy regulation is included in the statutory sustainability report.

The taxonomy regulation covers the following environmental objectives: *Climate change mitigation, Climate change adaptation, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, and Protection and restoration of biodiversity and ecosystems.*

### Identifying and assessing taxonomy eligible activities

Relevant economic activities for Billerud have been assessed based on the taxonomy regulation (EU 2020/852) and associated delegated acts, hereinafter referred to as the taxonomy. Billerud's main economic activities, manufacturing of paper and board, are currently not included in the taxonomy.

The threshold used to assess relevant economic activities is that it generates external revenue, net sales in the group's income statement. Internal consumption that does not generate external revenue has not been included in economic activities covered by the taxonomy.

In the assessment, four relevant economic activities were identified and are described in this section.

An annual analysis is conducted with relevant departments within Billerud to ensure that the activities meet the compliance requirements, both in terms of significant contribution and the principles of not causing significant harm (DNSH). Compliance with the minimum safeguards is supported, among other things, by Billerud's governing documents, the Code of Conduct, the Supplier Code of Conduct, the Sustainability Policy, the Work Environment Policy, and the Environmental Directive. Billerud has not been convicted in any legal cases regarding human rights, corruption, tax, or unfair competition during the year.

For the activities relevant to Billerud, detailed technical screening criteria exist for the two climate-related objectives. For the other four environmental objectives, descriptions and technical screening criteria are unavailable.

Billerud reports only alignment and eligibility based on the technical screening criteria for the environmental objective for climate change mitigation.

### Accounting policy – denominator

Total turnover for the Group equals net sales (note 2) in the consolidated income statement according to IFRS. Total Capex, in accordance with the taxonomy definition, are investments in tangible and intangible assets in the consolidated statement of cash flows and through business combinations and new and modified leasing contracts in note 12 Right of Use Assets.

Total Opex, in accordance with the taxonomy definition, consists of the following items:

- Short term and low value leases according to note 12, Right of Use Assets.
- Maintenance and Repair of Property, Plant and Equipment accounted for as other external costs in the consolidated income statement.

### Forest management

The economic activity described in the taxonomy focuses mainly on forest owners. Only a small fraction of Billerud's wood supply comes from fully owned forests. However, for a share of the wood supply, Billerud has been engaged in and had some influence and insight over the forest management practices related to Bergvik Skog Öst's forests. The external revenues from this part of the wood supply are also deemed relevant from a taxonomy perspective. The main support for this conclusion is practice of the forestry plans.

The external turnover includes sale of wood to sawmills and other forestry companies, and forestry services from Bergvik Skog Öst forests and fully-owned forests. The external revenues that are included as taxonomy aligned is a non-complex transaction and there is no risk for double counting.

No Opex and Capex relating to the taxonomy definition of forest management have been identified.

### Cogeneration of heat/cool and power from bioenergy and production of heat/cool using waste heat

Billerud's production units produce large amounts of steam and electricity. At our production unit in Gävle there is a joint arrangement with Bomhus Energi AB, which supplies district heating to external parties and our production unit in Gävle.

External turnover includes 50% of total net sales of Bomhus Energi AB, accounted for as net sales in the consolidated income statement. Opex is related to maintenance and repair in Bomhus Energi AB, of which 50% is included in the consolidated income statement as Other external costs.

Capex is related to capital expenditures in Bomhus Energi AB, of which 50% are included in note 10 Property, Plant and Equipment on the row Investments.

Bomhus Energy AB is a standalone company and there is no risk of double counting. There are no closely related activities that are included in this taxonomy reporting.

### Freight rail transport

Billerud's fully-owned subsidiary, ScandFibre Logistics AB, operates freight rail transports for its own and other forestry industry companies' outbound transports. ScandFibre Logistics AB operates under the Rail 22 standard, which is assessed to be in line with the alignment requirements.

External turnover in ScandFibre Logistics AB, related to freight rail transport is included in the net sales in the consolidated income statement.

Opex is the proportion of short-term leases of railway carriages and repair of them, in relation to the external turnover and total turnover in ScandFibre Logistics AB. Opex is accounted for as other external costs in the consolidated income statement.

Capex is the new leasing contracts during 2024, and is included in note 12, Right of Use Assets.

ScandFibre Logistics AB is a standalone company and there is no risk of double counting. There are no closely related activities that are included in this taxonomy reporting.

### Acquisition and ownership of buildings

Billerud has office leases accounted for as Right of Use Assets in note 12, that are taxonomy eligible. Billerud activates investments in owned buildings in the fixed assets register. No evaluation if they are taxonomy environmentally sustainable activities (aligned) has been made.

### Changes in reporting

Opex previously allocated to production of heat/cool using waste heat is now allocated to Cogeneration of heat/cool and power from bioenergy. The 2023 column have also been restated.

Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
<b>Environmental information</b>	<b>74</b>
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

[Download pdf to print](#)



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
<b>Environmental information</b>	<b>74</b>
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

**Nuclear and fossil gas related activities**

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**Nuclear energy related activities**

1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

**Fossil gas related activities**

4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	NO

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**Taxonomy – Turnover**

Proportion of turnover from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)							Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	Turnover (3)	Proportion of Turnover, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution(8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation(11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)					
Economic Activities (1)		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	

**A. TAXONOMY-ELIGIBLE ACTIVITIES**

**A.1 Environmentally sustainable activities (taxonomy-aligned)**

Forest management	CCM 1.3	575	1.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	1.0%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	177	0.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	-	Y	Y	0.4%		
Production of heat/cool using waste heat	CCM 4.25	32	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	Y	Y	0.1%		
Freight rail transport	CCM 6.2	488	1.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	-	Y	1.1%		
<b>Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)</b>		<b>1,273</b>	<b>2.9%</b>	<b>2,9%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>-</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>2.6%</b>		
<b>Of which enabling</b>		-	%	%						-	-	-	-	-	-	-	%		
<b>Of which transitional</b>		-	%	%						-	-	-	-	-	-	-	%		

**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										
<b>Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)</b>		-	<b>0,0%</b>	0	0	0	0	0	0								0.0%		
<b>A. Turnover of taxonomy-eligible activities (A.1+A.2)</b>		<b>1,273</b>	<b>2,9%</b>	%	%	%	%	%	%								2.6%		

**B. TAXONOMY-NON-ELIGIBLE ACTIVITIES**

Turnover of taxonomy- non-eligible activities	42,181	97.1%
<b>TOTAL</b>	<b>43,453</b>	<b>100%</b>

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74**
    - Social information 114
    - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print



**Taxonomy – Capex**

Proportion of Capex from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)								Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Capex, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	Capex (3)	Proportion of CapEx, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution(8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation(11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)						
Economic Activities (1)		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		

**A. TAXONOMY-ELIGIBLE ACTIVITIES**

A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Forest management	CCM 1.3	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	0.0%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	6	0.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	-	Y	Y	0.1%		
Production of heat/cool using waste heat	CCM 4.25	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	Y	Y	0.0%		
Freight rail transport	CCM 6.2	3	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	-	Y	0.0%		
<b>Capex of environmentally sustainable activities (taxonomy-aligned) (A.1)</b>		<b>9</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>-</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>0.1%</b>		
<b>Of which enabling</b>		-	%	%						-	-	-	-	-	-	-	%		
<b>Of which transitional</b>		-	%	%						-	-	-	-	-	-	-	%		
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									
Acquisition and ownership of buildings	CCM 7.7	337	11.8%	%	%	%	%	%	%								18.1%		
<b>Capex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)</b>		<b>337</b>	<b>11.8%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>								<b>18.1%</b>		
<b>A. Capex of taxonomy-eligible activities (A.1+A.2)</b>		<b>346</b>	<b>12.1%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>								<b>18.2%</b>		

**B. TAXONOMY-NON-ELIGIBLE ACTIVITIES**

Capex of taxonomy- non-eligible activities	2,515	87.9%
<b>TOTAL</b>	<b>2,861</b>	<b>100%</b>

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74**
    - Social information 114
    - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

[Download pdf to print](#)



**Taxonomy – Opex**

Proportion of Opex from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)							Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Opex, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	Opex (3)	Proportion of OpEx, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution(8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation(11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)					
Economic Activities (1)		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	

**A. TAXONOMY-ELIGIBLE ACTIVITIES**

A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Forest management	CCM 1.3	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	0.0%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	16	0.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	-	Y	Y	0.7%		
Production of heat/cool using waste heat	CCM 4.25	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	Y	Y	0.0%		
Freight rail transport	CCM 6.2	143	5.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	-	Y	5.9%		
<b>Opex of environmentally sustainable activities (taxonomy-aligned) (A.1)</b>		<b>159</b>	<b>6.5%</b>	<b>6.5%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>-</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>6.6%</b>		
<b>Of which enabling</b>		-	%	%						-	-	-	-	-	-	-	%		
<b>Of which transitional</b>		-	%	%						-	-	-	-	-	-	-	%		
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									
<b>Opex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)</b>		-	<b>0.0%</b>	%	%	%	%	%	%	%							0.0%		
<b>A. Opex of taxonomy-eligible activities (A.1+A.2)</b>		<b>159</b>	<b>6.5%</b>	%	%	%	%	%	%	%							6.6%		

**B. TAXONOMY-NON-ELIGIBLE ACTIVITIES**

Opex of taxonomy- non-eligible activities	2,284	93.5%
<b>TOTAL</b>	<b>2,443</b>	<b>100%</b>

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74**
    - Social information 114
    - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

[Download pdf to print](#)



# ESRS E2 Pollution

## Identification and assessment of material impacts, risks and opportunities (E2 IRO-1)

Billerud has conducted a double materiality assessment that has taken into consideration its site locations and business activities to identify impacts, dependencies, risks, and opportunities on all topics covered under the E2 – Pollution standard. The double materiality assessment assessed both impacts, risks and opportunities in Billerud's own operations and downstream value chain.

All material impacts, risks and opportunities connected to pollution have been identified as coming from Billerud's production activities in its mills. All sites are screened from environmental perspectives to align with regulatory requirements. This information has been included in the double materiality assessment, by using internal representatives. Within the double materiality assessment itself, screening for each site was not conducted. For more information on the double materiality assessment process, see IRO-1 on page 68.

To identify impacts, risks and opportunities connected to pollution, Billerud has used information from internal stakeholders to represent internal and as well as external interests. The internal stake-

holders are well informed regarding the impacts on affected stakeholders due to regular contact with them through Billerud's communication channels and forums.

Billerud's internal stakeholders are responsible for overseeing the reporting to environmental regulatory authorities and have insight into any potential breaches of environmental permits or other environmental impacts from operations. For next year's update of the double materiality assessment, Billerud is planning to increase its inclusion of external stakeholders in the double materiality assessment.

Billerud's double materiality assessment identified material impacts connected to the topics of pollution of air, pollution of water and substances of concern. The impacts presented in this chapter are identified for all mills where Billerud engages in pulp and paper production in Europe and North America. It excludes Wisconsin rapids which do not produce paper and pulp.

See overview of identified material impacts, risks and opportunities in SBM-3 on page 60.

### Descriptions of impacts

#### ● Emissions to air and water

Activities from Billerud's production processes, particularly activities from Billerud's recovery and biomass boilers, contribute to actual emissions into air. Emissions to air include NOx (nitrogen oxides), VOC (volatile organic compounds), and some sulfur compounds. These emissions can impact the environment by contributing to air pollution, such as the formation of acid rain and ground-level ozone.

Activities from Billerud's production process contributes to actual emissions into water. Emissions to water include COD (chemical oxygen demand), TOC (Total Organic Carbon), BOD (biochemical oxygen demand), TSS (total suspended solids), AOX (organically bound chlorine), N (nitrogen) and P (phosphorus). These emissions can impact the environment by contributing to eutrophication and oxygen depletion. Certain emissions can potentially affect some aquatic organisms.

For a full list of emissions into air and water, see metrics under E2-4 on page 97.

#### ● Disturbances from production

Activities from Billerud's production process can cause noise and odor disturbances. Noise originates from all stages of operations (fans, engines and the release of high-pressure steam) and odors can be generated at the production site. While not dangerous, these can reduce the well-being of affected communities nearby.

#### ● Emergency situations causing leakage into the air

Emergency situations within Billerud's operations, such as fire and malfunction or breakdown of equipment, could in worst-case scenarios lead to the release of toxic gases into the air, with the potential to cause air pollution and affect human health.

#### ● Faulty handling of chemicals and substances of concern

Within its production processes, Billerud uses several chemicals classified as "substances of concern". Faulty handling of chemicals could contribute to chemical accidents. This could have a potential negative effect both on employees and the environment.

### Description of risks and opportunities

#### ● Investments needed to comply with new regulations/permits:

Billerud could be subject to tighter permit control due to new regulations on air emissions and pollution. This would require Billerud to make significant investments in new technologies, equipment, and processes to comply with new regulations and permits. New regulations are still under discussion and Billerud did not face any financial impact from identified risks in 2024.

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74**
    - Social information 114
    - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print





## Policies (E2-1)

The identified material impacts and the risks presented on the previous page are governed by Billerud’s Environmental Directive. Potential impacts on the workforce connected to substances of concern are primarily governed by Billerud’s Health & Safety Policy, described in chapter S1 – Own workforce on page 125.

### Environmental Directive

Billerud’s Environmental Directive outlines Billerud’s commitment to environmental sustainability and focuses particularly on minimizing the environmental impact of Billerud’s production units. It mandates compliance with environmental laws and operating licenses, emphasizing the reduction of water use and water effluents, emissions to air, disturbances from operations, and the environmental impact from chemical handling when possible. For the European operations, the directive states compliance with the EU Industrial Emissions Directive (IED). It states that Billerud should strive for continuous improvements, with a long-term goal that all production units have an environmental management system like ISO 14001 which is third-party certified.

The Environmental Directive applies to Billerud and its subsidiaries and covers Billerud’s global business activities for operations. The directive is mainly focused on impacts from Billerud’s own operations, especially focusing on the production units, but it also includes impacts in the value chain.

The directive considers the local environment and nearby communities as key stakeholders, and states that Billerud should limit its impact on the surrounding communities and limit the environmental impact from its operations. The directive covers all Billerud’s process chemicals used in production. During 2024, the Environmental Directive was updated to ensure coverage of all the material impacts, risks, and opportunities identified in Billerud’s Double Materiality Assessment.

### Reducing water effluents and emissions to air

The directive states that Billerud should work to limit water effluents and air emissions according to the operational licenses and permits. For Region Europe, the production units shall limit the emissions to water and air to be within the span for the best available techniques associated emission level (BAT-AEL).

The directive also states our ambition to limit water withdrawal and wastewater discharge. This contributes to prevention of water emissions, as a reduced effluent load to the effluent treatment plant will enhance the function of the effluent treatment plant and reduce emissions of other pollutants to water. The directive covers all emissions that occur due to Billerud’s activities, including all pollutants covered in Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council.

### Minimizing disturbances from operations

The Environmental Directive highlights Billerud’s ambition to minimize its impact on the surrounding communities by monitoring and following up on potential operational disturbances such as noise and odor.

### Reduce the environmental impact of chemicals and the risk of incidents and emergency situations

The Environmental Directive emphasizes Billerud’s ambition to reduce its environmental impacts of chemicals used within production, reinforce the demands of Billerud suppliers and identify high environmental impact chemicals and investigate if they could be substituted. Some of these chemicals are classified as substances of concern and listed in E2-5 on page 98.

The directive states that Billerud shall strive for continuous improvements. The long-term goal is for all production units to have the third-party certified environmental management system ISO 14001. The management system will help minimize the risk of incidents and emergency situations and ensure, should they happen, there are structures in place for controlling and limiting their impact on affected parties. By working with management systems and processes, Billerud can ensure that there is a risk management system in place, compliance with the law, as well as routines and working practices to avoid and handle emergencies and incidents. The

mills that do not have certified management systems today still have management systems that minimize the risk of incidents and emergency situations. In addition, Billerud’s Health & Safety Policy governs how Billerud should strive to prevent incident and emergency situations impacting the workforce.

### Assessing environmental risks related to production units

The Environmental Directive states that Billerud should assess environmental risks to the production units, including both physical risk from climate change adaptation, as well as transitional risk. It states that Billerud shall work to minimize risks and work proactively to prevent potential violation of the conditions in operational licenses.

The Director Global Environment & Quality is the directive’s owner and most senior person responsible for its implementation. The Environmental Directive is published on the web and available on the intranet.

- Introduction 2
- Directors’ report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74**
    - Social information 114
    - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor’s report 155
- Other information 205

[Download pdf to print](#)



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
<b>Environmental information</b>	<b>74</b>
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

[Download pdf to print](#)

## Actions and resources (E2-2)

In line with the ambition stated in our Environmental Directive, Billerud aims to provide packaging solutions by adhering to sustainable production and the ambition of reducing its impact on the planet, acting responsibly and serving as a role model with respect to environmental considerations. Key actions on the material identified impacts are listed below.

### Emission to air and water and emergency situations

The key actions related to emission reductions at Billerud's mills include technological upgrades and process improvements, with the key focus on ensuring that pollution permits are maintained. Ensuring compliance with production permits is a continuous action that is managed consistently within all Billerud's production units subject to production permits and has no set time-horizon.

Each mill is responsible for compliance with the permits. Depending on the infrastructure of the specific mill, new equipment or technologies sometimes need to be installed to ensure compliance. Billerud's actions to ensure compliance with the permits are in line with the Environmental Directive. All Billerud's mills worked actively in 2024 to ensure compliance. A selection of key actions include:

#### Emission to air

- Installation of a new recovery boiler at the Frövi mill, which operates entirely on fossil-free biofuel, significantly reduced dust and sulfur dioxide (SO<sub>2</sub>) emissions.

- Installation of a third electrostatic precipitator at the recovery boiler at Gruvön, which decreased dust emissions from the mill.
- Partial automation of digester controls at the Quinnesec mill which have reduced the venting of odorous gases during shutdown.

The actions connected to reducing Billerud's air emissions do not have a set time horizon and are happening on a recurring basis. However, Billerud monitors compliance with pollution permits on an ongoing basis.

Billerud complies with all regulations and permits, with no risk of significant exceedances. Therefore, no additional air emission measures are planned beyond ongoing compliance efforts.

#### Emissions to water

The key action within Billerud's operations to mitigate emissions to water is to ensure that operations are compliant with production permits. This is an ongoing action at all Billerud's production units. All Billerud's units worked actively in 2024 to ensure compliance. A selection of key actions include:

- Upgrades to the effluent treatment plant at the Karlsborg mill in the form of dredging and new aeration capacity.
- Skärblacka mill has worked with their effluent treatment plant and added new aeration capacity during 2024 to enhance its function.
- Development of the cadmium separation process at the Gruvön mill, to

ensure high availability and reduce emissions of cadmium.

In addition to the key actions above focusing on compliance with production permits, Billerud's European production units have an action plan connected to their target on reducing the effluent discharge. The action plan includes several actions that will reduce the process effluent. Some actions are already planned for 2025, other actions need further investigations before they can be assessed if they should be carried out or not. Reducing effluent discharge has a positive impact since it will improve the function of the effluent treatment plant and could reduce emissions of organic matter and nutrients (water pollution).

Furthermore, starting in 2025, Billerud will have a water investment fund, called the Water Fund, for the European mills with the funds dedicated to projects that will reduce effluent discharge. The dedicated water fund is an important part of the strategy to reach the target of a 10% reduced effluent discharge in 2030 (2020 baseline).

Key actions during 2024 that are in line with the water target action plan:

- Installation of new sludge presses in Skärblacka that will decrease the process effluent
- Upgrade of washing equipment at Gävle mill with new sieves which has reduced the process effluent

During the reporting year, Billerud has not taken any key actions to provide support to the provision of remedy for

impacted environment, as this has not been deemed necessary as production-permits have been met.

#### Emergency situations

To prevent chemical leakage or air pollution during emergencies, the key action is compliance with processes vested in Billerud's environmental management systems. All Billerud's mills, except Escanaba, have certified ISO 14001 management systems. By actively working with these systems, we can ensure that processes for identification, preparation, and response to potential incidents like chemical leaks or air pollution. Through preventive measures, regular training, and robust contingency plans, Billerud minimizes environmental impacts and ensures swift action to mitigate harm.

Billerud's work with the environmental management system is ongoing.

Future actions include getting the Escanaba production plant ISO 14001 certified. This is the only mill that currently is not certified.

#### Disturbances

Billerud has taken specific actions to address disturbances related to noise and smell, particularly in the communities surrounding its mills. For example, at the Frövi mill, the installation of a new recovery boiler has significantly reduced odorous gases, cutting the emission of such gases by up to 65%. The impact of noise and unpleasant odors for the local community is also expected to be reduced due to the new

recovery boiler. Additionally, efforts to reduce sulfur emissions at the Quinnesec and Escanaba mills in North America have contributed to a noticeable decrease in odor, positively affecting the surrounding areas.

During the reporting period Billerud addressed disturbances like smell and odor through proactive measures. While these disturbances were unpleasant, they were not harmful or significant, so no further remedies were necessary. The actions of trying to minimize disturbances from operations are ongoing. There is no time horizon set for these actions.

For the coming years, Billerud will enhance interactions with surrounding communities to even better address disturbances and to further improve the effectiveness of solutions at a group level.

#### Substances of concern

Billerud has phased out some substances of concern the last couple of years. For instance, we have permanently suspended the use of anthraquinone (AQ) at the Escanaba mill, a chemical additive previously used in the pulping process. This has resulted in both environmental and cost benefits.

The work ahead includes mapping and classification of our high impact chemicals to reduce risks and plan potential substitutions, which will reduce risks for both environment and employees.



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
<b>Environmental information</b>	<b>74</b>
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

[Download pdf to print](#)

The actions to map, classify and evaluate potential substitutions where possible regarding substances of concern are ongoing. There is no time horizon set for these actions.

Billerud provides for and cooperates with or supports provision of remedy for those harmed by substances of concern within its operations. Read more about these actions in the health and safety chapter in S1 – Own workforce on page 124.

**Pollution-related regulatory risks**

New regulations or more stringent permits might require Billerud to invest in new technologies, equipment, and processes for compliance. The key actions taken to mitigate this risk include monitoring of regulations that might impact Billerud's operations, which are carried out by the Sustainability & Public Affairs department for our European operations and by our North American Environmental Department for our operations in North America. This is also carried out on the mill level. In addition, Billerud's ongoing work described in this section ensures that we are compliant with local legislation and permits, and invest in necessary technology, Best-Available-Techniques (BAT). This ensures compliance and further reduces the risk. Billerud also uses risk assessments within its double materiality assessment and Enterprise Risk Management system to monitor and plan for risks to operations.

These actions are all part of operations and ongoing across all Billerud's production units subject to regulations and permits. Currently, no future actions are planned to mitigate this risk.

The capital expenditures for environmental investments during the reporting period amounted to SEK 134 million. Some projects related to these investments are dependent on the calibration of equipment. Operating expenses do not reach applicable threshold values and are therefore not included. The capital expenditures presented for 2024 include regulatory costs and are not, per se, dependent on the water fund.

Future investments are estimated to amount to SEK 20 million per year. These investments constitute the funds available to be allocated within the framework of the water fund.

Investments for the current reporting period is reported under note 10 in the financial statement on page 169.



## Metrics and targets

### Targets (E2-3)

Billerud has set a target to reduce process effluent, the wastewater flow to the effluent treatment plant, as it will enhance the effluent treatment plant's function and decrease water pollution. A reduced hydraulic load to the effluent treatment plant will result in longer detention time which is good for biological treatment as well as for physical separations of solids. Reducing wastewater flow will reduce total water use and withdrawal. The target is to reduce wastewater flow to the effluent treatment plant by 10% by 2030. Currently, the target only includes Billerud's European operations. The target has a strategic contribution to Billerud's vision of sustainable manufacturing and alignment with our Sustainability Policy and Environmental Directive, by showing action in quantifying our ambition of wanting to reduce wastewater flow and minimize effluents from operations into a measurable target.

### Methodology of target

The target was set in 2023 with 2020 as the baseline year. The baseline value was 316,000 m<sup>3</sup>/day and the target for 2030 is 285,000 m<sup>3</sup>/day. It is an absolute reduction target, which equals a reduction of 10%. The target is not based on conclusive scientific evidence. Each mill reports data on the progress towards the target, which is reported and col-

lected centrally by Billerud's Global Environmental Manager.

We track progress towards the target monthly. The target is not mandatory according to legislation. Instead, it is adopted by Billerud on a voluntary basis to drive performance.

### Changes in reporting from last year

For this reporting year, additional data on water pollution has been included in the sustainability statement, in line with the ESRS guidelines.

Over the coming years we plan to review and integrate our North American mills in this target.

### Progress on target

The short-term target for 2024 equal to a 1% reduction was not reached. The outcome in 2024 equals a reduction of 0.51%. The reason for not meeting the short-term target is that certain projects did not deliver the expected reduction levels and certain other projects were moved forward in time. However, Billerud is on a good trajectory towards the long-term target for 2030, and has reduced process effluents by 7.9% in relation to the 2020 base year by the end of 2024.

Billerud does not have any targets related to emissions to air. The reason is

that emissions to air are subject to production permits, which Billerud aims to comply with.

Billerud does not have any targets related to substances of concern. However, targets connected to health and safety also include incidents or injuries that would be a result of faulty handling of chemicals. The reason for not having any targets related to substance of concern is lack of alignment among the mills regarding the substances of concern, including the identification of specific substances to be addressed. This must be achieved before setting targets.

Billerud does not have any targets on disturbances and related grievances, due to Billerud currently tracking numbers of cases of disturbances as an entity specific metric, and that disturbances are happening due to disruptions in operations and thus difficult to mitigate.

### Emissions to air

Our ambition to limit emissions to air and reduce the impact on local communities is stated in our Environmental Directive. This is linked with our production permits, which are issued by governmental authorities and define the specific environmental conditions for compliance. We are constantly supervising our compliance with the permits and

report regularly to the regulatory agencies which monitor us. Each production unit is legally responsible for ensuring compliance with environmental laws and regulations and to monitor environmental performance.

Our Swedish mills comply with the EU legislation with decided Best Available Technology-Associated Emission Level (BAT-AEL), corresponding to mills with BAT. These BAT-AELs are updated regularly as the permissible emission levels become stricter. Billerud reports the outcome to the authorities annually. Our North American mills comply with the Environmental Protection Agency (EPA); Environment, Great Lakes, and Energy (EGLE); Wisconsin Department of Natural Resources; and local environmental regulations through waste regulations, and air and water permits.

According to the environmental management systems of the mills, Billerud is constantly working with continuous improvements to reduce the impact from production.

In addition to monitoring compliance with permits, we are also monitoring and reporting our emissions for which the applicable threshold value specified in Annex II of Regulation (EC) No 166/2006 is exceeded. See E2-4 for more information on page 97.

### Disturbances

To minimize disturbances and ensure we stay informed regarding the impact on nearby communities, we offer a range of channels/forums with the aim of pursuing a constant dialogue with local communities and residents. We also track internally the number of disturbances reported and their concern, which we also publicly disclose. For number of disturbances, see section E2-4 on page 97.

### Substances of concern

Billerud has the ambition to reduce the environmental impacts of chemicals used at our production units, substitute high environmental impact chemicals where it is relevant and possible, and reinforce the demands of our suppliers. One way of measuring progress with this is by mapping out the chemicals used in our operations classified as substances of concern. For all substances of concern used in our production process during 2024, see the section E2-5 on page 98.

E2 – Pollution and E3 – Water consumption	Baseline value m <sup>3</sup> /day			Outcome 2024		Target 2024		Target 2025		Target 2030	
	Base year	Europe	North America	Europe	North America	Europe	North America	Europe	North America	Europe	North America
Reduction of water usage in our mills, %	2020	316,000	–	–0.51%	–	–1%	–	–	–	–10%	–

Download pdf to print





Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
<b>Environmental information</b>	<b>74</b>
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

## Pollution of air, water and soil (E2-4)

Type of pollutant <sup>1,2</sup>	Outcome 2024	
	Amount of pollutant emitted to air (tons)	Amount of pollutant emitted to water (tons)
Methane (CH <sub>4</sub> )	6,298	–
Carbon monoxide (CO)	7,070	–
Hydro-fluorocarbons (HFCs)	7	–
Nitrous oxide (N <sub>2</sub> O)	137	–
Ammonia (NH <sub>3</sub> )	475	–
Non-methane volatile organic compounds (NMVOC)	2,328	–
Nitrogen oxides (NOx/NO <sub>2</sub> )	5,114	–
Sulphur oxides (SOx/SO <sub>2</sub> )	185	–
Total nitrogen	–	328
Total phosphorus	–	80
Arsenic and compounds (as As)	–	0.17
Cadmium and compounds (as Cd)	0.01	0.08
Chromium and compounds (as Cr)	–	0.55
Copper and compounds (as Cu)	–	0.62
Mercury and compounds (as Hg)	–	0.003
Nickel and compounds (as Ni)	0.12	0.36
Lead and compounds (as Pb)	–	0.14
Zinc and compounds (as Zn)	0.60	12
Halogenated organic compounds (as AOX)	–	251
Total organic carbon (TOC) (as total C or COD/3)	–	14,020
Chlorides (as total Cl)	–	15,078
Chlorine and inorganic compounds (as HCl)	27	–
Cyanides (as total CN)	–	0.07
Particulate matter (PM10)	818	–
<b>Total amount of pollutant emitted</b>	<b>22,462</b>	<b>29,771</b>

<sup>1</sup> The table presents the accumulated emissions from each production unit with emissions above the threshold in Annex II of Regulation (EC) No 166/2006.

<sup>2</sup> A hyphen indicates that the pollutant in question is not measured or that the reported values have not reached the applicable threshold in Annex II of Regulation (EC) No 166/2006.

Pollutants emitted to air are measured at several parts of Billerud's operation and have local variations. The emissions to air are monitored according to local legislation and in accordance with programs defined together with the authorities. Some emissions are monitored continuously, some are monitored through periodic measurements, and some are calculated from emission factors. The main sources of emissions are recovery boilers, lime kilns and bio boilers.

Pollutants emitted to water are based on level of pollutant effluents in water discharge. Level of pollutants are based on laboratory testing that is applied to the process effluent. The process effluent is monitored with flow meters and is verified using manual testing methods. Process effluent flow is continuously tracked throughout the year. The final effluent is also the metric used to determine water usage. Data for some pollutants of metals and COD (Chemical Oxygen Demand) to emissions to water

does not include Escanaba, since the mill does not measure these.

All our production units are regulated by permits. Production permits issued by governmental authorities define the specific environmental conditions for compliance and are monitored by regulatory agencies. Besides regulatory oversight, most of our production units are ISO 14001 certified. The production unit (Escanaba) that is not certified is planned to be so in the future and adhere to the same internal control documentation and internal reporting requirements as certified operations.



## Grievances – entity specific measures (E2-4)

Grievances reported	Outcome 2024
	Number
Smell	26
Noise	19

Grievances are followed up through notices from regulatory bodies or other instances of stakeholder contacts. Only logged grievances are tracked in this metric. Noise and negative odors are also part of production permits and subject to local and regional variations.

## Substances of concern and substances of very high concern (E2-5)

Chemical type	Outcome 2024
	Number, substance of concern, used in production or procured [pcs]
Substance of concern, process chemical	197

Substances of concern and substances of very high concern are used within the Group. Only substances of concern are included in this metric as substances of very high concern are limited to a few chemicals that are used in small quantities in controlled environments.

Due to complex relationships between used chemicals and share of classified content, Billerud will not be reporting on generated/used amounts in production, nor amounts that leave our facilities as emissions split between main hazard classes for this reporting period. The number of chemicals classified as, or including, substances of concern will be reported as an intermediary metric.

The number of substances of concern metrics are limited to Region Europe. We plan to follow up on this during the upcoming reporting period for both regions. This to improve our future reporting.

Regardless of chemical status we operate under cautious circumstances with our chemical use and handling. All chemicals used by Region Europe are tracked in a chemical handling system where safety data sheets are stored among other information regarding the chemicals. This is to ensure that there is comprehensive knowledge regarding the chemicals used. This system is used to filter out all substances that fulfills

the criterias for substances of concern in accordance with EU Regulations No 1907/2006 and No 1272/2008. The filtration is done for the production departments. The substances filtered out are quality checked by the environmental specialist at each mill in order to exclude non-process chemicals. This only applies to the European mills and for 2024. We also carry out individual risk assessments to mitigate and stay ahead of potential risks for both production and use of chemicals. The metric is not validated by an external body other than the assurance provider.

- Introduction 2
- Directors' report 23**
- Financial overview 23
- Corporate governance in Billerud 29
- Internal control over financial reporting 34
- Group Management Team 36
- Board of Directors 38
- Risks and risk management 40
- Sustainability statement 45
  - General information 46
  - Environmental information 74**
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

[Download pdf to print](#)



# ESRS E3 Water and marine resources

## Identification and assessment of material impacts, risks and opportunities (E3 IRO-1)

Billerud has conducted a double materiality assessment that considered its site locations and business activities to identify impacts, dependencies, risks, and opportunities on topics covered under the E3 – Water and marine resources. It has been identified that all material impacts, risks and opportunities connected to water come from Billerud’s production activities in its mills. For more information on the process, see IRO-1 on page 68.

To identify impacts, risks and opportunities connected to water, Billerud has used information from internal

stakeholders to represent internal and external interests. These internal stakeholders are in regular contact with surrounding communities and have insights into which permits are granted based on environmental impact assessments. Such assessments encompass the status of habitats and ecosystems and include consultation with local communities and stakeholders.

See overview of identified material impacts, risks and opportunities in SBM-3 on page 60.

### Descriptions of impacts

#### ● Water usage in operations

Water is an integral part of operations, where Billerud can impact water temperature and quality. Water consumption in areas of water stress can impact the environment by depleting natural water sources, altering ecosystems, and contaminating water bodies with pollutants. For affected communities, this can lead to water shortages, health risks from contaminated water, and reduced agricultural productivity. Billerud has one converter facility located in an area of high-water stress and overall water risk is medium high (Wisconsin Rapids). Since it is a converting facility, it uses small quantities of water compared to a pulp and paper mill.

## Policies (E3-1)

The Environmental Directive describes Billerud’s management of material impact related to water withdrawals and discharge and Billerud’s dependency on water for its operations. It states that Billerud is committed to using surface water in its production and to returning

most of it to the local body of water (acknowledging that some of the water is consumed as water vapor). The directive focuses mainly on impacts from Billerud’s own operations, especially the production units. However, it also includes impacts that occur within the value chain.

The directive states that Billerud should monitor water stress in the areas of our operations and handle potential risks. It also states Billerud’s ambition to limit water emissions according to the operating licenses. The directive does not address areas of high-water stress or risk, as Billerud does not have pulp and paper mills in areas of high-water stress.

For more information, such as about the ownership, third-party standards, initiatives, interest given to key stakeholders and how the directive is made available, see E2-1 on page 93.

● Impact ● Risk ● Opportunity

- Introduction 2
- Directors’ report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74**
    - Social information 114
    - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor’s report 155
- Other information 205

Download pdf to print



- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74**
    - Social information 114
    - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

## Actions and resources (E3-2)

We are committed to minimizing the impact of our water use and our impact on water quality. Surface water is mainly withdrawn for our production processes and returned to waterways. Sedimentation basins, biological treatment and chemical treatment, are among the techniques we use to eliminate contaminants from the wastewater before it is returned to the waterways. Billerud's production units are all located close to waterways so we can utilize the surface water without exerting a significant impact on the flow of the water. Apart from the surface water there is a minor usage of groundwater and, in some instances, municipal water

There is no significant water consumption in the pulp and paper manufacturing. Withdrawn water is used in a number of process steps, for example to wash pulp and to dilute pulp at the paper and board machines. Water is reused several times throughout the process

before being discharged as effluent. Water is also withdrawn to be used as a coolant in heat exchangers. The cooling water is uncontaminated and therefore safe to return to the waterway without any further treatment/purification. 2-5% of the water that is withdrawn is not released back to the source. This is primarily attributable to evaporation and the retained water content of our finished products.

Billerud has a high availability of water in the areas where we operate. To limit the impact on surrounding communities, Billerud has numerous systems to reuse as much water as possible at each site. Some systems can reuse the process water from other processes and some process waters can be purified and reused for the same application numerous times.

In our yearly water risk assessment in it was identified that our converter facility (Wisconsin Rapids) was in an area rated

as "medium-high", see section E3-4 metrics on page 100. Other production facilities are located in areas rated "low" or "low-medium". Based on the outcome of the water risk assessment, no related impact has been assessed as significant for Billerud. However, during specific weather events, our production units may face water restrictions, which could lead to a negative impact on production. For this reporting, we have applied the WRI's Aqueduct Global Water Tool.

Billerud does not operate any pulp and paper mills in areas of high-water risk or high-water stress. All Swedish production units are members of a local water management association where, together with affected stakeholders including supervisory authorities, we collaborate on issues relating to the recipient's status, such as monitoring and management. In Quinnesec, a water conservation team is focused on imple-

menting further ways to reduce water usage by changing behaviors regarding water usage, ensuring tanks are not overflowing, increasing operator rounds during startups to catch open valves, and shutting off hoses.

All our mills measure and track their process effluent with the aim of setting up local goals for process effluent. This process has begun in Europe, with a target for 2030 to have significantly reduced our process effluent which will reduce the water usage. This relates to Billerud's target to reduce water usage. Billerud's action plan connected to its water target is further described in section E2-2 on page 94.

## Metrics and targets

### Targets (E3-3)

Billerud has a voluntary target to reduce the wastewater flow to the wastewater treatment in our Swedish and Finnish production units by 10%. We have also set a short-term goal for a 1% reduction by the end of 2024. Billerud's target related to reducing water usage aims to drive a proportional reduction of wastewater flow to external treatment plant. The target is not based on conclusive scientific evidence.

This will result in a positive impact on the function of the treatment plant, with potential to further reduce emissions of organic matter and nutrients. Over the coming years we plan to review and integrate our North American mills in these ambitions.

The target is interlinked with reducing water pollution. Outcomes and methodology are described in detail in E2-2 on page 94.

## Water consumption (E3-4)

### Metrics

Billerud's metrics for water consumption are based on a study for Nordic pulp and paper mills that was conducted by IVL Swedish Environmental Research Institute. The water consumption includes water retention in products and leaving the production facilities as steam. Water consumption from evaporation and retention are based on assumed 5% loss from quantities of

water withdrawal, in cases where mills cannot determine its flows. However, we are working towards all mills being able to determine their flows. None of the consolidated metrics that constitute the outcome for 2024 have been validated by an external body other than the assurance provider.

### Water consumption

	Outcome 2024
	million m <sup>3</sup>
Total water consumption in areas not at water risk	11
Total water consumption in areas at water risk, including areas of high-water stress <sup>1</sup>	-
<b>Total water consumption</b>	<b>11</b>
Total water recycled and reused <sup>2</sup>	-

<sup>1</sup> Based on the outcome of the water risk assessment, no related impact has been deemed significant for Billerud.

<sup>2</sup> Billerud recycle and reuse water within the production facilities, but Billerud is unable to measure or estimate the amount of water that is recycled or reused for this reporting.

### Water intensity

	Outcome 2024
	million m <sup>3</sup> /SEKm net revenue
Water intensity: total water consumption in own operations	0.0003

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# ESRS E4 Biodiversity and ecosystems

## Identification and assessment of material impacts, risks and opportunities (E4 IRO-1)

Billerud has conducted a double materiality assessment to identify impacts, risks, dependencies and opportunities related to biodiversity within its own operations and value chain. For a full description of the double materiality assessment process, see IRO-1 on page 68. The process assessed both actual and potential impacts on biodiversity and ecosystems within Billerud's own site locations and its value chain, with a primary focus on the areas of wood supply and harvesting. The assessment covered all four biodiversity sub-topics under E4 – Biodiversity and ecosystems, as well as their sub-sub topics.

The double materiality assessment assessed both biodiversity transition risks, such as regulatory changes, supply chain risks and market shifts, as well as physical risks connected to reduced resilience due to severe weather events, invasive species, and risks to provisional services. Biodiversity related dependencies have been assessed when considering material negative impacts and risks. The identified risk within biodiversity, described under E4 SBM-3 on page 103, is connected to transitional risks and increased regulations impacting the supply and price of wood raw

material. Biodiversity is also closely linked to climate change, and the identified physical risks related to decreased wood supply due to climate change and severe weather events is covered in E1 – Climate change on page 74.

Systemic biodiversity risks assessed focus mainly on how climate change can impact biodiversity as well as how the loss of species and biodiversity locally can impact provisional services.

Billerud did not consult directly with affected communities during the double materiality assessment but held interviews with internal stakeholders who are in regular dialogue with communities and other external stakeholders, such as agencies and organizations in areas where Billerud operates. In addition, Billerud engages with affected communities about wood sourcing through ongoing dialogue and consultations, especially with those responsible for forestry practices. For example, reindeer herding representatives are consulted in relevant regions, to ensure that forestry operations do not negatively impact local livelihoods. See more in section S3 - Affected communities on page 136. Billerud also encourages stakeholders, including neighbors and smaller

private forest owners, to participate in discussions about forestry management measures.

Billerud's forestry management activities as well as other forestry activities carried out within Billerud's supply chain both have a positive and negative impact on local biodiversity ecosystem services.

Some examples of how Billerud's activities can have an impact on affected communities are:

- Reindeer husbandry – logging activities can contribute to the removal of lichens, which affects food supply, or to locally changed forest area, which influences how reindeer move
- Berry picking – logging activities can be beneficial for some species, such as raspberries, which in turn can have a positive impact on berry-picking businesses
- Local communities – logging activities can disturb public recreational activities, sports clubs and similar, but can also benefit the same when consulted

To prevent negative impacts from materializing, Billerud maintains trans-

parency through digital channels, direct contact, consultation meetings, documentation of opinions from local residents and following up to determine relevance and action. This includes consultations, such as putting up local notices and distributing information leaflets in nearby areas, as well as preventive measures such as ensuring responsible forestry practices and abiding to compliance with certifications and laws. Read more under E4-3 on page 106.

Billerud owns forests in Sweden and conducts forest management activities on sites in Sweden and in Lativa. Only a small fraction of Billerud's wood supply comes from fully owned forests. For a share of the wood supply, Billerud has been engaged in and had some influence and insight over the forest management practices related to Bergvik Skog Öst's forests.

Billerud owns pulp and paper mills in Europe and North America. We do not have any production units in or near biodiversity-sensitive areas. Some of the sites where Billerud owns forest are located in biodiversity-sensitive areas, however Billerud does not conduct forestry management activities

in such areas. Some of the sites where Billerud conducts forestry management activities, are located near biodiversity-sensitive areas (Natura 2000, Key Biodiversity Areas (KBAs), Nature reserves and National Parks).

Billerud does not conduct any forestry management activities in biodiversity-sensitive areas. To the best of our knowledge, no operations lead to Billerud negatively impacting natural habitats or disturbing species in the protected areas that have been designated to protect them. Billerud conducts activities in UNESCO biosphere reserves, which are also defined as "other protected areas" (as referred to in Appendix D of Annex II to Commission Delegation Regulation (EU) 2021/2139 (8)). The forests in these areas are not formally protected under any restrictions or regulations in Sweden.

As Billerud sometimes operates in locations near biodiversity-sensitive areas, Billerud applies biodiversity mitigation measures. This includes nature value assessments, establishing buffer zones, and consulting with authorities when working near or in biodiversity-sensitive areas.

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74**
    - Social information 114
    - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

[Download pdf to print](#)



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
<b>Environmental information</b>	<b>74</b>
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

Locations of sites:	Sites near biodiversity-sensitive areas:				Type of Activity
	Natura 2000	UNESCO World Heritage Sites	Key Biodiversity Area	Other protected areas <sup>1</sup>	
<b>Billerud production units</b>					
Gruvön	–	–	–	–	Pulp and paper production
Karlsborg	–	–	–	–	
Frövi / Rockhammar	–	–	–	–	
Skärblacka	–	–	–	–	
Gävle	–	–	–	–	
Pietarsaari	–	–	–	–	
Escanaba	–	–	–	–	Converting facility
Quinnesec	–	–	–	–	
Wisconsin Rapids	–	–	–	–	
<b>Billerud-owned forest sites<sup>2</sup></b>					
<b>Swedish counties</b>					
Dalarna	✓	–	–	✓	Billerud owns forests and conducts limited forestry activities
Uppsala	–	–	–	–	
Gävleborg	–	–	–	✓	
Örebro	–	–	–	–	
<b>Billerud manages forestry operations but does not own sites<sup>2</sup></b>					
<b>Swedish counties</b>					
Norrbottn	✓	–	✓	✓	Billerud conducts forestry activities
Dalarna	✓	–	✓	✓	
Gävleborg	✓	–	–	✓	
Uppsala	✓	–	✓	✓	
Stockholm	✓	–	–	✓	
Södermanland	✓	–	–	✓	
Västmanland	✓	–	✓	✓	
Örebro	✓	–	–	✓	

Locations of sites:	Sites near biodiversity-sensitive areas:				Type of Activity
	Natura 2000	UNESCO World Heritage Sites	Key Biodiversity Area	Other protected areas <sup>1</sup>	
<b>Latvian municipality<sup>2</sup></b>					
Aizkraukles	–	–	–	–	Billerud conducts forestry activities
Alūksnes	✓	–	–	–	
Augšdaugavas	–	–	✓	–	
Balvu	–	–	✓	–	
Bauskas	–	–	✓	–	
Cēsu	✓	–	✓	–	
Dobeles	–	–	✓	–	
Gulbenes	–	–	✓	–	
Jelgavas	–	–	✓	–	
Jēkabpils	–	–	✓	–	
Krāslavas	✓	–	✓	–	
Kuldīgas	–	–	✓	–	
Limbažu	–	–	✓	–	
Ludzas	✓	–	✓	–	
Līvānu	–	–	✓	–	
Madonas	–	–	✓	–	
Ogres	–	–	✓	–	
Preiļu	–	–	✓	–	
Ropažu	–	–	✓	–	
Rēzeknes	✓	–	✓	–	
Salaspils	–	–	–	–	
Saldus	✓	–	✓	–	
Saulkrastu	–	–	✓	–	
Siguldas	✓	–	✓	–	
Smiltenes	–	–	✓	–	
Tukuma	✓	–	✓	–	
Valkas	–	–	✓	–	
Valmieras	✓	–	✓	–	
Varakļānu	–	–	✓	–	
Ventspils	✓	–	✓	–	
Ķekavas	–	–	–	–	

<sup>1</sup> Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139 ( 8 )

<sup>2</sup> Sites have been mapped at an aggregated level: for Sweden, this is based on the county level, and for Latvia, this is based on the municipal level.

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# Material impacts, risks and opportunities and their interaction with strategy and business model (E4 SBM-3)

During the double materiality assessment, Billerud identified that activities in all sites where Billerud conducts forestry management activities can negatively impact biodiversity. To the best of our knowledge, none of the sites where Billerud conducts forestry management activities have any negative impact on biodiversity-sensitive areas. Billerud's operations might potentially impact threatened species in all areas of operations, however, not in biodiversity-sensitive areas.

Based on legislative changes, together with the general implementation of forest certification in the 1990s, structures that promote biodiversity in the Swedish boreal landscape have increased.

The identified impacts, risks and opportunities related to this standard, cover all sites where Billerud has active harvesting management operations or sources wood material, as seen under E4 IRO-1 on page 101. See overview of identified material impacts, risks and opportunities in SBM-3 on page 60.

### Description of impacts

#### ● Impact on biodiversity loss from greenhouse gas emissions

Billerud contributes to greenhouse gas emissions both in its own operations (scope 1 and 2) and in its value chain (scope 3). As greenhouse gas emissions are one of the biggest drivers of biodiversity loss, these emissions contribute to negative impacts on biodiversity.

#### ● Impact on biodiversity loss from sourcing/harvesting wood material

Billerud has a negative impact on biodiversity from sourcing and its own harvesting activities of wood raw materials. The impact occurs when extracting wood at the end of the life cycle before starting up a new forest life cycle.

#### ● Impact on species from sourcing/harvesting wood material

Billerud impacts species from sourcing and its own harvesting activities of wood raw material. Extraction of wood at the end of the life cycle and start of the next forest life cycle negatively impacts certain species. This is due to areas for species being removed over a significant period of time, which has a negative impact on the size of species. Billerud also has a potential negative impact on threatened species.

### Activities that can harm species include:

- **Regeneration felling:** A part of the habitats for forest-dwelling species disappears for a period of time when conducting regeneration felling
- **Extraction of wood material:** Leads to less dead wood being created in the forest when stem wood and felling residues are removed. This affects some species negatively, even if felling residues that are left when removing the stem wood does not harbor most species
- **Change of forestry landscape** when conducting forestry can negatively impact species and threatened species
- **Impacts on ecosystems' provisioning services from sourcing/harvesting wood material**  
Billerud's sourcing and its own harvesting operations of wood raw materials harms local ecosystems provisioning services in the short term. Some harvesting practices can lead to a negative impact on soil composition, which in turn impacts biodiversity provisioning services, which Billerud is dependent on.

### ● Impacts on soil and ecosystems from sourcing/harvesting wood material

Billerud can have a negative impact on biodiversity and local ecosystems from sourcing and its own harvesting operations of wood raw materials. The most significant impact is believed to be related to soil erosion and biodiversity loss. Some practices that can have an impact include:

- **Clearing of existing ditches:** The ground becomes drier. Soil chemistry also changes with, for example, a higher rate of decomposition as a result
- **Planting:** The choice of tree affects the pH and chemistry of the soil. A deciduous forest produces a higher pH than a coniferous forest. With today's site-specific forestry, Billerud tries to plant the type of tree that would naturally have grown on that land.
- The double materiality assessment did not identify any material impact connected to desertification or soil sealing

### Description of risks and opportunities

#### ● Increased regulations and restrictions on wood supply for biodiversity purposes

Stricter EU or national regulation on preserving forests for biodiversity purposes could introduce financial risks for Billerud and its ability to source wood raw material. While regulations also introduce opportunities for biodiversity, they can contribute lower availability of wood supply and/or increased prices.

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74**
    - Social information 114
    - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print



# Transition plan and consideration of biodiversity and ecosystems in strategy and business model (E4-1)

Billerud's biodiversity transition risk concerning increased regulations and restrictions on wood supply for biodiversity purposes, as displayed in E4 SBM-3 on page 103, is considered to be prevalent in Billerud's own operations (forestry management activities) but is assessed to be larger in regard to sourced wood raw material.

The risk of stricter regulation affecting the supply and price of wood material is considered in Billerud's Enterprise Risk Management (ERM) system and assessed on a yearly basis. The risk has been considered in Billerud's double materiality assessment with the ESRS time horizons of less than a year, 1-5 years and above five years, and the risk is considered to be relevant in both the short term, medium term and long term perspectives. However, no current financial risk has materialized during the reporting year from biodiversity related legislation.

As wood raw material and pulp account for a third of Billerud's operating costs, a price increase in this segment is considered a significant risk. The transitional risk originates from regulatory changes but could trigger adaptation of our business model and strategy.

To reduce the risk associated with the supply and price of wood raw material, the European Wood Supply unit focuses on optimizing the value chain and building long-term relationships with suppliers. Moreover, this risk is included in our ERM system and in our climate change risks assessment, including key assumptions, as described in E1 – Climate change on page 74. In addition, Billerud's Sustainability & Public Affairs department monitors regulatory changes that could impact the supply of wood raw material.

The risk assessment is conducted internally with stakeholders from within Billerud contributing to the risk rating process. Billerud does not have a communicated biodiversity transition plan but is aligning its actions within biodiversity with relevant local, national, and global goals for biodiversity.

During 2025, Billerud will conduct an assessment to map the alignment of its actions and targets within biodiversity in accordance with the Kunming-Montreal Global Biodiversity Framework and the EU Biodiversity Strategy for 2030.

1 FSC-C004906, FSC-C020000, FSC-C108771, FSC-C108782, FSC-C014984, FSC-C023846  
2 PEFC/05-33-114, PEFC/05-33-136, PEFC/05-33-135, PEFC/05-33-137, PEFC/29-31-92, PEFC/05-31-78

# Policies (E4-2)

Two directives govern Billerud's activities within wood supply: the Wood Supply Directive, with a primary focus on the sourcing of wood materials and the Sustainable Forestry Directive, which focuses more on Billerud's own forestry activities in Europe. Billerud does not have any sustainable land or agricultural policy, nor any sustainable ocean or sea practices policy, as this is not relevant for Billerud.

## Wood Supply Directive

The directive outlines Billerud's commitment to ensure traceability of sourced wood material (as this directive covers all upstream sourced wood material). The directive states Billerud's ambitions to support responsible forestry and traceability. It describes the Billerud systems in place to trace the origin of wood used in our products to ensure that it originates from responsible and non-controversial sources. All wood raw material entering Billerud's production is either delivered as certified wood, controlled wood, or is subject to Billerud's due diligence system.

The directive applies globally across all Billerud business activities and operations, including its subsidiaries and contractors. It covers all wood based materials used by Billerud, such as pulp, roundwood, wood chips, and biofuel, collectively referred to as "wood". The directive requires that all representatives and contractors follow its guidelines. The key priority of the directive is sourced wood raw material.

The owner of the directive is the Senior Vice President Procurement & Wood Supply at Billerud.

The directive adheres to third-party forest certification standards, including third-party certified to chain of custody standards set by the Forest Stewardship Council® (FSC®)<sup>1</sup>, and standards endorsed by the Programme for the Endorsement of Forest Certification (PEFC)<sup>2</sup>, as well as the Sustainable Forestry Initiative® (SFI®) in North America. These certifications ensure compliance with responsible forest management practices, biodiversity protection, and legal requirements. Billerud's due diligence system ensures that all purchases follow the procedures set out by FSC® Controlled Wood, which mitigates the risk of forest products originating from unacceptable sources. Which also includes process for Controlled Sources in PEFC Chain of Custody, and comply with the EUTR and US Lacey Act timber legislations.

The directive acknowledges the importance of balancing economic, social, and environmental needs, reflecting a commitment to responsible forestry practices that align with stakeholder expectations. Additionally, it incorporates the spirit of the ILO Declaration on Fundamental Principles and Rights at Work and the UN Declaration on the Rights of Indigenous Peoples, demonstrating sensitivity to the rights of societal stakeholders.

For reporting non-compliance, Billerud's Speak-Up Line channel is available for

stakeholders to voice concerns or seek clarification.

## Sustainable Forestry Directive

The directive establishes Billerud's approach to responsible forestry, focusing on practices that support long-term timber yield, biodiversity, water quality, cultural preservation, and recreational opportunities. The directive outlines forestry management practices, including silviculture, harvesting, road construction, and environmental conservation. It emphasizes compliance with Swedish forest industry requirements, environmental laws, and independent certification systems.

This directive applies only to Billerud's European operations and purchases, affecting all individuals working for or on behalf of Billerud, including employees, contractors, and board members. The scope of the policy is Billerud's European operations, as it is only in these regions that Billerud has forestry operations.

The owner of the directive is the Senior Vice President Procurement & Wood Supply at Billerud.

The directive aligns with to the Forest Stewardship Council (FSC®) and Programme for the Endorsement of Forest Certification (PEFC) standards.

The directive indicates Billerud's commitment to open communication and constructive dialogue with stakeholders, reflecting a consideration of public and partner expectations. It also involves

- Introduction 2
- Directors' report 23**
- Financial overview 23
- Corporate governance in Billerud 29
- Internal control over financial reporting 34
- Group Management Team 36
- Board of Directors 38
- Risks and risk management 40
- Sustainability statement 45
  - General information 46
  - Environmental information 74**
  - Social information 114
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print





Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
<b>Environmental information</b>	<b>74</b>
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

## Environmental information

certified contractors, ensuring they uphold environmental, quality, and safety standards in forestry operations.

For reporting non-compliance, Billerud has the Speak-Up Line channel for stakeholders to voice concerns or seek clarification.

Both directives cover the identified material impacts and risks related to direct impact drivers on biodiversity loss, impact on the state of species, impacts on the extent and condition of ecosystems as well as impacts and dependencies on ecosystem services. Only the impact on biodiversity loss from greenhouse gas emissions is covered in Billerud's Sustainability Policy and

Environmental Directive, as described in E1-2 on page 81.

The directives do not cover the identified transition risk of the increased price of wood raw material due to more stringent forestry regulations.

### Other biodiversity notions in policies

Both directives address production, sourcing or consumption from ecosystems that are managed to maintain or enhance conditions for biodiversity, as demonstrated by regular monitoring and reporting of biodiversity status and gains or losses. The Sustainable Forestry Directive mandates that Billerud should use forestry practices designed to protect biodiversity and ecosystem

health. This ensures that Billerud's own production activities sustain and improve conditions for biodiversity within managed forest areas.

The Wood Supply Directive covers Billerud's commitment to achieving a sustainable balance among economic, social, and environmental needs when securing wood raw material. Furthermore, the directive states that Billerud should not source wood from activities where the United Nations Declaration on the Rights of Indigenous Peoples (2007) is not met or source wood in violation of traditional and civil rights. The Sustainable Forestry Directive states that in its forestry management activities, Billerud should ensure that historically valuable cultural environments are preserved,

and that jobs and recreational opportunities are protected.

The Sustainable Forestry Directive emphasizes that Billerud should take considerations when conducting forestry management activities in sites near biodiversity-sensitive areas.

Both directives specifically address deforestation and state Billerud's No Deforestation commitment, which outlines Billerud's commitment to maintaining a deforestation-free supply chain and not conducting deforestation in its own activities. The Wood Supply Directive states Billerud's commitment to ensure no sourcing of wood from any areas or suppliers where deforestation is taking place.

Impacts, risks and opportunities	Wood Supply Directive	Sustainable Forestry Directive
Direct impact on biodiversity loss	Ensures that Billerud avoids sourcing from high-risk deforestation areas, and protecting biodiversity by only sourcing from certified and verified suppliers	Implements forestry practices that actively protect biodiversity, such as preserving natural habitats and sensitive areas within managed forests
Impact on the state of species	Ensures suppliers adhere to certifications like FSC® and PEFC, which include measures to protect habitats and prevent harm to endangered species	Complies with Swedish forestry standards, promoting practices that ensure survival conditions for all native plant and animal species
Impacts on the extent and condition of ecosystems	Requires transparent sourcing and prohibits sourced wood from ecologically sensitive regions, thus helping maintain ecosystem integrity	Ensures careful planning and harvesting to preserve water quality, soil health, and forest landscapes, thereby supporting ecosystem resilience
Impacts and dependencies on ecosystem services	Supports responsible wood sourcing, relying on ecosystems to provide renewable materials while aiming to minimize ecosystem degradation	Integrates sustainable management of forests to ensure long-term availability of ecosystem services like clean water, timber, and recreation

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# Actions and resources (E4-3)

Renewable raw materials from the forest are Billerud's most important resource. Responsible forestry, whereby the social and biological assets of forests are preserved, is necessary to ensure a stable wood supply for years to come. Due to this dependency on biodiversity and local ecosystems for sustaining wood raw material, biodiversity is vital to our operation. We continuously work to mitigate our impacts on biodiversity and local ecosystems both from upstream sourced raw material, as well as in our own forestry operations. The actions presented below are not connected to significant operational or capital expenditures over significant thresholds. The actions are recurring.

### Upstream sourced wood material Billerud Group Sourcing of domestic wood and wood from nearby areas

During 2024, 99.2% of our wood raw material used in the European mills (including pulp wood, chips and pulp) was sourced from European forest, with 66.6% coming from Swedish forests and 12.2% from Finnish forests, with the rest coming mainly from Norway and the Baltic countries. During 2024 9.7% came from Norwegian forests and 10.0% from the Baltic countries. 1.5% of the wood raw material was sourced from other countries<sup>1</sup>. A smaller portion of the external pulp has been estimated based on 2023 origin figures, to calculate the origin of the pulp for our European operations. In our North American operations, 97.6% of the wood supply (including

pulpwood, chips and pulp) came from the area surrounding our mills in Michigan and Wisconsin, and a small proportion, 2.4%, came from Canada.

In total, Billerud purchased 14.6 million cubic meters of wood raw material (under bark) in 2024, of which 11.6 million cubic meters was to our European operations and approximately 3.0 million cubic meters was for our operations in North America.

Billerud has procedures and guidelines in place to avoid purchasing raw material from illegal felling operations, from forests with high conservation values, from regions with serious social conflicts, and where felling leads to deforestation. Furthermore, we educate contractors on planning guidance, felling guidance, and other biodiversity-positive harvesting methods.

### Impact on biodiversity (all impacts, risks and opportunities)

Sourcing from nearby locations allows for enhanced control, adherence to local responsible forestry practices, and minimized environmental impact due to shorter transportation distances. This links to the objectives of the Wood Supply Directive to maintain competitive wood-based raw material cost and through balanced stock levels, create stability to adapt to variations in wood supply and in the production demand. Region Europe and Region North America work towards having a vast majority of their raw materials sourced from nearby areas.

### Supply chain transparency

Billerud requires all suppliers in both Europe and North America to commit to its Supplier Code of Conduct, which includes biodiversity considerations. As of year-end 2024, 92% of suppliers had signed this Code, ensuring the company's wood sourcing meets responsible forestry standards. The action is recurring and measured on an annual basis as described in S2-5 on page 135. The action contributes to the policy objective to support and actively comply and promote international standards regarding environment, human rights, working conditions, anti-corruption and business ethics, in alignment with the Supplier Code of Conduct.

### Region Europe

#### FSC® and PEFC Certification

Billerud ensures its European wood sourcing complies with FSC® and PEFC certification standards, which focus on responsible management and biodiversity protection. The action is recurring and its expected outcome is to ensure safeguarding high-conservation-value forests and promoting species diversity in Billerud's operations.

### Region North America

#### FSC®, PEFC and SFI® Certification

Billerud strives to maximize sourced wood raw material from forests certified to FSC®, SFI®, and PEFC-endorsed forest management standards. Additionally, Billerud sources wood raw material from suppliers who are SFI Qualified Logging Professionals, trained to comply with the SFI Fiber Sourcing

standard, which includes responsible forestry practices, safety, and protection of biodiversity and water resources. Billerud's suppliers follow guidelines that protect habitats and maintain forest ecosystems. The action is recurring and its expected outcome is to ensure responsible forestry practices in regards to sourced wood raw materials.

### Own forestry activities

Billerud only conducts forestry management activities in Sweden and Latvia. We conduct responsible forestry management, which includes many activities which aim to benefit biodiversity and the ecosystem as well as mitigate any negative impacts from our activities. This is the scope for all actions below.

### Closer to Nature Forestry

In Europe, Billerud strives to apply the Closer to Nature Forestry approach to enhance local biodiversity. This includes selective harvesting and maintaining mixed-age forests to mimic natural processes. Buffer zones around watercourses and biotopes are established to protect sensitive ecosystems.

As part of our forest management efforts in Europe we take measures to protect valuable habitats so that naturally occurring plants and animals can continue to live in the forest. These measures include the following:

- When felling, all the dead trees are left, and high stumps are created to resupply dead wood in the forest, which insects, fungi and small animals need in order to survive

- Clearing and thinning operations are planned to provide more room for remaining trees to grow
- To protect the ecology around watercourses and other sensitive biotopes, buffer zones are created and retained where necessary
- Deciduous trees are encouraged, which is positive for biodiversity, and can, for example, also help forests withstand storms better
- Individual endangered species are protected. For example, we are working with the lady's slipper orchid, nests for northern goshawks and the creeping lady's-tresses
- In FSC® certified forestry, at least 10% of the productive forest land area is set aside for conservation or social purposes
- Conservation burning is carried out to promote fire-dependent biodiversity

### Actions connected to mitigation of biodiversity loss/extent and dependencies

#### In own activities/operations

- Billerud uses "The Billerud Model" for forestry practices (ensuring planning guidance including nature value assessment, felling guidance, etcetera), use principles like controlled conservation burning to improve the conditions for rejuvenation and a habitat for species, and avoids practices that are harmful to biodiversity, such as ditching
- Billerud has targets for knowledge and competence among forestry workers

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74**
    - Social information 114
    - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print

<sup>1</sup> Brazil, Germany, Poland and UK (including Ireland and Scotland).



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
<b>Environmental information</b>	<b>74</b>
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

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- Billerud conducts field surveys to control the impact on biodiversity, species, and ecosystems, and engages with affected communities
- These actions are recurring, and the expected outcomes are to support responsible forestry management

**Actions connected to the state of species**

**Controlled conservation burning**  
Controlled burning of newly felled forest, to mimic the occurrence of natural forest and improve the conditions for rejuvenation, can have a positive environmental impact. Forest fires have a central role in the ecology of the forest. Forest fires are necessary for the habitats of some species and thus create a very concrete benefit.

**Species protection**

Billerud works to preserve natural species in the forests that are at risk due to biodiversity changes when harvesting. For example, by engaging with the Swedish Society for Nature Conservation, Billerud supports the protection of the white-backed woodpecker and the pool frog. Another example of nature preservation is Billerud's collaboration with Upplandsstiftelsen, to preserve over 200 red-listed species listed in Vällena.

## Stakeholder engagement

Billerud engages with local communities and stakeholders, including indigenous groups such as reindeer herders in Sweden, to minimize impacts on biodiversity and local ecosystems. Stakeholder engagement is a recurring action and carried out proactively to prevent negative impacts on communities.

Billerud always consults with local communities in areas where we operate, to ensure the protection of jobs and recreational opportunities. By constantly engaging in dialogue with local communities, Billerud gains a better understanding of how its forestry management practices can positively and negatively influence local communities, and how specific practices can minimize impacts. Read more on how affected communities inform our strategy development in S3 – Affected communities on page 136.

Billerud does not use biodiversity offsets within its own forestry operations or upstream wood supply.

## Metrics and targets

**Targets (E4-4)**

Billerud has two outcome-oriented targets related to biodiversity and ecosystem services. The targets are connected to Billerud's Sustainable Forestry Directive and Wood Supply Directive.

**Proportion of domestic wood supply**

By increasing the share of domestic wood supply, Billerud can lessen biodiversity related impacts such as greenhouse gas emissions from transportation as well as increase opportunities for collaboration with suppliers and promote responsible forestry practices in line with Billerud's Wood Supply Directive. The target covers Billerud's upstream purchasing of wood raw material.

To support this ambition, the target for the proportion of domestic wood supply is set as a relative target, covering all regions from where we source wood raw materials (North America and Europe). Domestic is defined as EU, Norway and the UK for Europe, and the US and Canada for North America. The target was redefined in 2023 due to Billerud's acquisition of the mills in North America. Thus, the base year is 2023 with the baseline value of 99.5% for Europe and 100% for North America. The target is reevaluated each year, where the target for 2024 is 96%, and the target for 2025 is 96%. The outcome for 2024 is 100% for Europe and 100% for North America. There are no interim targets. This means that Billerud managed to reach the 2024 target on 96% for both regions, which

was due to a high focus on sourcing wood effectively and responsibly, in line with the company strategy. The target is tracked annually based on calculation of the volume of wood raw material that is sourced from the respective regions. The target is not set based on conclusive scientific evidence. No external stakeholders were involved in setting the target.

The target for increasing the share of domestically sourced wood material aims to enhance the use of local wood resources. This contributes to reducing biodiversity loss caused by greenhouse gas emissions, as shorter transport distances lower emissions. It also mitigates the impacts of direct exploitation and land degradation, as sourcing locally allows Billerud to collaborate closely with nearby suppliers and promote responsible forestry practices. This target covers the entire Billerud Group.

**Group-certified forest owners in Billerud's group certificates for FSC® and PEFC**

By increasing the amount of certified forest owners in Billerud's group certificate for FSC® and PEFC, we can move towards our ambition to ensure that suppliers we work with are contributing to responsible forestry management, as stated in our Sustainable Forestry Directive. The FSC® and PEFC certification ensures that wood raw material comes from responsible forestry practices that preserves habitats, protects species,

and maintains ecosystem services essential for biodiversity. To support this ambition, the target is set as an absolute target, covering our Swedish forestry management operations. The target covers Billerud's own and controlled operations.

The target is an absolute target, with the baseline year 2013. The baseline value is 71. The target is reevaluated each year. The target for 2024 is 320. Due to a human error, the 2024 target was reported to be 260 forest owners in the Annual and Sustainability Report 2023. The 2025 target, defined in 2024, is to certify 35 additional wood owners than during 2024. The target is based on data from monitoring the number of group certificates per month. The target is not set based on conclusive scientific evidence. No external stakeholder was involved in setting the target.

The outcome for 2024 is 279, which means that Billerud did not manage to reach its target set for certified forest owners. This is not in line with initial plans. The target was not met due to the fact that the strained forest market resulted in a weak interest for forest owners to become certified.

The target for group-certified forest owners addresses multiple impacts, including direct exploitation, species population decline, biodiversity provisioning services of wood raw materials, and land degradation. Certification



- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74**
    - Social information 114
    - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print

**E4 – Biodiversity and ecosystems**

Proportion of domestic wood supply, %<sup>1</sup>  
 Group-certified forest owners in Billerud's group certificates for FSC and PEFC, number<sup>2</sup>

<sup>1</sup> Domestic wood supply: Wood sourced from Europe to our European operations. Wood sourced from USA and Canada to our North American operations. Excluding market pulp.  
<sup>2</sup> Only includes Swedish forestry operations.

through FSC® and PEFC supports the development of more responsible forestry management practices. This target only covers Region Europe.

Both targets are set to give insights into the origin of Billerud's wood material as well as to track the effectiveness of Billerud's work in Europe with certifying forest owners according to FSC® and PEFC standards. As such, ecological thresholds have not been applied directly when setting targets. Billerud also tracks the effectiveness of its sustainable forestry management by reporting on metrics connected to biodiversity indicators, as disclosed in E4-5 on page 108.

The targets have not been informed or aligned with the Kunming-Montreal Biodiversity Framework, EU Biodiversity Strategy for 2030, or other biodiversity and ecosystem-related national policies and legislation.

Billerud has not used biodiversity offsets in setting the targets. The targets focus on minimizing biodiversity impacts by sourcing domestically and from certified forests. This is related to the mitigation hierarchy and avoidance of sourcing material from non-certified and biodiversity negatively impacted locations, as well as minimization, restoration and rehabilitation (certification ensures that biodiversity impacts are responsibly managed).

**Metrics (E4-5)**

The table to the right demonstrates the number and area of sites owned, leased or managed by Billerud, that is located in or near protected areas or key biodiversity areas. When presenting the hectares of such areas, the hectares for the entire site located in or near biodiversity sensitive areas are presented.

To follow-up progress related to our work on biodiversity, Billerud also presents entity-specific metrics related to conducted biodiversity assessments for managed land. Such metrics demonstrate our follow-up activities for biodiversity considerations after felling activities are completed. These activities are carried out with the aim of assessing compliance with environmental considerations in regeneration felling. It also provides Billerud with guidance on how to prioritize future follow-up activities, trainings and methods to improve our work. During 2024, Billerud conducted such biodiversity considerations follow-up activities in 120 sites. 60 of those sites are located on Bergvik Skog Öst AB, the largest landowner Billerud conducts felling operation for. The other 60 sites are located on small landowner forests where Billerud conducts forestry management activities. These sites constitute sample sites, which are located in Sweden and covers a smaller portion of Billerud's completed harvests conducted in 2024.

For each of the 120 sites, metrics are evaluated and reported to measure compliance with The Swedish Forest Agency, FSC® and PEFC Forest Management standards. Not all indicators are represented on each site, due to nature's own variation. The metrics below are presented as percentages relative to the sites where each indicator was represented during follow-up activities. All indicators individually

describe how Billerud's forestry can maintain and increase biodiversity. For example, buffer zones are areas exempted from felling to protect the ecology around watercourses and other sensitive biotopes. The creation of high stumps are purposed to protect and resupply dead wood in the forest, which insects, fungi and small animals need

in order to survive. When we live up to these indicators, we comply with the law and certification. Note that there could be a certain degree of subjectivity and assumptions included in the conducted inventories that results in the reported metrics. None of the metrics have been verified by an external third party other than the assurance provider.

	Baseline value				Outcome 2024			Target 2024			Target 2025		
	Base year	Europe <sup>1</sup>	North America	Total	Europe <sup>1</sup>	North America	Total	Europe <sup>1</sup>	North America	Total	Europe <sup>1</sup>	North America	Total
Proportion of domestic wood supply, % <sup>1</sup>	2023	99.5%	100%	–	100%	100%	–	96%	96%	–	–	–	–
Group-certified forest owners in Billerud's group certificates for FSC and PEFC, number <sup>2</sup>	2013	71	N/A	N/A	279	N/A	N/A	320	N/A	N/A	314	N/A	N/A

Number and hectares of sites owned, leased, or managed in or near protected or key biodiversity areas	Outcome 2024	
	Number	Hectares
Sites owned, leased, or managed in or near protected or key biodiversity areas <sup>3</sup>	3,469	28,641

<sup>3</sup> A site is a single, delimited area where felling (harvesting or thinning) takes place. It is a unique ownership constellation and separated both in terrain and on a map from other sites.

Biodiversity indicators <sup>4</sup>	Outcome 2024
<b>Follow-up of considerations, about 120 sites</b>	
Proportion of acceptable sites in terms of consideration for social values, such as trails and tracks, %	91
<b>Quality of nature conservation and cultural considerations in follow-up:</b>	
Proportion of sites without rutting with a major or moderate impact >85%	87
Proportion of sites with acceptable buffer zones >90%	97
Proportion of acceptable buffer zone area, %	98
Proportion of acceptable handling of sensitive habitats >85%	98
Proportion of acceptable sensitive habitat area, %	99
Proportion of correct handling of high stumps >95%	77
Average no. of high stumps/ha	4.4
Proportion of correct handling of green/living/preservation trees >90%	90
Proportion of correct handling of open areas >85%	98
Proportion of correct handling of cultural relics >90%	77
Proportion of acceptable handling of individual cultural relics, %	89
Proportion of correctly handled ancient relics 100% (0, 1 and 2 means handled correctly), %	75
Proportion of acceptable handling of individual ancient relics, %	88

<sup>4</sup> The table shows some of the results of the monitoring of operational indicators for biodiversity in our own forest management in Sweden 2024.





# ESRS E5 Resource use and circular economy

## Identification and assessment of material impacts, risks and opportunities (E5 IRO-1)

Billerud has conducted a double materiality assessment (DMA) to identify actual and potential impacts, risks and opportunities related to resource use and circular economy within its own operations and the upstream and downstream value chain.

During the double materiality assessment, a key focus was Billerud's activities that have an impact on resource inflows (from purchased materials), resource efficient production mills (resource outflows) as well as waste and byproducts generated from processes and products. No specific assets were screened during this assessment, as it was not deemed necessary.

Billerud did not consult with affected communities during the double materiality assessment regarding resource use and circular economy. However, Billerud continuously conducts stakeholder dialogues to ensure stakeholders views and interests are considered. Read more under SBM-2 on page 57.

See overview of identified material impacts, risks and opportunities in SBM-3 on page 60.

### Description of impacts

Billerud strives to limit its negative climate impact by replacing materials and chemicals used in our operations with renewable alternatives that are suitable for our industry and product offering.

#### ● Resource inflows – sourcing of materials

Billerud sources materials, equipment and consumables made from fresh fibers and primary materials with a range of fossil fuel-consumption intensity. This includes the sourcing of pulp and fresh wood fibers (approximately 14.6 million m<sup>3</sup> sourced wood), chemicals (2,820 ktons recycled) and some machinery (boilers, trucks, refiners, dryers). The sourcing of virgin, non-renewables and materials made in fossil fuel-consuming production processes has a negative impact on the environment, as it contributes to CO<sub>2</sub>e emissions (in production and transportation) and depletion of natural resources.

#### ● Minimizing resource outflows by utilizing byproducts

By using the wood from forest thinning and conservation efforts to generate bioenergy (forest residue) to replace fossil fuel-based energy, Billerud optimizes the use of wood material from forestry operations. Between 30% and 50% of purchased pulp wood does not become wood fibers that can be

used for board and paper production. The waste is used as black liquor and bark to fuel our operations with climate neutral bioenergy, minimizing the use of fossil fuels. Billerud jointly owns 50% of Bomhus Energi, which generates steam, electricity and district heating from byproducts generated in Billerud's processes. Billerud operates a closed-loop recovery system in its mills to maximize material usage and minimize waste. A majority of chemicals are recycled and reused in the pulping process, reducing chemical waste and enhancing efficiency. Furthermore, byproducts such as soap are processed into crude tall oil (CTO) for biofuel and chemical production. Unrefined soap is sold to third parties for further processing. Similarly, turpentine derived from wood in the pulping process is sold as a raw material for products like perfumes and cleaning chemicals, ensuring optimal use of the majority of byproducts created from the processes.

#### ● Recyclable paper packaging products contributing to a circular economy

Billerud's products are recyclable, and when reaching end-of-life can be used for energy. All Region Europe's packaging range has been certified recyclable according to the Papiertechnische Stiftung (PTS) method. Region North America is currently awaiting the same certification for their product range,

which is expected to be recyclable too. Billerud contributes to a circular economy by having a fully recyclable product assortment. Many of Billerud's products are used in high-end product packaging that come in contact with food or is used for other sensitive applications. Billerud still faces a challenge regarding the use of recycled fibers due to strict requirements for purity in paper packaging material and to minimize the risk of contamination.

#### ● Waste generated in processes

Non-hazardous process waste from Billerud's and Bomhus Energi's operations is either used as structural landfill construction material, for its soil enrichment properties or as landfill capping material. As a last step, waste is disposed at landfill. Hazardous waste is sent for external treatment. In 2024 Billerud generated 120,216 tons of waste that went to landfill, and 162 tons of hazardous waste that was incinerated. Landfill and waste incineration can contribute to climate change impacts.

#### ● Inefficiencies in recycling collection system/process leading to non-recycling

Challenges and inefficiencies in the recycling collection system and/or in recycling processes can result in Billerud's recyclable products not being recycled. Even though recycling rates of

most paper and carbon material is high in Europe (82%, EuroStat data 2020) and in the US (68% for paper, 93% for cardboard, American Forest & Paper Association), there is a share of paper packaging products that are recyclable but are not recycled. The most negative impact from non-recycling of recyclable paper packaging products is if they are put in landfill or incinerated without energy recovery. Exact numbers on recycling rate can differ per product category.

### Description of risks and opportunities

#### ● Closed recovery process for retrieving and usage of wood residuals for energy

Between 30% and 50% of the pulpwood consists of other parts than fiber that are used for paper production. Bark and black liquor are used for chemical recovery and to generate steam and electricity for the processes. This not only minimizes Billerud's need to purchase fossil fuel for energy, but also reduces Billerud's overall cost for energy.

#### ● Recovery of resin to create raw material for biofuel

Soap is a byproduct from the pulping process, which in most cases is further treated into CTO, a raw material used for the manufacturing of biofuel and chem-

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74**
    - Social information 114
    - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
<b>Environmental information</b>	<b>74</b>
Social information	114
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

[Download pdf to print](#)

icals. The majority of soap is refined on site to CTO and the remainder is sold externally for further treatment. Terpens, which also originate from the wood, are turned into the byproduct turpentine, and sold externally as raw materials for perfumes, cleaning chemicals and other products.

## Policies (E5-1)

The identified material impacts, risks and opportunities are governed by Billerud's Environmental Directive. For more information on the Environmental Directive, see E2-1 on page 93.

The directive includes objectives to promote the cascading principle regarding byproducts and waste hierarchy for generated waste. It does not explicitly address transitioning away from using fresh fiber and primary resources, nor increasing the use of secondary (recycled) resources in its own operations.

In addition to the Environmental Directive, resource inflows and circular economy is also governed by the overarching Sustainability Policy. The policy centers around taking responsibility at every stage - from selecting raw materials to recycling, as well as in developing business solutions and innovations and serves as a foundation of Billerud's operations. The policy aims for material and packaging to be as effective and resource-efficient as possible.

The owner of the Sustainability Policy is the EVP Sustainability & Public Affairs.

Securing responsible woody biomass is central for Billerud's operations. For more information on our wood procurement practices and responsible forestry see E4-2 on page 104.

## Actions and resources (E5-2)

Billerud currently practices several closed and open-loop resource flows and has high utilization of input materials and feedstocks in its operations. Key actions for resource use and circular economy are based on mapping of value retention and capture in Billerud's current operations regarding input chemicals, waste, byproducts and energy potential. Another key action is the regulatory development regarding the Packaging and Packaging Waste Directive (PPWR) that is aimed at increasing the recyclability of packaging waste and increasing the availability of recyclable material on the European market

Billerud's key actions regarding impacts and opportunities related to resource use and circular economy are:

### *Resource inflows*

Billerud will continue to pursue suitable alternatives to current resources used in its operation and evaluate applicable use cases for secondary and renewable materials used in operations.

### *Resource outflows*

Continue to minimize resource outflows by utilizing by-products

### *Recyclable paper packaging products contributing to a circular economy*

Billerud will focus on certifying relevant product categories according to the PTS method for both regions, to third-party verify the recyclability of products provided to customers downstream in the value chain.

### *Waste generated in process*

Billerud will continue to pursue suitable uses cases of waste products from operations to reduce amount of waste generated to landfill.

### *Inefficiencies in recycling collection system/process leading to non-recycling*

Billerud will participate in the development of roadmaps to mitigate inefficiencies in recycling processes and enable greater circularity of paper packaging products related to the Packaging & Packaging Waste Regulation.

### *Closed recovery process for retrieving and usage of wood residuals for energy*

Billerud will further investigate best use cases of wood residuals from pulpwood to promote energy resilience by covering internal energy consumption and hedge against energy market price dynamics.

### *Recovery of resins to create raw material for biofuel*

Billerud will continue to pursue best use cases of wood residuals from pulpwood to promote energy resilience by covering internal energy consumption and hedge against energy market price dynamics.

Billerud's key actions are meant to serve as a basis for exploring future targets and activities within the area of resource use and circular economy. Resource inflows and circular economy activities are central in Billerud's business practices, operations and steering documents. Expected outcomes of planned key actions have not been assessed.

Management of material sustainability matter is highlighted per described key action. For material impacts, risks and opportunities, see SBM-3 on page 60.

All key actions cover Billerud's European and North American operations, except for waste from operations that is primarily focused on North America. No actions have been formulated for non-operational units. Key actions are to be investigated by the end of 2025 and formulated action plans for appropriate activities will be finalized before the end of 2026.

Billerud has established a project in Frövi to supply a nearby greenhouse with waste heat for food production. Our Frövi mill provided 28 GWh annually to the greenhouse. Similar industrial symbiotic business relationships and applications will be investigated at additional sites. Billerud already has several established use cases for excess waste heat that is supplied to district heating suppliers.

There are no additional significant financial resources allocated to an action plan in its current form besides project and employee costs. Financial resources allocated to resource use and circular economy are mainly for maintenance and renewal of current operational investments. No significant CapEx or OpEx related to actions taken during the reporting period. Financial resources related to future key actions have not been evaluated at this stage.



## Metrics and targets

### Targets (E5-3)

Billerud's pulp and paper mills operate under the cascading principle of utilizing materials to the highest value possible. Residual wood fibers and other organic material that cannot be used in the pulp and paper manufacturing process are captured and incinerated on site and used for chemical recovery in recovery boilers and further used to produce steam and electricity for its production processes. Billerud also recovers byproducts from the pulping process and refines these on site to provide crude tall oil (CTO) to biorefineries, and turpentine to others in the industry. Non-refined byproducts quantities on site and other residues and resins are sent for further processing.

Billerud has more than 79% recovery rate of chemicals used in the manufacturing process in relation to all technical materials used for non-energy purposes.

Billerud's target is that 100% of paper packaging material put on the market should be recyclable. Billerud's Region Europe has reached its target of 100% recyclable paper packaging material according to external Papiertechnische Stiftung (PTS) certification. By reaching its 100% recyclability target, the further processing of Billerud's finished product will increase the circular design of customer products and packaging.

Billerud's European operations will focus on maintaining this result as a gold standard for its packaging material and include its North American operations once the product portfolio has been assessed for certification.

The target is limited to Billerud's European operations before being further processed by customers downstream in the value chain. However, it does increase the potential and availability of secondary fibers being reintroduced into the market.

If recovered wood fibers are reintroduced as secondary fibers in paper and packaging products, it will offset a growing need for additional fresh fibers to meet demand. Still, wood fiber recovery and secondary paper and packing production requires fresh fibers to be introduced.

Billerud tracks the effectiveness of the material impacts regarding recyclability of packaging material put on the market originating from our European mills. The metrics enabling this come from external PTS certifications.

Our target, together with responsible sourcing of fresh fibers, aids in reducing depletion and over-exhaustion of fresh wood fibers. Third-party certified fresh wood fiber is central in Billerud's procurement practices and 100% of these volumes abide by different certifications depending on geographical location.

Billerud also monitors the effectiveness of actions in production and quality systems.

#### Baseline

The baseline value of the target is 100% and the base year is 2023. The target level set in 2023 remains constant for each subsequent year, with no additional milestones or interim targets applicable.

Region Europe's packaging materials have time-bound targets which we have reached by having 100% recyclable paper packaging material. Billerud currently has no other time-bound outcome-oriented targets for any of the other material impacts and opportunities.

Billerud's target is related to the Environmental Directive objective to ensure

recyclability and encourage the use of recycled paper fibers as well as the objectives of the overarching Group Sustainability Policy. The target has been set by the Sustainability & Public Affairs department. External stakeholders (customers) have had an impact on target setting by increasing demand on recyclability.

#### Definition and methodology

The target is defined and follows the PTS method of "identification of the recyclability of paper and board packages and of graphic print products". No scenarios, legislation nor local situations or similar was considered while formulating the target.

There have been no changes in target levels, metrics or in how data is collected or processed.

The PTS methodology is a robust laboratory test to ensure validity and legitimacy of the results and target.

Billerud's European paper packaging material recyclability target relates to recycling in the waste hierarchy, but it does not relate to Billerud's own waste management. The target is set on a

voluntary basis and is not mandated by legislation.

Region Europe also has a target related to water consumption and limiting quantities that go to external treatment. For more details see E3-3 on page 100.

Billerud does not have external targets related to sustainability matters of actual and potential impacts for resource outflows apart from recyclable packaging material. There are no external targets based on financial opportunities. Billerud's global operations are largely driven by regulatory requirements regarding resource outflows (for example emissions, solid waste, wastewater). Compliance with regulatory requirements is a prerequisite for Billerud's operations and not formulated as aspirational targets.

### Recyclable packaging material

E5 – Resource use & circular economy	Baseline value			Outcome 2024		Target 2024		Target 2025		Target 2030	
	Base year	Europe	North America	Europe	North America	Europe	North America	Europe	North America	Europe	North America
Recyclable packaging material, %	2023	100	–	100	–	100	–	100	100	100	100

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## Resource inflows (E5-4)

Material resource inflows are primarily pulp wood, woodchips, pulp, water, electricity, energy feedstocks, chemicals, parts for repair, maintenance of technical equipment and new technical equipment.

### Billerud has applied the following definitions to resource inflows

#### Products

Finished goods and assets used in production or as complements to final products. Examples include packaging materials, IT equipment, machinery, spare parts, etcetera. We currently only include packaging materials within this category due to data constraints on weight for all product categories.

#### Technical materials

All materials used in production for their technical properties, including all chemicals (both synthetic and bio-based) as well as non-renewable energy sources. Secondary technical materials, recovered from secondary intermediary products, are also included.

#### Biological materials

All materials of biological origin from renewable sources, excluding chemicals, used in production or as energy. This includes raw materials and processed biological material, such as biofuels. Secondary biological materials are also included.

Biofuels such as crude tall oil, typically used for energy, can also serve important non-energy purposes in manufacturing. They can be converted into chemical feedstocks for plastics, used as solvents, lubricants, or additives, and even processed into bioplastics and agricultural inputs. These applications allow biofuels to replace fossil-based materials in various industries, contributing to the production of sustainable products.

The use of biofuels for these purposes aligns with the cascading principle, which prioritizes the most valuable applications of biological materials before their final use for energy. This approach maximizes the value derived

from biofuels and supports sustainable resource management in manufacturing processes.

Billerud reintroduces secondary intermediary products (recovered chemicals) of 2,820 ktons for its global operations. Reintroduction of recovered chemicals constitutes over 79% of total weights of all technical material used in production for non-energy purposes.

#### Methodologies used to calculate data and key assumptions used

Non-energy biological material is calculated by either measured m<sup>3</sup> solid under bark and known densities of different species of wood or measured weights of delivered material. Technical and biological material used for energy is calculated based on heating values and densities. Technical non-energy materials are consumption based on information from production systems.

Secondary intermediary products (recovered chemicals) are based on pulping recipes and chemical balances

to quantify the recovery rate per ton of produced internal pulp. Products (packaging materials) come from central procurement systems.

Resource inflows that is sustainably sourced are based on central procurement practices. Secondary materials (recycled materials) are from known product details for external pulp and products.

Resources used for energy are verified as described under E1-5 on page 84. Other resources are based on information from our suppliers.

#### Description of how double counting was avoided and of choices made

Double counting was avoided by excluding intra group flows and only including externally procured materials. Internal wood for energy (mainly bark) is the only exception since procured wood is measured under bark.

Resource inflows	Outcome 2024	
	ktons	%
Products	33	
Technical material	3,715	–
Biological material	14,058	–
<i>Of which for non-energy purposes and sustainably sourced</i>	12,984	73
<b>Total resources used</b>	17,807	–
<i>Of which reused</i>	0	0
<i>Of which secondary intermediary products</i>	2,820	16
<i>Of which secondary materials</i>	47	0

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74**
    - Social information 114
    - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print





- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74**
    - Social information 114
    - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

## Resource outflows (E5-5)

Billerud supplies fiber-based, high performing packaging materials for lighter, stronger, and more durable sustainable packaging and graphic paper for printed communications. Our board, paper and specialty products are made from 100% recyclable materials using only responsibly sourced fibers, enabling responsible circularity for our customers.

**The rates of recyclable content in products: 100%**

**The rates of recyclable content in products packaging: 100%**

Outflows of waste primarily consists of green liquor sludges, ashes and other sludges. Green liquor sludge is typical waste for the pulp and paper sector. The percentage of non-recycled waste during 2024 was 57%.

Sold products come from a production and sales system that includes physical and financial parameters. Reporting of the proportion of recyclable material in product packaging has been tested in a laboratory environment using the same method as for Billerud's products. This metric is only for Region Europe. The result for product packaging has not been verified by a third party. All

resource outflows are measured based on either weight and/or volume for each fraction. In the case of volume, known, or established density are used for the conversion. Measurements come from the service provider. No information if service provider information is third party verified was available during the reporting period. All amounts are measured as average mass with variable water content dependent on the product or material in question. Secondary intermediate products are represented in resource inflows and not as diverted from disposal. Final disposal of recov-

ered technical materials is represented in the landfill category. Waste streams of hazardous and non-hazardous waste are excluded for our North American operations due to legislative differences in definitions of waste. We will be reporting full compliance for this metric in the coming reporting period, meaning the fiscal year 2025.

Waste stream	Outcome 2024		
	Hazardous waste, tons	Non-hazardous waste, tons	Total waste generated, tons
<b>Diverted from disposal</b>			
Preparation for reuse	40	55,543	55,583
Recycling	457	35,298	35,755
Other recovery	106	25,892	25,998
<b>Total diverted from disposal</b>	<b>603</b>	<b>116,733</b>	<b>117,336</b>
<b>To disposal</b>			
Incineration	162	33,988	34,149
Landfill	1	120,215	120,216
Other disposal operations	241	107	348
<b>Total disposal</b>	<b>403</b>	<b>154,310</b>	<b>154,713</b>
<b>Total waste</b>	<b>1,006</b>	<b>271,043</b>	<b>272,049</b>
<i>Percent of non-recycled waste</i>			<i>57%</i>

[Download pdf to print](#)



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
Environmental information	74
<b>Social information</b>	<b>114</b>
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

[Download pdf to print](#)

## Social information

This section contains disclosures under the European Sustainability Reporting Standards (ESRS): S1 Own workforce, S2 Workers in the value chain, S3 Affected communities and S4 Consumers and end-users.







# ESRS S1 Own workforce – working conditions and equal treatment and opportunities for all

## Material impacts, risks and opportunities and their interaction with strategy and business model (S1 SBM-3)

On 31 December 2024, Billerud had 5,822 employees located in 17 countries, of which 4,154 in Region Europe, 1,651 in Region North America, and 17 in Asia. In Region Europe, most employees are located in Sweden followed by Finland.

Billerud's own workforce comprises both blue-collar and white-collar employees as well as non-employees across the organization. All materially affected members of Billerud's workforce are included in the scope of this standard. When specific types of employees and non-employees are subject to material impacts in this standard, it is specified in the description of impacts.

Four of Billerud's five material impacts within the S1 – Own workforce standard are presented on this page. The fifth impact is presented in S1 – Own workforce – Health and Safety on page 124. No material impact on the workforce that may arise from transition plans have been identified. No material risks and opportunities have been identified according to double materiality assessment criteria. We do not hold significant risks of incidents of forced labor,

compulsory labor or child labor in our operations.

See overview of identified material impacts, risks and opportunities in SBM-3 on page 60.

### Description of impacts

**● Discrimination and harassment**  
Discrimination and harassment are the two most relevant human rights impacts for our workforce. Discrimination and harassment at the workplace have a direct negative impact on employee well-being. All types of violations are unacceptable.

Discrimination and harassment could result in long-term negative effects on the affected employee, causing them mental anguish and feelings of insecurity both at work and outside the workplace. Moreover, violations can have a negative impact on the job satisfaction of employees and, in the long term, impact their health, job performance and possibilities to develop at work. This can affect both employees and non-employees.

### ● Imbalanced gender ratio

For Billerud to be successful and continue to grow, it is essential to attract, recruit, and actively strive to retain and develop a diverse workforce. A lack of diversity can negatively impact employees through a less inclusive and equitable workplace culture, which in turn can contribute to lower employee morale and retention. However, Billerud has an imbalanced gender ratio in the workforce on average, with 21.8% female and 78.2% male employees in total. Of the managers, 26.4% are female and 73.6% are male.

Blue-collar employees is considered at greater risk of harm due to diversity. This is due to the identified gender imbalance in our industry in general, and in blue-collar roles in our operations in particular. It is especially challenging to reach gender balance within production and IT. We do not measure gender balance of non-employees, but we estimate that it mirrors the balance of the employees.

### ● Professional growth and skills acquisition

Competence development and training provided by Billerud, covering areas

such as safety, diversity and inclusion and leadership can support employee development and job satisfaction. Training also increases our employees' opportunities outside Billerud further on in their career development. Providing professional growth is vital for attracting and retaining employees and improving profitability.

By working with learning and development in a structured manner, we ensure that Billerud attracts and develops the right competence for the needs that exist today and tomorrow. Various forms of learning and training activities aim at retaining and enhancing the ability of the individual, group and/or organization and to contribute to the company's overall success, strategy and vision. Our evaluations show that the training sessions have the intended effect.

### ● High workload impacting well-being in our workforce

A prerequisite for a sustainable work life is that managers and employees together create healthy workplaces. In previous years, managers have experienced more stress compared to non-managers based on the responses from employee surveys. For example,

there have been reported cases of stress due to large workloads among employees in managerial roles. Besides the impact on individuals, high stress levels can have a negative effect on employee turnover. However, the responses in the 2024 employee survey demonstrated that managers and employees experience equal levels of stress.

When conducting the double materiality assessment and identifying material impacts, stress primarily occurred among Billerud's white-collar workers. However, the 2024 employee survey indicates that blue-collar workers are now slightly more stressed than white-collar workers. Nonetheless, margins between the groups are very small and show no significant difference.

Should an increased level of stress persist over time, it can have a negative impact on the individual employee. Long-term stress can lead to physical and mental health problems and eventually to employees having to take sick leave. It can also have a negative impact on various teams due to a shifted workload.

● Impact ● Risk ● Opportunity

Download pdf to print

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74
    - Social information 114**
      - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
Environmental information	74
<b>Social information</b>	<b>114</b>
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

**The effect on business model, value chain and strategy**

All the impacts in this standard are located within Billerud's own operations and Billerud is thus involved in impacts through its own activities. Billerud has policies and robust processes in place to manage the material impacts on its own workforce. However, due to the design of the double materiality assessment process we have not identified that the negative impacts have or will have a material effect on our business model, value chain, strategy or decision-making.

The negative impacts we have identified occur across various sectors and industries. Billerud's negative impacts related to stress as well as discrimination and harassment are not widespread in nature, and they are not connected to a geographic area. These impacts are rather related to individual incidents, restricted to a few employees. The diversity impact is however more widespread in nature and connected to our industry and activities within operations. Billerud operates in a traditionally male-dominated sector. High workload can be present irrespective of industry or country.

## Policies (S1-1)

Billerud has a number of policies and accompanying directives that address the identification, assessment, management and/or remediation regarding the four impacts presented on page 115. For tracking effectiveness of and actions related to the policies, read more in S1-4 on page 119.

**General information about policies**

Our People Policy covers all Billerud's impacts, risks and opportunities within S1 – Own workforce on a high level. The Diversity & Inclusion Directive manages impacts, risks and opportunities related to discrimination and harassment and diversity in more depth. The People Review Directive (Performance-, Talent- and Succession Management) and the Competence Development Directive manages professional growth and skills acquisition. The Health & Rehabilitation Directive covers stress related to high workload.

The Human Rights Policy commitments related to our workforce are regulated in our People Policy, which in turn refers to the Sustainability Policy for a list of commitments to internationally recognized instruments. For example, the People Policy refers to the Sustainability Policy regarding that Billerud shall respect internationally recognized standards for human rights, such as the International Labour Organization's (ILO) eight core conventions. However, the Sustainability Policy does not manage any impacts, risks and opportunities expressed in this standard. The Health & Safety Policy is described in S1-1 on page 116.

Processes for monitoring compliance with policies and directives include measuring and analyzing metrics and targets, results from the annual employee survey and completion of training sessions.

All policies and directives apply to Billerud and its controlled subsidiaries and cover Billerud's business activities and operations globally. The policy applies to everyone who works for or on behalf of Billerud, including board members, employees, interns, and contractors. The directives apply to everyone working at or for Billerud including board members, employees, trainees and consultants. Directives are approved by Policy Owners and both directives and policies are available on the Intranet.

Billerud's employees, who are the key stakeholders of these policies and directives, have been taken into consideration when setting the policies and directives, for example through trade union representatives, input from our employee survey, as well as through stipulations included in legal and union agreements and feedback from HR representatives through their daily work.

**People Policy**

The People Policy expresses our overarching principles and states our objective to establish a sustainable work environment with fair working conditions for all our employees and a workplace culture that unleashes the full potential of our sustainable leaders and employees. The policy states the expectations, rules,

and responsibilities within areas such as diversity and inclusion, working environment, human rights, development and recruitment, and people performance management. It further states that our vision is to eliminate accidents and work-related ill health. Hence, the People Policy covers all impact areas in this standard.

The policy owner for the People Policy is the EVP HR & Communications, who is responsible for communicating and implementing the policy. This includes developing more detailed directives for the subject matter.

**Diversity & Inclusion Directive**

The directive addresses discrimination, harassment and diversity impacts and aims to promote equal opportunities and eliminate discrimination with the objective of becoming a truly representative, diverse and inclusive organization. Key contents include a definition and an expectation of what diversity and inclusion means at Billerud, objectives and gender diversity targets, implementation procedures for our diversity and inclusion strategy and rules for monitoring and compliance.

The Diversity & Inclusion Directive states that diversity incorporates such traits as differences in personality and educational background, gender, gender identity, transgender identity or expression, age, ethnicity, geographical and social origin/socioeconomic status, sexual orientation, disability, religion, or any other characteristic that make us unique. The

[Download pdf to print](#)





Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
Environmental information	74
<b>Social information</b>	<b>114</b>
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

directive also commits to zero tolerance for discrimination and sexual harassment based on the same characteristics as well as protected grounds defined by applicable law.

Race, political opinion and other additional specific grounds for discrimination are not specifically recognized. Race and skin color are not specifically expressed as such vocabulary is not commonly used in our markets. Political beliefs are covered in the scope of the directive as other protected grounds as defined by applicable laws and regulations.

Gender diversity is connected to specific policy commitments related to inclusion within our Diversity & Inclusion Directive and women as a group is particularly recognized.

Billerud's Director People Development is responsible for the implementation of the directive.

**People Review Directive (Performance-, Talent- and Succession management) and Competence Development Directive**

These directives are closely linked to the "Professional Growth and Skills Acquisition" impact. The People Review (Performance-, Talent- and Succession management) Directive defines rules and procedures for the performance management process. The objective of this process is to support policy objectives in the People Policy by attracting, developing and retaining the right people.

The Competence Development Directive outlines rules and procedures for

competency development according to our competency development model and process. The directive's objective is to support policy objectives in the People Policy by developing our leaders and employees. Billerud's Director People Development is responsible for the implementation of both directives.

**Health & Rehabilitation Directive**

The directive manages our stress-related impact and states that Billerud's goal is to help maintain a low level of sick leave and increase healthy attendance, resulting in greater productivity and improved quality. Through measures designed to promote health and prevent illness, we contribute to safe and healthy workplaces, along with meaningful and stimulating work. In addition, we aim to ensure good working conditions that enable employees to develop both good health and beneficial health-related behavior. The directive includes, for example, roles and responsibility for such work, and describes the process for our work with health and rehabilitation.

The Senior HR Director Operations is the owner of the Health & Rehabilitation Directive.

**Human rights inclusion in policies**

Billerud is committed to respecting and promoting international human rights, including labor rights, health and safety, diversity and inclusion, and discrimination and harassment. Policy provisions related to such impacts are regulated in the Health & Safety Policy, People Policy, Diversity & Inclusion Directive, and Rehabilitation Directive as expressed previously. However, such provisions are not explicitly committed to human

rights-relevant instruments. Instead, provisions are aligned with human rights and labor laws, regulations and collective agreements in countries where Billerud operates.

The People Policy explicitly recognizes human rights by referring to the Sustainability Policy and its inclusion of commitments to internationally recognized instruments. The Sustainability Policy further commits to the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. However, processes and mechanisms to monitor compliance with UN, ILO and OECD principles are not stipulated in these policy provisions. Instead, such processes and mechanisms are integrated in policies and directives and vary depending on the subject matter.

Furthermore, Billerud's commitment to human rights in the Sustainability Policy is applied throughout human rights due diligence procedures to identify and assess the risk of causing, contributing to, or being linked to serious human rights violations. Such risks are also incorporated in the Enterprise Risk Management system and double materiality assessment. Billerud acts upon the findings to promote the fulfilment of human rights and avoid, prevent, mitigate, and/or remedy potential adverse human rights impacts.

Engagement with our own workforce is included as a basis for achieving success by creating a sustainable work environment. This is included in the People Policy, but not explicitly recognized in directives. Both policies and direc-

tives, however, provide rules regarding communication of the respective documents to all company representatives, including employees.

Taking actions, including corrective actions, is the responsibility of the Group in order to achieve the purpose and intent of respective policy. More specific remediation actions are highlighted depending on the policy/directive. Read more in S1-4 on page 119.

The People Policy explicitly recognizes that all forms of forced, involuntary or child labor is unacceptable. Such commitments are not regulated in directives. Complementary policies, that should be read in conjunction with policies for managing impacts, risks and opportunities under S1 – Own workforce, such as the Responsible Business Policy, explicitly addresses modern slavery. The term "trafficking" is not explicitly stated.

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## Processes for engaging with own workers and workers' representatives (S1-2)

We conduct annual Performance Management Conversations in which we include questions on safety, workplace environment, reasonable workloads and inclusive workplaces. At least one such documented review should be completed annually consisting of two parts: one related to objective fulfilment, behaviors and tasks, and the other on objectives and activities for the coming year. However, the ambition is that all employees should have such dialogues both mid-year and at year-end.

Billerud's annual employee survey is an important tool for our managers, and employees. It helps us to identify relevant measures for continuous improvement and track the effectiveness of our engagement. By actively working with the results, we strive to improve the workplace for our employees. The employee survey gives every employee at Billerud a direct and structured opportunity to influence and develop our work environment. This process is applicable to employees only; non-employees do not take part in the survey.

The results of the survey are discussed within each department and on a company-wide level and action plans are created based on the survey results. These are recorded and integrated into decision-making and communicated to employees via multiple channels.

Other engagement activities, such as meetings and workshops, take place on

a local level, within mills and functions. Furthermore, one-on-one meetings, team meetings, cross-functional meetings and Townhalls are held continuously throughout the year. There are also local committees on, for example, diversity and inclusion, with trained diversity and inclusion ambassadors. Members represent leadership, different employee groups and functions, and where applicable, unions. Information from the local committees is escalated to Group level as needed.

Billerud has an intranet portal which serves as a central platform for our employees to access information, and specific information about impacts, risks and opportunities.

Billerud has not had any engagement with people in its workforce on potential impacts on them, that may arise from reducing carbon emissions and transitioning to climate neutral operations. This is because no such potential impacts have been identified.

The CEO is ultimately responsible for Billerud's engagement with employees. The EVP HR & Communications is responsible for ensuring union-related engagement. At local levels, Billerud has committees which includes both employer and employee representatives. Together they prioritize and discuss Billerud's preventive health work and support of local initiatives, for example when it comes to diversity and inclusion.

## Processes to remediate negative impacts and channels to raise concerns (S1-3)

All managers must ensure a safe and secure workplace, and any violations require quick and effective corrective measures. The responsibility for investigating, remedying and following up on violations rests with the immediate supervisor. If the immediate supervisor is involved or for another reason is unable to take responsibility for investigating, the responsibility passes to the overall manager. Managers who suspect or are alerted to a possible violation are obliged to discreetly investigate whether any violation has occurred. If a violation has occurred, corrective measures must be taken, providing a remedy.

When it comes to suspicion of a negative impact on our workforce, for example related to discrimination or harassment, Billerud investigates the incident and takes appropriate action. A documented plan is developed to follow up on the situation and ensure that the discrimination or harassment has stopped.

Remedial measures related to diversity are either connected to actual discrimination or harassment, or they are preventative or corrective actions to attract and recruit a diverse talent pool and secure an inclusive workplace.

Remedial measures related to high workload is focused on rehabilitation. The employee's rehabilitation is clearly

documented and the required work-related rehabilitation measures are carried out with the goal that the employee can return to work as soon as possible.

Through early and proactive actions, the rehabilitation process aims to prevent long-term sick leave and repeated short periods of sick leave. The group-wide process for implementing a rehabilitation procedure applies throughout Billerud and comprises initiation planning measures (for example health interviews and rehab meetings), implementation measures (for example follow-up meetings) and conclusion measures (for example conclusion whether the individual has been able to return to work).

Billerud assesses the effectiveness of remedial measures depending on the impact at hand. We follow up and reassess action plans if needed.

Billerud's employees are expected to report violations to the immediate manager. Concerns and complaints can also be reported anonymously through the Speak-Up Line, Billerud's whistleblowing channel. All Billerud employees and external partners can submit anonymous reports through this whistleblowing channel.

The Speak-Up Line is available on the intranet, as well as on an external web

page. Billerud tracks the effectiveness and awareness of the Speak-Up Line through questions in the annual employee survey. The system is operated by Billerud and supplied by an independent third-party service provider. Read more about Billerud's Speak-Up Line under G1-1 on page 146.

- Introduction 2
- Directors' report 23**
- Financial overview 23
- Corporate governance in Billerud 29
- Internal control over financial reporting 34
- Group Management Team 36
- Board of Directors 38
- Risks and risk management 40
- Sustainability statement 45
  - General information 46
  - Environmental information 74
  - Social information 114**
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print



## Actions (S1-4)

Actions connected to our impacts are presented below. Actions are ongoing with no defined end-date unless explicitly expressed in the bullets below. No significant Opex or Capex is dedicated to activities below. Resources allocated to managing material impacts include financial resources below thresholds of significant opex and capex levels, as well as human resources. Such human resources are centered mainly in the global HR function, and HR and management functions at mills. Technical resources, such as the global people management system, support activities below.

### Diversity and inclusion, and discrimination and harassment

Billerud's core values and "Sustainable Leaders" program supports our efforts in building diverse teams and fostering an inclusive work environment where there is no place for bullying or discrimination. Mitigating actions include, for example, diversity, inclusion and belonging training, gender pay analysis, and central and local Diversity Committees, as described on this page. All actions on pages 119–120 contribute either to the policy objective of the People Policy to establish a sustainable work environment with fair working conditions for all employees and/or The Diversity & Inclusion Directive to become a truly representative, diverse and inclusive organization. Billerud uses targets, metrics and our annual employee survey to follow up on the collective actions connected to diversity, as described under S1-5 on page 121.

However, Group targets are not defined for sub-activities.

### Inclusive work environment

Billerud adjusts working conditions to accommodate all individuals through, for example, providing ergonomic aids or adapted work clothes. Such activities are part of Billerud's systematic work environment management for blue-collar and white-collar employees with the expected outcome of providing a decent work environment for all. All Billerud regions are involved in this work.

### Inclusive recruitment practices

We recruit from a wide pool of talent that extends beyond our traditional networks to achieve improved diversity and ensure that we find the person most competent for the position. For example, in Europe we apply diversity targets when recruiting summer workers and trainees. In Region North America we ensure that interview panels are represented by both male and female employees, among other things. In our traditionally male-dominated industry, the outcome is to reach a more equal representation of women, as described in S1-5 on page 121.

### Gender balance ratio, gender pay analysis and compensation

We measure and analyze gender ratio monthly. Increasing gender diversity in the organization is a first step towards supporting a more inclusive workforce, and the data we can collect and analyze enables us to measure and actively influence decision-making. Furthermore, we conduct pay analyses annually to

ensure equal pay for equal work. This analysis aims to discover, correct and prevent potential unfair discrepancies in pay, or any other employment conditions and benefits. Such pay analyses are conducted for all Billerud countries except for Region North America.

### Diversity and inclusion training

All employees receive mandatory training related to diversity, inclusion and belonging (DIB) and the Diversity & Inclusion Directive as part of the onboarding process and at selected mill workshops. Training related to the Diversity & Inclusion Directive is also part of the Sustainable Leadership Program and the Sustainable Employee Program. All employees have access to the same courses and training programs. Furthermore, we hold annual Diversity and Inclusion workshops at our mills. We also encourage an ongoing discussion on diversity and inclusion through a toolbox of resources for leaders and diversity and inclusion committees at each site. The expected outcome of actions is to create knowledge and awareness on the subject.

### Local diversity and inclusion committees

Each Billerud mill or operation aims to mirror the communities where it operates to provide relevant actions. In Sweden, Billerud has established local diversity and inclusion (D&I) committees with trained diversity and inclusion ambassadors. Members represent leadership, different employee groups and functions, and where applicable, unions. Meetings are held on a quarterly basis.

The committees prepare and implement measures to improve and assure diversity and inclusion. Some mills sponsor the local Pride Parade. Other mills offer workshops in various languages, as the need arises.

In Region North America, a D&I team, supported by executive sponsors serving as advisors, oversees activities related to diversity and inclusion. The expected outcome is to improve actions and knowledge around diversity and inclusion at all mills.

### External diversity events

In Region North America, a cross-functional group of women is part of a Women in Business Taskforce that addresses the challenges and barriers facing women in business. Its objectives are to create a positive, inviting, and supportive workplace for all employees in Region North America and increase the number of women in the workplace as well as in leadership roles. Billerud Region North America also sponsors a membership in Women in Manufacturing, an American association that benefits women in business.

Furthermore, Billerud Region Europe continued its sponsorship of Introduce a Girl to Engineering Day (IGEday) during the year. This year, we also launched the first IGEday in Billerud Region North America, aimed at inspiring girls and fostering interest in technology and engineering. In total, 113 girls participated in Billerud's events during the 2024 IGEday. Moreover, Billerud is committed to having a diverse repre-

sentation and participation at school visits, trade fairs and other events. The expected outcome of activities is to attract more women to Billerud and our industry at large.

### Employee engagement survey

The annual employee engagement survey includes questions on diversity as well as harassment. One question evaluates if employees feel included and that all employees have similar opportunities. Another question assesses whether respondents had been subjected to victimization, bullying, harassment or other discrimination at work. The survey is anonymous and cannot lead to any investigations, but allows Billerud to follow-up on development and needed preventative actions during the year. All employees receive the survey. The expected outcome of the survey is to measure and follow-up on Billerud's abilities as an employer across various topics of interest.

### Grievance and provision of remedy

Cases of discrimination and harassment can be reported on the Speak-Up Line or directly to managers. Billerud investigates both types of reports and assesses the cases which should be classified as discrimination cases. After the investigating phase, Billerud takes corrective measures based on the severity of the case. All employees in all regions are covered in the scope of such measures if necessary. We have processes in place to handle discrimination and harassment cases, which are specified in our guidelines and action plan for combating victimization and

- Introduction 2
- Directors' report 23**
- Financial overview 23
- Corporate governance in Billerud 29
- Internal control over financial reporting 34
- Group Management Team 36
- Board of Directors 38
- Risks and risk management 40
- Sustainability statement 45
  - General information 46
  - Environmental information 74
  - Social information 114**
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

[Download pdf to print](#)



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
Environmental information	74
<b>Social information</b>	<b>114</b>
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

[Download pdf to print](#)

harassment. The expected outcome of actions is to allow for reporting and applicable corrective actions related to non-compliance of conduct.

**2025 action plans**

Billerud is currently developing action plans for 2025 in all regions and for our mills. Such action plans include actions within communication, training and employer branding among other things. Action plans are expected to leverage Billerud's diversity work at large. Plans will vary based on region and mill and are as such not presented in full in this report.

**High workload impacting well-being in our workforce**

The intention behind the overarching strategic and systematic work with health at Billerud is to provide a basis for preventing and reducing work-related sick leave and ill health. Billerud's goal for its work in the field of health is to help maintain a low level of sick leave and increased healthy attendance, resulting in greater productivity and improved quality. As such, activities on this page contribute to objectives in the Health and Rehabilitation Directive. Mitigating actions include for example training programs, the Sustainable Leadership Program and the Sustainable Employee Program as described in the next sections. Billerud follows up effectiveness of actions by tracking training hours and leadership program completion, as well as through learnings from performance reviews, the annual employee survey, and sick leave numbers.

**Training activities and Sustainable Leadership**

Training on health and safety is mandatory for all employees. Furthermore, themes such as work-life balance, psychological safety and employee well-being, are part of Billerud's Sustainable Leadership and Sustainable Employee training. The Sustainable Leadership Program includes training on how to improve managers' well-being, reduce stress, and improve time management and communication. Read more on scope and outcome of these programs on this page. Additional trainings related to health and safety is presented under S1 – Own workforce – Health and Safety on page 124.

**Performance review**

In the annual employee performance review, which is an ongoing process for performance management, specific questions regarding stress and recovery are addressed. During 2024, we have particularly emphasized the importance of setting SMART goals with the aim of helping our employees create structure and focus, thereby achieving a better balance. We also expect each manager to have regular one-on-one conversations about workload and prioritization. All white-collar employees in all regions are included in the review procedure. In Sweden and Finland, blue-collar employees are also included in the review procedure. The expected outcome of the performance review is to provide the employee with tools to excel in their performance, including having conversations on topics such as health and safety.

**Employee survey**

In our annual employee survey, we ask specific questions related to workload, stress, and recovery. All employees can conduct the survey and the expected outcomes to gain valuable insights into engagement, leadership, and workplace culture, enabling us to drive continuous improvement and strengthen Billerud as a great place to work.

Teams that show issues related to stress or the work environment can address the issues through specific action plans set throughout the year. Managers have previously experienced more stress compared to non-managers based on the responses from employee surveys. However, the responses in 2024 demonstrate that managers and employees experience equal levels of stress.

**Occupational health and provision of remedy**

Billerud collaborates with local occupational health services to handle individual issues related to the work environment and stress. All employees have free access to health services through internal and/or external service providers, such as access to doctors, nurses, ergonomists, and other health specialists. In addition to physical health and safety we also provide support for mental health issues for those in need. Read more under S1-4 on page 126. As an employer, Billerud is responsible for providing organized adaptation and rehabilitation activities at the workplace as described in S1-3 on page 118, but remedial activities are not often needed. Billerud cannot disclose further information on specific individual remedy cases.

**Professional growth and skills acquisition**

Billerud works with competency development at all levels to address the company's goals, values and strategy and meet individual employee development needs. All such activities aim to contribute to the policy objectives of the Performance-, Talent- and Succession Management Directive and Competence Development Directive to attract, develop and retain the right people, and the continued development of leaders and employees. Billerud uses targets on an individual level to follow up on the effectiveness of actions, as described under S1-5 on page 121.

**Training catalog**

All employees are free to select courses from the online learning library and training catalog, which provides a broad range of courses on a wide variety of topics such as business strategy, project management, technical skills and effective communication. All employees can access and request training and are granted training depending on the relevance to their specific role within the company. Non-employees in our workforce receive certain training and development based on requirements.

The expected outcome of the program is to increase overall knowledge of our workforce and foster a learning culture. The performance review also includes a distinct section on learning and development. To structure our professional and skills growth, Billerud provides initiatives related to three main categories of training: Sustainable Leadership, Sustainable Employee and local safety and mill-related training. Local and mill-re-

lated training is conducted continuously based on needs and requirements and includes for example local mill employee certification, safety and compliance topics.

**Sustainable Leadership Program**

Billerud has, for many years, had a strong focus on developing its leaders through the self-developed leadership program Sustainable Leadership. The program is an ongoing initiative with the expected outcome of providing all managers with effective leadership tools. The development over time has been very positive, as reflected in Billerud's Sustainable Leadership Index, which is part of the annual employee survey. The index measures employees' perceptions of their managers' leadership and provides valuable insights into both strengths and areas for development for each leader.

During 2024, approximately 50 leaders in Europe and 50 leaders in North America completed the training. During 2025, the plan is set for 40 new leaders to be trained in Europe, and to define a plan for the training program's development in North America going forward. In addition, a preparatory e-learning for the Program was completed by 99 leaders in 2024. This program is available for all newly employed managers. Within our online learning library and training catalog, there are many courses specifically targeting leadership skills, including feedback, situational leadership and psychological safety.





- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74
    - Social information 114**
      - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

[Download pdf to print](#)

### Sustainable Employee Program

The Sustainable Employee Program's purpose is to provide a framework to help employees understand Billerud's values and apply them to his/her own work. All employees take an introductory course as part of onboarding where they learn the four components of the program and make a personal commitment to how he/she can support the program in his/her own work. During 2024, a total of 544 people completed the Billerud Sustainable Employee e-learning course provided in the training catalog. This course will be mandatory for all employees going forward.

### Identification and management of actions related to negative impacts

The annual employee survey and additional questionnaires from safety committees are used as a tool to identify actions needed in response to negative impacts and to develop action plans. Results are monitored and analyzed, and each mill establishes an activity plan for the year that includes specific KPIs. If KPIs are not met, activities and ways of working are revised or changed.

We conduct risk assessments to prevent situations where we could cause or contribute to physical, organizational and/or social negative impacts on our own workforce. Risk assessments are used to analyze what potential risks exist, how likely it is that the associated incidents will occur, and what the consequences could be. Risk assessments include physical, organizational and social aspects and are carried out at different levels both on department level, at Group level and for individual work assignments.

## Metrics and targets

### Targets (S1-5)

#### Diversity and inclusion, and discrimination and harassment

Billerud has a Group gender diversity target. The target should support us in meeting policy objectives of the People Policy and the Diversity & Inclusion Directive to become a truly representative, diverse and inclusive organization.

The target is mainly focused on managing the impact of an imbalanced gender ratio but can also have a positive effect on the impact related to discrimination and harassment. Billerud's long-term ambition is to reach a 60-40 ratio among male and female employees and managers at all locations and functions. Managers are defined as managers with employee accountability.

The target for 2024, as defined during 2023, was set to 22.0% female employees, and 25.5% female managers. The result for 2024 was 21.8% among employees and 26.4% among managers. The target for 2025, redefined in 2025 is 26.5% for managers and 22.0% for employees, as demonstrated in the table below.

### Targets

	Baseline value		Outcome 2024	Target 2024	Mål Target 2025	Target 2030
	Base year	Total	Total	Total	Total	Total
<b>S1 - Own workforce</b>						
Proportion of female employees in total, %	2023	21.7	21.8	22.0	22.0	–
Proportion of female managers, %	2023	25.0	26.4	25.5	26.5	–

The reason for not reaching the target for female employees is partly due to the fact that we have a higher turnover rate among women. This trend is currently being reviewed by HR and internal focus groups. Our success in reaching our target for female managers can partly be derived from consistent employer branding activities.

Group level targets are set by the EVP HR & Communications. Employees and other stakeholders are not involved in such target setting. However, the target setting is based on input from previous performance as well as the annual employee survey. On a local level, our work environment and diversity committees are involved in setting, tracking, and identifying improvements related to target performance.

The methodology to measure targets is to divide the number of female employees and female managers with total number of employees and managers, based on headcounts by 31 December. All employees are included in the denominator. There are no changes in methodology over time and no further

assumptions have been made. The target covers all Billerud's markets in own operations and is an absolute target. The target only covers Billerud's permanent employees and does not include employees in the subsidiary Scandfibre Logistics AB, the joint arrangement Bomhus Energi AB, or the associate Trätåg AB. It is monitored and reported to the Group Management Team on a monthly basis.

#### Professional growth and skills acquisition and and high workload impacting well-being

At this stage, Billerud has no group-wide target on training or high workload impacting well-being. The reason why Billerud has not defined a target related to training is that we are currently overseeing data quality regarding training hours and will evaluate the possibility and relevance of setting a target related to training in the coming years. Training targets are, however, set individually for employees and determined during employee performance conversations and the effectiveness of policies and actions is tracked through this process.

Although not a formal target as yet, Billerud's overall recommendation for employees is that they spend 30 minutes a week on their professional development, for example through the training catalog. When it comes to high workload, Billerud tracks effectiveness related to policy objectives through metrics such as sick leave.

From 2025, recordable work-related ill health will also be included within the health and safety metrics presented in S1-5 on page 128. Thus, Billerud has not defined a separate target related to this IRO. The annual employee survey results, training and the performance review results are also used to measure progress on policy objectives and actions. For both IROs, the defined ambition is to improve skills and professional growth and reduce the level of sick leave. No specific indicators for evaluating progress or baselines are defined.



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
Environmental information	74
<b>Social information</b>	<b>114</b>
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

**Metrics**

All metrics below are reported by head count per the 31 December 2024. None of the below metrics are validated by external bodies other than the assurance provider. Metrics include Billerud employees and employees in consolidated companies except for Trätåg AB.

**Characteristics of the undertaking's employees (S1-6)  
Employees by contract type, by gender and region**

The metrics to the right demonstrate the total number of employees by headcount broken down by gender and by country for permanent, temporary and non-guaranteed hours employees as well as for full-time and part-time employees. Non-guaranteed hours employees include on-call employees but Billerud does not have such employees. Part-time employees are defined as all employees that correspond to less than one full-time equivalent. The objective of the metrics is to provide an insight to Billerud's employment approach and to serve as a basis for calculations for other quantitative metrics linked to all impact, risks and opportunities presented in this standard.

The most representative numbers in the financial statements are presented under note 5 Employees and employee benefits expense. However, such metrics are presented on average for 2024 rather than per the 31 December. The metrics include no significant assumptions or limitations.

Gender	Outcome 2024	
	Number of employees (head count)	
Male	4,526	
Female	1,296	
Other	0	
Not reported	0	
<b>Total employees</b>	<b>5,822</b>	

Country	Outcome 2024	
	Number of employees (head count)	
Sweden	3,944	
The US	1,651	
Other	227	
<b>Total employees</b>	<b>5,822</b>	

**Employees by contract type, gender**

	Outcome 2024				
	Female	Male	Other	Not disclosed	Total
Number of employees	1,296	4,526	0	0	5,822
Number of permanent employees	1,228	4,391	0	0	5,619
Number of temporary employees	68	135	0	0	203
Number of non-guaranteed hours employees	0	0	0	0	0
Number of full-time employees	1,278	4,478	0	0	5,756
Number of part-time employees	18	48	0	0	66

**Employees by contract type, region**

	Outcome 2024			
	Europe	North America	Asia	Total
Number of employees	4,154	1,651	17	5,822
Number of permanent employees	3,957	1,645	17	5,619
Number of temporary employees	197	6	0	203
Number of non-guaranteed hours employees	0	0	0	0
Number of full-time employees	4,097	1,642	17	5,756
Number of part-time employees	57	9	0	66

**Turnover**

The total number of permanent employees who left their employment during 2024 is an aggregate of the number of employees who leave voluntarily or due to dismissal, retirement, or death in service. The turnover rate is calculated by the total number of leavers divided by

the total number of permanent employees during the year. Metrics include no other significant assumptions or limitations.

Turnover	Outcome 2024
Total number of permanent employees who left the undertaking during 2024	454
Turnover rate 2024	8.1%

[Download pdf to print](#)



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
Environmental information	74
<b>Social information</b>	<b>114</b>
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

[Download pdf to print](#)

### Diversity metrics (S1-9)

The diversity metrics on this page support us in following-up target progress related to our gender balance target. It allows us to understand gender diversity and age distribution at the top level and among employees. Top level management is defined as our Group Management Team, which is the highest executive management team. The Group Management Team is presented on page 36.

Managers are defined as all managers with employee accountability. Employees are defined as all employees irrespective of contract type. We have included the entity specific diversity metrics for the Board of Directors to provide insight into diversity at different decision-making levels. Metrics for the board and GMT contain all consolidated companies except subsidiary Scandfi-bre Logistics AB, the joint arrangement Bomhus Energi AB, and the associate Trätåg AB. Metrics for employees include all consolidated companies. Metrics include no significant assumptions or limitations. None of the metrics are validated by external bodies other than the assurance provider.

### Incidents, complaints and severe human rights impacts (S1-17)

The total number of incidents of discrimination, including harassment, is broken down by complaints filed through the Speak-Up Line and incidents reported through human resources procedures. Such procedures include occurrences where an employee reported an incident directly to HR or to their manager, who escalated the matter to HR. In 2024, 20 of the reported cases were classified as

discrimination or harassment and investigated and acted on. Read more about corrective measures applied under S1-4 on page 126. There is a risk related to completeness of discrimination cases, as cases which have not been reported through either Speak-Up Line, HR or the responsible manager will not be reflected in metrics.

The total amount of fines, penalties and compensation for such damages equals 0, and as such, is not reflected in financial statements.

The number of severe human rights incidents include lawsuits, formal complaints and serious allegations in public reports and media. Such incidents are brought to Billerud's attention through reports to the Speak-Up Line, through internal quarterly Litigation Reports to the audit committee and through an annual compliance survey for a selection of 35 high-level managers. The survey captures all Billerud's operations. The survey is not anonymous and is sent out to higher and top management, the GMT and mill managers in Europe and North America. The metrics reported are based on what is reported by a limited group (to higher and top management) in the organization. In addition, the survey excludes insignificant violations. Each reporting person determines what constitutes an insignificant violation. Metrics include all consolidated companies except joint arrangement Bomhus Energi AB, and the associate Trätåg AB.

The total amount of related fines, penalties and compensation for such damages equals 0, and as such, is not reflected in financial statements.

Governance bodies	Outcome 2024				
	Women	Men	Under 30 yrs	30–50 yrs	Over 50 yrs
Board of directors (excluding employee representatives)	2 (33%)	4 (67%)	0 (0%)	1 (17%)	5 (83%)
Board of Directors (including employee representatives)	2 (25%)	6 (75%)	0 (0%)	1 (13%)	7 (88%)
Group Management Team (top management level)	2 (22%)	7 (78%)	0 (0%)	4 (44%)	5 (56%)
Employees	1, 296 (22%)	4,526 (78%)	744 (13%)	2,666 (46%)	2,412 (41%)

### Incidents, complaints and severe human rights impacts

	Outcome 2024
Total number of incidents of discrimination, including harassment:	20
<i>Of which, complaints reported through the Speak-Up Line</i>	5
<i>Of which, complaints reported through human resources procedures</i>	15
Number of complaints related to own workforce reported in the Speak-Up Line, excluding harassment cases presented above	8
Total amount of fines, penalties and compensation for damages as result of the incidents and complaints disclosed above, SEK	0
Total number of severe human rights incidents connected to the company's workforce	0
Total amount of fines, penalties and compensation for damages for human rights incidents disclosed above, SEK	0



# ESRS S1 Own workforce – health and safety

## Material impacts, risks and opportunities and their interaction with strategy and business model (S1 SBM-3)

Safety is our highest priority, and our vision is zero injuries in the workplace. As a manufacturing company, Billerud is inherently exposed to safety risks. However, no one at Billerud should be injured or suffer ill health because of their work. Billerud's workplace activities include operating heavy machinery, the handling of sharp objects and hazardous chemicals, and transport-related lifting of material and equipment.

Despite our best efforts to prevent accidents from happening, such activities can pose potential risks and lead to injuries including falls, cuts and chemical burns, affecting employees' physical and mental health. The worst-case scenario is that such activities lead to accidents causing fatalities. Having competent and committed leaders and employees is essential for continuous improvement and a strong safety culture.

Billerud's negative impact related to accidents and injuries is material within our own operations across the organization and regions. Our risk assessment demonstrates that our main risks occur in our mills and forestry operations. Blue-collar employees are mainly at risk.

Contractors working within our mills and forestry operations can also be subject to negative health and safety impacts in their work, as it includes manual labor and the operating of machinery. These risks are addressed in S2 – Workers in the value chain on page 130.

See overview of identified material impacts, risks and opportunities in SBM-3 on page 60.

**Description of impacts**  
 ● **Accidents resulting in injuries, and in worst case, fatalities**

Billerud's Occupational Health and Safety impact is tightly interlinked with our business model. Safety has been at the core of our business strategy for a long time, and it is highly prioritized. For example, Billerud's Safety Roadmap, which defines the actions and targets to reach an injury-free, safe and secure workplace, is closely linked to Billerud's strategy "Way Forward". The target for Lost Time Injury Frequency Rate is included in the Group's key targets. Read more about the Safety Roadmap in S1-4 on page 124, and more about the targets under S1-5 on page 128. We have not identified that our negative impacts have or will have a material

impact on our business model and value chain.

The main types of work-related injuries are crush injuries, bruises, strains and sprains, wounds and burns, eye injuries and lacerations, while the main risks are chemical exposure, contact with sharp objects, acute strain, and slips, trips and falls. Other work-related risks include fires, explosions, contact with harmful substances, being hit by falling objects, traffic injuries, and jamming between objects.

Billerud recognizes that a strong safety performance has a positive impact on profitability. Not only does a safe and healthy work environment reduce the number of incidents and accidents, but it also contributes to increased efficiency in production. Therefore, health and safety measures are essential to create stable, sustainable and profitable operations. Furthermore, it can also lead to higher levels of workplace satisfaction, thereby stimulating profitability. Although health and safety is important for profitability, it is not classified as a material sustainability financial risk or opportunity due to the design of the threshold value in the double materiality

assessment. Neither have we identified any material risks arising from impacts or dependencies, such as legal liabilities or reputational damage.

Billerud is involved with material impacts through our own activities due to the labor-intensive character of our operations. We face the same negative impacts and risks as the rest of our industry, meaning that risks and impacts are not specifically linked to Billerud's strategy. Although the occurrence of single health and safety incidents are isolated events, the risk of occurrence of accidents and injuries is connected to a systemic risk nature for our industry and activities within mills and forestry operations.

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74
    - Social information 114**
      - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

[Download pdf to print](#)





## Policies (S1-1)

Billerud's Health & Safety Policy expresses the overarching principles and general obligations for safety and the working environment. The policy undertakes to ensure that health and safety is an integral component in all activities and decisions within the company and that this is done in collaboration with employees and the unions representing the workers. The policy is supplemented by an Occupational Health & Safety (OHS) Directive detailing health and safety-related requirements.

Our vision is an injury-free, safe, secure, and creative workplace where all employees thrive and have opportunities for growth and variety at work. This also contributes to stable production and high product quality. The policy highlights several commitments to prevent work-related injuries, illnesses and ill health, such as the stipulation to set and monitor clear goals for health and safety. The policy's underlying directive and routine descriptions outline more detailed rules concerning OHS.

The Health & Safety Policy applies to Billerud and its controlled subsidiaries and covers Billerud's business activities and operations globally. The policy applies to everyone who works for or on behalf of Billerud, including board members, employees, interns, and contractors. The CEO is the policy owner and is ultimately responsible for its implementation, communication, and for monitoring and following up compliance with

the policy and directive. The process for monitoring includes regular following up on health and safety goals.

Every employee is presented with the policy and corresponding e-learning at the beginning of their employment. They must also sign a commitment to a safe workplace as part of their annual performance review with managers, which is followed-up annually. The policy is furthermore reviewed at team meetings where issues can be raised. The line manager is responsible for ensuring participation and a section manager or department manager follows up on the line manager's efforts with the support of the local OHS function and HR function to ensure that every area within the policy is covered.

Procedures for health and safety are continually improved with input from employees and the policy is reviewed annually and updated as needed. The policy is published on the intranet and on Billerud's external website. The policy is also featured in prominent places at our mills.

Billerud's OHS management system ensures that all operations are consistent with national legal requirements, our OHS Directive as well as overall strategy and targets. It also ensures that processes and procedures exist, both at the Group and local level, to achieve this.

## Processes for engaging with own workers and workers' representatives (S1-2)

Billerud has established processes for the consultation, collaboration and participation of workers and workers' safety delegates at all applicable levels and functions. Such collaborative measures consist of the development, planning and implementation of health and safety actions and performance evaluation of such activities. Board employee representatives are also included in defining and tracking targets. For more information about target setting, see S1-5 on page 128.

In addition, each mill has implemented a health and safety organization with dedicated health and safety specialists. Health and safety information is shared and discussed weekly at team meetings held at every mill and department, and all employees receive ongoing health and safety-related training. For details regarding training, see S1-4 on page 126.

Billerud provides web-based systems for incident and event reporting and risk assessment reporting. These systems are our most important tools for daily OHS management and monitoring. The

systems allow us to report incidents, investigate root causes and manage corrective measures. All injuries to employees, visitors and contractors must also be escalated to selected management members. Our European system is also used for risk assessments regarding measures, safety rounds and other checklists.

Risk observations can also be raised at team meetings to be solved on a department or team level. In addition, OHS teams from the mills continuously exchange information and experiences with Group representatives and each other. Information from such routine meetings is escalated to management via Group representatives.

Billerud provides an intranet portal which serves as a central platform for our employees to access information and specific information about health and safety. Safety and communication teams share responsibility for employee engagement regarding health and safety and collaborate regularly to keep information relevant and updated.

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74
    - Social information 114**
      - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print



# Processes to remediate negative impacts and channels to raise concerns (S1-3)

Billerud has a specific routine for escalation of significant safety events. An incident investigation procedure is initiated if it has caused or contributed to a negative impact related to health and safety. Mitigating actions are assignee a closing date and a responsible manager for each incident. The effectiveness of the remedial measure is evaluated through a risk assessment process to show it has had the desired effect. It is managed through our incident management systems where the identified actions and corresponding corrective risk assessment must be completed before closing the incident. If risks remain or actions are not completed on time, Billerud will escalate the appropriate response before closing the case. Among other things, Billerud provides the following remedial measures:

- provision of medical assistance
- documentation and, if applicable, escalation of cases
- investigation of root causes
- mitigating action plans
- cooperates with authorities and regulators if applicable

Billerud has group-wide routines in place, demonstrating how we should report and communicate incidents. Safety observations, incidents and near misses are reported in the incident management system. All injuries to employees, visitors and contractors that results in lost time must be reported through an additional list immediately after becoming aware of the injury in question.

Billerud employees or safety representatives are expected to directly report violations and suspected violations of the Health & Safety Policy to their immediate supervisor or to the Policy Owner. Anonymous reporting of wrongdoings (whistleblowing) can be made through Billerud's confidential reporting system, Speak-Up Line. Billerud's Speak-Up Line is available on the website and intranet. For more information on Billerud's whistleblowing function, see G1-1 on page 146.

Employees can also voice their opinions through the annual employee survey, and by communicating with managers or safety managers. They can further-

more engage with their union representatives, safety delegates or line manager to report incidents.

Monitoring of issues raised and addressed is continuously managed in our web-based systems for incident-, event reporting and risk assessment. These systems as well as whistleblowing systems ensure non-retaliation.

The system for incident and event reporting and risk assessment for the mills and corporate functions in Europe is the most widely used system in Sweden and follows Swedish standards and best practices. In North America we utilize another system to record and investigate health and safety-related matters that is widely used in the business and is therefore determined to be trusted by employees.

## Actions (S1-4)

To achieve our Health & Safety Policy objective of ensuring that no one is injured through their work at Billerud, as well as our LTIFR target, we examine, track and implement measures in our work environment. Below is a list of actions taken, planned or underway to mitigate our negative Occupational Health and Safety (OHS) impact. Actions are ongoing with no defined end-date unless explicitly expressed in this chapter. Billerud tracks the effectiveness of actions through KPIs and sub-target monitoring. Read more under S1-5 on page 128.

Resources allocated to managing material impacts include financial resources below thresholds of significant Opex and Capex levels, as well as human resources such as central and local safety and security professionals. Technical resources, such as incident management systems, support such management activities.

### Health and safety training

All employees complete regular health and safety-related training. The training activities begin during the onboarding of new employees and are repeated throughout employment. The basic safety training is aimed at all employees in own operations across markets and the expected outcome of training activities is to develop skills to prevent injuries and make safe decisions.

Billerud provides additional health and safety training for selected employees related to specific activities, linked to their role. Line managers are respon-

sible for ensuring that such safety training is conducted on a continuous basis. Furthermore, we provide health and safety training such as Better Working Environment to all managers and safety delegates. The training provides information about health and safety legislation as well as methods for risk assessment and safety management and is repeated every third year. Corresponding training is provided in North America. Additional local actions include leadership workshops as well as educational days on relevant topics.

### Risk assessments

Billerud conducts risk assessments to prevent situations where we could cause or contribute to negative OHS impacts. Our systematic work with safety and OHS risk includes identifying, analyzing, assessing and managing the risks that exist at our workplace. Risk assessments are initiated by carrying out an examination and risk inventory procedure to collect information about hazards and risk factors. We evaluate risks based on their estimated level of probability and the severity of consequences and suggest measures and define mitigation plans to combat the risk. Finally, we track that the measures have been implemented and evaluate their effectiveness and results.

Risk assessments are conducted in all markets, mills and departments continuously and are the responsibility of each respective manager. OHS specialists also facilitate procedures through training, written procedures and checklists to follow up on results. Safety represen-

Download pdf to print



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
Environmental information	74
<b>Social information</b>	<b>114</b>
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

[Download pdf to print](#)

tatives and employees are involved in the entire risk handling process. Also, individual risk assessments are conducted prior to initiating work activities for relevant positions.

**Audits and certification of mills**

Billerud conducts internal as well as external audits. During 2024, Billerud advanced in the process of evaluating its European mills according to ISO 45001. The Pietarsaari mill was certified previous to 2024. The Gävle mill and our wood supply operations have been audited in 2024, but so far only our Swedish procurement and wood supply operations received its certification. External audits began at Frövi and Gruvön mills in 2024.

Our ambition is that all European mills and Wood Supply in Latvia should be certified by 2025. We aim to achieve ISO 45001 certification for the mills in Region North America in the future. However, no target year is defined. All mills will undergo external health and safety audits once they are ISO 45001 certified. We will track the effectiveness of these actions by following up on such certification status.

Internal audits are also conducted to assess the effectiveness of Billerud's engagement with its workforce. Each mill and Wood Supply has an internal audit team tasked with verifying Occupational Health and Safety (OHS) management system effectiveness. Such internal audits are conducted in all Billerud's markets and mills. The expected outcome of audits is to identify improvement areas in our systematic OHS work.

**Safety rounds and risk- and safety observations**

By examining, assessing and remedying deficiencies in the physical work environment on a regular basis, we reduce the probability of occurrence of workplace accidents and work-related injuries and illnesses. During safety rounds, employees, managers and safety delegates walk around the relevant work area and identify or engage around obvious risk elements as well as set safety procedures such as fire escapes. A risk- or safety observation is an observation of a safe or unsafe condition, while an employee performs their work, and based on such observations conducts a dialogue on safe behaviors. Both safety rounds and safety observations are conducted across Billerud operations in all markets.

**Safety walks and Key Safety Performance Audits**

Safety walks and Key Safety Performance Audits (KSPAs) focus on safe and at-risk behaviors. During safety walks, the management team of each mill walks around operations and discusses safety with employees. KSPAs include the management team auditing-specific activities on-site during safety walks, including safety protocols and checklists. The purpose of conducting such actions is to generate a dialogue and commitment to safety, demonstrate leadership within safety, and identify improvements and mitigating actions.

Safety walks and KSPAs are conducted across all Billerud's markets and operations on a continuous basis. In North America, KSPAs are conducted monthly.

**Occupational health services**

All employees have free access to work-related health services through internal and/or external service providers, such as access to doctors, nurses, ergonomists, and other health specialists. In addition to physical health and safety we also provide support for mental health issues for those in need. Such providers also support Billerud in pre-employment medical procedures such as hearing tests and drug tests. Such services are provided to Billerud employees in all markets. The expected outcome of providing such services is to prevent accidents and injuries from occurring, support employees with remedy when needed, and to increase employee satisfaction.

**Safety Roadmaps 2024-2028**

During 2024, two safety road maps were defined and approved, one for Region Europe and one for Region North America, covering the period 2024-2028. The road maps define workstreams and annual deliveries of objectives and targets up until 2028, to contribute to the policy vision and objective of an injury-free, safe and secure workplace. The roadmaps cover Billerud's global operations and include both employees and contractors within own operations and value chain.

The safety road maps includes different actions for our European and North American operations, depending on the needs. The action plans also include the preparation for ISO certifications. Other key workstreams include systematic improvements related to risk assessment in ensuring they are performed for all positions in the company, improved

performance related to lock-out-tag-out procedures, and improved permit to work procedures. Such activities have already been initiated during 2024, and will continue to 2028, and Billerud's ambition is to excel in such activities. Key activities planned for 2025 also include adding auditing elements to management safety walks in Europe similar to the KSPA procedures in North America, explained earlier. The expected outcome is to prevent accidents and injuries.

**Identification and management of actions related to negative impacts**

The identification of the appropriate action needed to meet the risk of accidents, injuries and fatalities is determined and guided by our risk assessments as well as reported incidents and learnings from such incidents from related investigation findings and corrective actions. Billerud shares investigation findings across facilities and Red Alert notifications are issued to all employees when an incident occurs that could potentially result in a severe injury or fatality. If conflicts of objectives between health and safety priorities and other business pressures occur, health and safety is always prioritized.

When incidents occur related to a negative OHS impact, HR, the line manager and the impacted employee are part of a remedial process to ensure the person makes a full recovery and can return to work. Health care and crisis support for the individual, colleagues and family members is available and workers' compensation is provided. Billerud has provided remedy for employees impacted by accidents and injuries during 2024.

However, information related to individual cases cannot be disclosed due to confidentiality. Read more under S1-3 on page 126.



## Metrics and targets

### Targets (S1-5)

Billerud uses time-bound targets and metrics to track its health and safety performance and progress. Billerud has set targets related to leading indicators as well as lagging indicators. Leading indicators include the completion of risk and safety observations and safety risk assessments related to lock-out, tag-out and a permit to work. These will not be presented in more detail but can impact lagging indicators presented below.

Billerud's leading KPIs during 2024 were risk and safety observations and management safety walks completed. Both targets have been achieved and risk awareness has been raised in our operations.

Our Group KPI during 2024 was the lost time injury frequency rate (LTIFR). This KPI tracks progress related to our Occupational Health and Safety impact and to meet policy objectives of providing an injury free, safe and secure work environment. The target includes all employees and contractors in own operations and the value chain across all Billerud's geographies and activities, except for contractors within inbound and outbound transports.

Targets are set for the Group but are followed-up on a market level as well as mill level. Billerud also monitors and tracks progress of the total recordable injury frequency rate (TRIFR). This target is included in Billerud's internal KPIs from 2025 and onward as part of implementing the Safety Roadmap 2024-2028. Targets are monitored, reviewed and presented to the Group Management Team on a monthly basis.

In 2024, the LTIFR for employees and contractors in our European operations amounted to 6.9. The LTIFR for employees and contractors in our North American operations was 2.1. The TRIFR for employees and contractors was equal to 9.1 in Europe and 6.8 in North America. In total, the LTIFR was 5.5 and the TRIFR was 8.4 in 2024.

The targets set for 2024, 2025 and 2028 are presented below. The 2028 targets reflect Billerud's long-term target and our overall ambition. However, no specific 2030 target is defined. The 2024 target was set in 2023. The target for 2025 builds on baseline values per region, that corresponds to an average of the outcome levels of 2022, 2023

and 2024. These baseline values are presented in the table below. Due to the fact that the baseline value corresponds to an average of three years, no base year is presented in the table below. The 2028 target was set in 2024 as part of the updated Safety Roadmap for 2024-2028 and the Group strategy "Way forward". The targets are absolute.

Billerud has not met its 2024 LTIFR or internal TRIFR target. Billerud will implement activities within the framework of the Safety Roadmap 2024-2028 in order to improve our safety performance and improve results.

Employee representatives are represented in the Board and are involved in target setting procedures and tracking target performance related to health and safety. Employees are involved in the development of mill-specific roadmaps and targets, including tracking performance and identifying improvements in mill roadmaps.

The LTI includes work-related injury and illness that leads to sick leave. From 2025, it will also include work related ill-health. The LTIFR is the number of

lost time injuries per one million worked hours. The TRIFR also includes work-related injuries and illness that leads to restricted work and medical treatment beyond first aid. While the TRI presented in S1-14 on page 129 is presented on a separate row than fatalities, the LTI and TRI used for the basis of Billerud's target includes fatalities. One change to the methodology of calculations was conducted between 2023 and 2024. In 2023, presented metrics included a very limited gap of hours worked for white-collar workers. However, in 2024, Billerud covered this gap. The adjustment is not material for the outcome. There are no further identified assumptions, limitations or changes to methodology.

S1 – Own workforce – health and safety	Baseline value			Outcome 2024			Target 2024	Target 2025	Target 2028	Target 2030
	North			North						
	Europe	America	Total	Europe	America	Total	Total	Total	Total	Total
Lost time injury frequency rate, LTIFR	6.2	1.7	4.9	6.9	2.1	5.5	<2.5	<3.7	<1.5	–
Total recordable injury frequency rate, TRIFR	8.9	4.7	7.7	9.1	6.8	8.4	–	<5.8	<3.0	–

[Download pdf to print](#)





Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
Environmental information	74
<b>Social information</b>	<b>114</b>
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

**Metrics (S1-14)**

The information below includes Billerud's workers as well as contractors working at our sites. The information is presented on a consolidated basis. The metrics help us to follow-up and track the effectiveness of our actions to manage our negative Occupational Health and Safety (OHS) impact and contribute to policy objectives.

Based on headcounts, 100% of Billerud's own workers are covered by our health and safety management system, which is based on legal requirements and recognized standards and guidelines. Such numbers have been internally audited and certified by an

external third party, as part of the preparation for ISO 45001 through other ISO certification schemes. Other metrics below are not validated by an external body other than the assurance provider, but spot checks are performed during ISO audits.

All metrics below are based on our monthly OHS reports which are built on incident reports. Numbers below are reported for total recordable work-related accidents (TRI).

Fatalities and work-related accidents are split into two separate rows. Assumptions related to total hours

worked and methodology for the rate of recordable work-related accidents are presented under S1-5 on page 128.

Billerud has chosen to add entity-specific measures for the recordable work-related accidents for contractors, the total recordable work-related accidents (the sum of number of fatalities and other recordable work-related accidents) and the rate of recordable work-related accidents for contractors. The reason for adding such metrics is to provide insights into how metrics differ between employees and contractors. No further assumptions are made.

	Outcome 2024		
	Employees	Contractors	Total
<b>S1 – Own workforce</b>			
Percentage of own workers covered by the company's health and safety management system	100	N/A	N/A
Percentage of own workers covered by a health and safety management system which has been internally audited and/or audited or certified by an external part	100	N/A	N/A
Number of fatalities as a result of work-related injuries and work-related ill-health	0	0	0
Number of recordable work-related accidents (excluding fatalities)	101	24	125
Number of recordable work-related accidents (including fatalities)	101	24	125
Rate of recordable work-related accidents	8.9	6.9	8.4

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# ESRS S2 Workers in the value chain

## Material impacts, risks and opportunities and their interaction with strategy and business model (S2 SBM-3)

Billerud procures raw materials, chemicals, transports and logistics, products, energy, and services from its global supplier base. Working towards a sustainable supply chain means that all purchasing decisions must be made in line with principles of business ethics and comply with sustainability criteria. Such criteria include decent working conditions for workers in the supply chain. Billerud does not hold significant risk of child labor, forced labor or compulsory labor among workers in the value chain.

See Billerud's identified impacts on people and the environment below. No material financial risks and opportunities have been identified. See overview of identified material impacts, risks and opportunities in SBM-3 on page 60.

### Description of impacts

#### ● Risk of substandard working conditions in the value chain

Due to the diverse range of sourced material at Billerud, it is challenging to get full insight into working conditions

in all parts of Billerud's value chain. Due to this, Billerud risks contributing to adverse negative impacts on labor rights for workers in the value chain. Furthermore, substandard working conditions can lead to lower motivation, job dissatisfaction and higher employee turnover.

Billerud's impact arises through our business relationships with suppliers and contractors. The impact occurs in the upstream value chain, for example within wood supply and chemicals procurement. The impact also occurs within our own operations as we have contractors operating at our mills as well as within forestry activities. The impact is also relevant downstream to, for example, transport and logistics workers. Health and safety risks could be related to, for example, logistics during loading of transports or chemical production. For health and safety for contractors in Billerud operations, see the next segment on this page.

#### ● Occupational health and safety risks in the value chain

Workers in Billerud's value chain can be subject to negative occupational health and safety impacts. Contractors can be larger or smaller businesses as well as specialist companies.

Unsafe environments and hazardous materials, can lead to negative health and safety impacts, including injuries or chronic health conditions. High stress levels and lack of breaks can also lead to mental health problems.

Contractors within Billerud's wood supply operations are subject to health and safety risks due to the type of work. This is a risk both within own operations as well as through wood suppliers' own forest operations. Sub-contractors in Latvia are at specific risk as they have more manual labor and less machinery in the regeneration felling operations than other contractors. This increases the risk of exposing workers to safety hazards and injuries. Within Region

North America, we have no contractors within wood supply.

Contractors at mills are hired to do repair and maintenance on the equipment which could vary from replacement, to repairs, realignment or reassembly. They face similar health and safety risks to Billerud's own workforce. The understanding of extra vulnerable groups is based on reported incidents within health and safety as well as on audits and engagement with the Billerud representative contact person for the Latvian forestry workers.

#### Interaction with strategy and business model

Negative impacts on workers in the value chain can cause negative effects on Billerud's business, for example through reputational and legal effects as well as through increased difficulty to recruit and retain talent. Our impacts are connected to our strategy and business model due to industry characteristics and nature of activities. Our negative

health and safety impacts are widespread rather than related to individual incidents, due to the nature of activities, including transports, forestry operations, mill operations and chemicals management. Other impacts related to working conditions, such as impacts related to collective bargaining or work-life balance, are associated to individual incidents and are not systemic. Supplier relations, including matters of conduct and human rights, are vital to secure supply, deliver cost savings and encourage supplier innovation.

The health and safety of contractors is included in our Safety Roadmap, which is aligned with our corporate strategy. Risks and opportunities stemming from impacts and dependencies on value chain workers, such as reputational, legal or health and safety risks, are imbedded into our risk management framework, informing our strategy.

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74
    - Social information 114**
      - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print



# Policies (S2-1)

## Operations, Quality & Procurement Policy

Our Operations, Quality & Procurement Policy states that we expect that our suppliers, and their suppliers, operate in compliance with all applicable laws and regulations and adopt the requirements described in Billerud's Supplier Code of Conduct. Our ambition is to meet high internal and external stakeholder expectations on sustainability, quality, procurement and innovation throughout our entire chain of activities from forestry to supply of finished goods. The purpose of the policy is to set Billerud's commitments and ambitions in these areas. As such, it covers our working conditions impacts, including health and safety, for suppliers and value chain workers. However, the health and safety impact for our contractors is regulated under our Health & Safety Policy. Read more under S1-1 on page 125.

The policy applies to Billerud and its controlled subsidiaries and covers Billerud's business activities and operations globally. It applies to everyone who works for or on behalf of Billerud, including board members, employees, interns, and contractors. It refers to ISO 9001 Quality standard and the food safety's FSSC standard 22000 standard and states that production sites should be certified where applicable. Monitoring of compliance is ensured both via tracking relevant KPIs and activities, fol-

lowing up on certifications and Supplier Code of Conduct requirements, as well as violations reporting to relevant supervisors in our Speak-Up Line. The SVP Operations & Deputy President Europe is the policy owner and is accountable for the implementation of the policy. The policy is available on Billerud's website, on the intranet and is part of purchasers' training.

### Supplier Code of Conduct

Billerud's Supplier Code of Conduct covers the impact of working conditions for suppliers and contractors, including health and safety for suppliers. The Supplier Code of Conduct aligns with our Code of Conduct, as described in ESRS G1. The Supplier Code of Conduct applies to any legal person or legal entity that provides products and/or services to or on behalf of Billerud or any of its subsidiaries and affiliates.

Billerud requires all suppliers to comply with the requirements set out in the Code, and to make sure that their suppliers and sub-suppliers are complying with equivalent standards. The Code shall be signed by all suppliers above over applicable threshold values. Its objective is to support and actively promote and comply with international standards regarding environment, human rights, working conditions, anti-corruption and business ethics. We monitor the implementation by following

up on the percent of signed Supplier Code of Conduct and other sub-targets, as well as through supplier performance assessments. Read more under S2-5 on page 135.

When adopting the Code, particular interest was given to suppliers and workers in the value chain as well as the environment. This is demonstrated by explicit recognition of suppliers, human and labor rights, health and safety and environmental clauses. The EVP Legal & General Counsel is the owner of the Code and is accountable for the implementation.

### Human rights inclusion in policies

Billerud is committed to respecting and promoting international human rights throughout the value chain. Our general human rights policy commitments, including due diligence procedures, are further described in S1 – Own workforce on page 117.

Billerud's Supplier Code of Conduct states that we support and work actively to comply with and promote international standards regarding environment, human rights, working conditions, anti-corruption and business ethics. These include but are not limited to the ten Principles of the UN Global Compact, UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, OECD Con-

vention on combating bribery of foreign public officials in international business transactions, the UN Global Goals, and the Science Based Targets initiative.

The Supplier Code of Conduct explicitly addresses health and safety, as well as labor rights, human rights, forced labor and child labor. Human trafficking is included within forced labor provisions but not explicitly recognized. Precarious work is included through provisions that cover sub-suppliers, but the Supplier Code of Conduct includes no explicit provisions regarding specific contracts. All provisions mentioned are in line with applicable ILO standards.

Furthermore, Billerud explicitly addresses modern slavery risks in the Responsible Business Policy and Billerud Modern Slavery Statement.

General processes and mechanisms to monitor compliance with UN, ILO and OECD principles are not stipulated in these policy provisions. However, such mechanisms, such as remedy measures and engagement with value chain workers are portrayed in S2-3 on page 133. As general monitoring mechanisms in relation to the above instruments are not described in the policy itself, cases of non-respect of such principles are not recognized by the policy. However, monitoring mechanisms of the policy itself through audits and reporting of cases

of non-respect is clearly stated. Such cases can be reported through the whistleblowing mechanism or through legal procedures.

Our general approach to value chain worker engagement is to enable an open and transparent information flow. Billerud states our commitments regarding engagement in our Code of Conduct and Supplier Code of Conduct. The Supplier Code of Conduct states that Billerud should require all suppliers to comply with the Code and to make sure that suppliers and sub-suppliers comply with equally strict standards. However, this stipulation covers engagement with value chain representatives and not with workers themselves.

Remedy is highlighted through enforcement of the Supplier Code of Conduct, stating that a breach of the Code, including a human rights breach, can lead to corrective measures, including the termination of contracts. No further remedial measures for the value chain workers are explicitly recognized in the Code. The Supplier Code of Conduct is communicated to stakeholders through the integration in contracts or as a referral in agreements as well as through procurement processes, supplier assessments and audits.

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74
    - Social information 114**
      - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print



# Processes for engaging with value chain workers (S2-2)

## Suppliers

Billerud's engagement with value chain workers occurs through engaging with legitimate representatives at the suppliers. Within group purchasing in Region Europe, the responsible purchaser engages with a representative from the supplier.

The four main stages of engagement are the selection of suppliers, our EcoVadis supplier assessments, our Billerud specific supplier logistics assessments and audits of suppliers. Read more about each phase below. These four main stages of supplier engagements address all of Billerud's identified impacts for the standard S2 – Workers in the Value Chain. See SBM-3 on page 60 for more information. The Senior Vice President Operations and Deputy President Billerud Europe holds operational responsibility for the engagement. The effectiveness of this engagement is evaluated through targets, presented under S2-5 on page 135.

- **Selection of suppliers:** Billerud ensures that requirements related to social, environmental and economic aspects are met in relation to the selection of a contractual partner. The supplier qualification process includes due diligence procedures related to the supplier's financial, operational and sustainability performance, covering working conditions and health and safety for value chain workers. The assessment is limited to Billerud's strategic suppliers and regularly repeated during the sup-

plier relationship to ensure continued compliance.

The initial contact includes a walk-through of our Supplier Code of Conduct and information about our supplier assessment process through EcoVadis. In addition, this phase includes a screening against Billerud's list of excluded and high-risk markets as well as identification of beneficial owners and sanction screening. High-risk markets are defined as high-risk jurisdictions related to responsible business such as human rights, labour rights including child labour and forced or compulsory labour, and/or corruption. Billerud seldom sources from high-risk markets, and if we do, the supplier goes through careful screening.

- **EcoVadis supplier assessments:** Since 2019, we have been using third-party solution EcoVadis to assess supplier performance. Assessments are conducted annually, and we receive an evaluation focusing on four main categories: Environment, Labor and Human Rights, Ethics, and Sustainable Procurement. The assessment survey is adapted to the supplier's number of employees, geographical location and sector.

Suppliers receive a rating and a scorecard. The rating results are either approval, approval with conditions or non-approval. The suppliers approved with conditions need to commit to improving their perfor-

mance and must implement a Corrective Action Plan. In the case of such deviations, Billerud provides guidance and support to help the supplier implement systematic improvements. Billerud has the right to terminate contracts with suppliers who are not meeting our criteria and can choose to not source from that supplier or, in cases of highly important suppliers, to conduct audits. Purchases of direct material such as chemicals are critical from a purchasing and sustainability perspective and are therefore prioritized in Billerud supplier assessments. We are currently reviewing opportunities to streamline the process in North America.

- **Billerud's supplier assessment:** Evaluations of the logistics companies that manage inbound transports of wood raw material and outbound transports are conducted via tailored supplier assessments that cover health and safety, working conditions and environmental issues. Labor rights and human rights are also part of the criteria in the certification systems within wood supply. The supplier assessments are made when Billerud enters into a contract with a supplier and further assessments are made at least once a year and every year on larger suppliers. We are currently reviewing opportunities to streamline the process in North America.
- **Audits:** Audits are regularly performed and can be internal or external. External audits can stem from for example certification procedures,

from customer audits or other party, and can include various aspects of the purchasing process. During 2024, Billerud has also initiated an update of our on-site audit process for suppliers. Read more under S2-4 on page 133.

## Contractors

There are specific routines for contractors working at the mills. Each contractor has a contact person employed by Billerud, working at the mill. In addition to the Supplier Code of Conduct, safety requirements specified in steering documents for contractors are enclosed in the contract between Billerud and the supplier.

Each contractor must complete one or multiple safety training sessions, depending on the type of work. For example, such training includes information on how contractors should provide feedback, report accidents, as well as information on our whistleblowing channel. Incidents such as personal injuries, risk observations and near misses must be reported immediately to the contractor's management and to the contact person at Billerud. Mill Directors are the most senior responsible parties for the engagement with contractors. We assess the effectiveness of our engagement with contractors at the mills through closing dialogues with the contractor after the work is finalized, where the contractor can highlight improvements, risks and opportunities regarding health and safety.

In the US, all contractors also receive an annual contractor survey focused on safety, and we assess the effectiveness of our engagement by, for example, reviewing improvement areas in operations that arise from the survey. As a result of the survey in 2023, Billerud has made policies and other safety related information increasingly available at the mills.

All contractors within wood supply in Europe conduct a web-based training program for forest contractors and their own employees, which include health and safety, before starting their work. They also complete a supplier self-assessment. We have regular contact directly with the workers and conduct annual site audits focused on safety and working conditions where we engage directly with the contractors. 10% of the contractors are being site audited each year. The Senior Vice President Procurement and Wood Supply Europe holds the operational responsibility.

We conduct several engagement activities to gain insights related to the particularly vulnerable group of forestry workers and forestry sub-contractors within our Latvian operations. Amongst other things, we conduct continuous follow-ups, training and announced and unannounced audits where engagement with workers is included.

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74
    - Social information 114**
      - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print





## Processes to remediate negative impacts and channels for value chain workers to raise concerns (S2-3)

Billerud's central crisis management team is alerted in cases of severe occurrences, irrelevant of whether the occurrence is financial, operational or sustainability related. The team oversees the provision of remedies in terms of such occurrences.

The general approach for providing remedy for value chain workers is connected to our overall supplier management process. There is no standardized remedy process related to, for example, the assistance and compensation for value chain workers. Instead, we put pressure on our suppliers and follow-up on potential corrective action plans to ensure compliance. The effectiveness of remedy provided is assessed through follow-up activities such as progress on such action plans. For more information, see S2-2 on page 132.

In case of a safety incident involving a contractor, Billerud has a specific routine for escalation of significant safety events. Billerud begins an investigation procedure if it has caused or contributed to a negative impact. Mitigating actions, a closing date and a responsible manager are attributed to each incident. Remedy procedures include provided medical assistance, root cause analysis and corrective action plans as well as cooperation with

authorities if needed. We assess the effectiveness of measures by following up on incidents and following actions in similarity to health and safety impacts for employees as described in S1 – Own workforce on page 124.

External stakeholders are encouraged to report suspect actions or behavior relating to Billerud's business operations. Billerud's whistleblowing channel, the Speak-Up Line, enables confidential reporting whereby individuals can report suspicions anonymously. The whistleblower channel is available for all stakeholders on our external website. Information about our Speak-Up Line is found in our supplier agreements, as well as a part of training of contractors. Furthermore, there is information about our whistleblower channel at the mills, for example on posters. As included in the Supplier Code of Conduct, Billerud requires suppliers to make similar channels available for their personnel to raise concerns without fear of retaliation.

Contractors can also raise their concerns with their direct contact person at Billerud.

In North America, we also track the effectiveness by including questions in our survey to the contractors. In addition, we track and monitor health and

safety data for contractors through the same channels and procedures as for employees, as demonstrated under S1 – Own workforce on page 124. We assess potential reports filed, and not the effectiveness of these channels.

Read more about whistleblowing and protection against retaliation in G1-1 on page 146.

## Actions (S2-4)

We constantly work to decrease the risk of negative impacts on the workers in our value chain. Actions aim to avoid causing or contributing to material negative impacts. We identify actions needed based on, for example, risk assessments and incident reporting regarding health and safety as well through information gained within suppliers' selection, assessments and audit processes.

Actions are ongoing with no defined end-date unless explicitly expressed in the bullets below. No significant Opex and/or Capex is dedicated to activities below. Resources allocated to managing impacts for value chain workers include personnel within procurement and personnel within our mills and forestry operations as well as expenditures below significant thresholds. Billerud tracks the effectiveness of actions through KPIs and sub-target monitoring. Read more under S2-5 on page 135.

### Risk of substandard working conditions in the supply chain

Activities described below contribute to ensuring compliance with the Supplier Code of Conduct and that Billerud's target related to the proportion of suppliers who sign the Code is reached. The expected outcome of activities is to improve the knowledge of our Supplier Code of Conduct, to increase the insight into our value chain, and improve performance through improved evaluation and monitoring measures.

- **Signing of Supplier Code of Conduct:** Suppliers are required to sign our Supplier Code of Conduct, which serves as a tool and follow-up mechanism to review, amongst other things, our suppliers' environmental and social responsibility. The activity covers suppliers in our upstream and downstream value chain across geographies and stakeholder groups as well as own operations related to contractors. We continuously track and assess the percentage of our supply base that has signed the Supplier Code of Conduct, as described in S2-5 on page 135.
- **Training activities:** Billerud educates our purchasers on the Supplier Code of Conduct. The aim is to enable suppliers to understand policy provisions and ensure compliance with the Code. This activity covers the upstream and downstream value chain and is carried out continuously. All new employees within procurement at Billerud must perform the training. The effectiveness of the training is measured by ensuring all new employees complete the training but includes no evaluation of skills.
- **Supplier selection procedures, assessments and audits:** We conduct supplier selection activities, assessments through EcoVadis, Billerud-specific assessments and supplier audits, as highlighted under S2-2 on page 132. The aim of such activities is to ensure a robust supplier management process, including a thorough

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74
    - Social information 114**
      - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
Environmental information	74
<b>Social information</b>	<b>114</b>
Governance information	145
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

oversight of material impacts for value chain workers. In Europe, all geographies are covered by such activities, both in the upstream and downstream value chain as well as own operations related to contractors. This assessment does not include North America or our wood supply operations. However, Region North America works to streamline supplier assessments and audits to the European process. These activities are tracked and assessed by tracking the proportion of purchase value covered by supplier assessments for European operations.

- **On-site audits of Tier 1 suppliers:** During 2024, Billerud conducted the first steps to update our process for on-site audits of suppliers. The steps taken in 2024 consisted of a limited amount of site audits and the completion of a formalized questionnaire to follow-up on supplier compliance with the Supplier Code of Conduct, covering matters such as working conditions, health and safety, product quality and food safety. Results and learnings have not yet been finalized. Based on learnings from the updated process, Billerud will formalize the on-site audit process in 2025. The scope of the activity covers the Swedish upstream value chain.

**Occupational health and safety risks in the value chain**

Health and safety for contractors is included in Billerud's Health and Safety Roadmap, which is presented under S1 – Own workforce on page 127. Further specific activities for contractors in our upstream value chain or own operations are presented as follows and the expected outcome of activities is to

contribute to the Health & Safety Policy objective, namely, to secure an injury-free, safe, secure and creative workplace as well as contribute to our LTIFR = (Lost Time Injury Frequency Rate) target presented in S1-5 on page 128.

Actions are ongoing with no defined end-date unless explicitly expressed in the bullets below. No significant Opex and/or Capex is dedicated to activities below. Resources allocated to managing material impacts include financial resources below thresholds of significant Opex and Capex levels, as well as human resources such as central and local safety and security professionals. Technical resources, such as IA systems, support such management activities. Billerud tracks the effectiveness of actions through KPIs and sub-target monitoring, as expressed in S1-5 on page 128.

- **Safety rules for contractors at mills:** Billerud has common safety rules for employees and for contractors within Region Europe. Such rules for contractors are formalized in a routine document and communicated to all contractors at our mills in Billerud. The routine document includes rules on applicable training, equipment, incident reporting, etcetera, and aims to define rules of conduct and is applicable to all contractors at Swedish mills. The routine document was implemented prior to 2024, but was fully adapted in 2024 through communication. The effectiveness of actions is measured through the effect on LTIFR. See S1-5 on page 128.
- **Communication activities:** During 2024, Billerud has increased the amount of communication with our

contractors at the mills in North America regarding safety. Communication activities included one-on-one safety meetings for all contractors, a checklist with safety requirements for daily health and safety management, and face-to-face meetings with contractors regarding risk assessments. We track and assess the effectiveness of such actions by following up on health and safety metrics, as described in S1-5 on page 128.

- **Training activities:** Billerud conducted a specific training about safety for contractors within wood supply operations in Europe, with focus on personal protective equipment (PPE). During 2024, corrective actions identified have been formalized as recommendations. However, from 2025, such corrective actions will be included in contractors' agreements. The expected outcome is to reduce the number of injuries. Such PPE training has been conducted in the Swedish market. Other health and safety training for contractors is highlighted under S1-4 on page 126.
- **Evaluations and audits:** During 2024, Billerud's wood supply operations conducted unannounced controls related to working conditions and health and safety. Such controls were applied to our upstream forestry management operations in Latvia, where occupational health and safety risks are assessed to be higher than in other markets. In addition, wood supply operations in Europe conducts evaluations of health and safety impacts for contractors every year. During such evaluations, Billerud assesses health and safety risks together with the owner or representa-

tive of the contractor and requires supporting documents and certifications related to negative impacts.

- **Industry collaboration:** Billerud engages in industry organization and collaboration schemes where we discuss working environment for contractors and share best practices. The expected outcome is to create knowledge and share experiences. For example, such industry collaborative schemes, aligns web-based trainings for wood supply contractors, in order to create industry best practices. Although industry collaboration occurs in all markets, the web-based training mentioned as an example, is only for forestry contractors in Sweden.

**Remedy actions and human rights incidents**

No particular action to provide or enable remediation in relation to material impacts was conducted in 2024 for value chain workers. No whistleblowing cases regarding supplier working conditions or health and safety were filed, nor other non-compliance cases regarding the Supplier Code of Conduct. Multiple health and safety impacts have been reported through Billerud's health and safety incident procedures. Such cases are presented in S-14 on page 129. Further information on individual cases is confidential. No additional actions or initiatives are in place with the primary purpose of delivering positive impacts for value chain workers. Zero human rights issues and incidents connected to the value chain were reported during 2024.

[Download pdf to print](#)



- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74
  - Social information 114**
    - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

## Metrics and targets

### Targets (S2-5)

#### Proportion of our supplier spend by signed Supplier Code of Conduct

We track the effectiveness of the implementation of the Supplier Code of Conduct by tracking the proportion of supplier spend by signed Supplier Code of Conduct. The target is set for the entire Group. By signing the Supplier Code of Conduct, the suppliers confirm that they have understood and complied with the document.

Our target is to have the Supplier Code of Conduct signed by 95% of our suppliers, by spend, over applicable threshold values, by the end of 2025. The target was defined and decided on in 2022. The process for setting the target included a decision on a three-year target plan by the Group Management Team. The target covers all relevant functions in all Billerud markets, such as wood supply, procurement and logistics. Suppliers with a purchased value under SEK 1 million/year are excluded in the KPI. No estimations or assumptions made. There have been no changes in methodologies since 2023. The baseline

value from 2023 is 82%, and the 2025 target is set to 95%, with a 2024 interim target of 85%. During 2024, 92% of suppliers by spend signed the Code of Conduct, hence reaching the target.

#### Proportion of employees who completed the Code of Conduct training

Billerud's Supplier Code of Conduct builds on our Code of Conduct, presented in G1-1 on page 146. We are reliant on the fact that Billerud representatives are knowledgeable on our Code of Conduct as well as Supplier Code of Conduct to manage negative impacts related to workers in our value chain. As such, the effectiveness of activities and policy objectives in this standard, is also indirectly tracked by the percentage of employees who completed the Code of Conduct training.

Our target for 2024, defined in 2023, was that 95% of employees had completed the training. The baseline year is 2023 and equals 95%. The 2025 target is set to 95%. The outcome for 2024 demonstrates that 96% completed the training. The completion rate includes all employ-

ees regardless of contract but does not include employees in joint ventures and associates. No further estimations or assumptions were made. The target was approved by the Group Management Team.

#### Proportion of purchase value covered by supplier assessment

We track the effectiveness of compliance with objectives of the Supplier Code of Conduct by also tracking the proportion of purchase value covered by supplier assessment. The target scope is the procurement supplier assessments conducted through EcoVadis and the Billerud-specific supplier assessments for logistics.

This includes all Region Europe's suppliers except for wood supply. The target does not cover North America. The methodology is spend-based and limited to Billerud's strategic suppliers. No further estimations are made and no changes in methodology have been conducted since 2023. The target for 2025 is 85%, with a 2024 interim target of 83%. The baseline value from 2014

equals 40%. The outcome for 2024 was that 88% of suppliers were covered by supplier assessment. The target was set to increase by 2% each year from 2018 levels and was approved by the Group Management Team.

#### Outcome 2024

Billerud managed to perform according to 2024 targets according to expectations. The reason for meeting targets is a consistent focus on setting supply chain requirements and training.

For all three targets presented, workers in the value chain have not been involved in setting the targets or in tracking performance or identifying improvements in relation to targets. However, suppliers can track targets as presented externally in the Annual and Sustainability Report, and they can identify and communicate improvements related to targets through engagement measures highlighted in S2-2 on page 132.

The targets are relative and covers upstream and downstream value chain and value chain workers in own opera-

tions. The metrics are not validated by an external body other than the assurance provider.

#### TRIFRs and LTIFRs for contractors

Contractors are included in Billerud's health and safety targets. Read more in S1-5 on page 128. Contractors have themselves not been part of setting safety targets but can track and identify improvements related to targets through engagement measures highlighted in S2-2 on page 132. The metrics are not validated by an external body other than the assurance provider.

	Baseline value				Outcome 2024			Target 2024			Target 2025			Target 2030		
	Base year	Europe	North America	Total	Europe	North America	Total	Europe	North America	Total	Europe	North America	Total	Europe	North America	Total
<b>S2 – Workers in our value chain</b>																
Proportion of our supplier spend by signed Supplier Code of Conduct <sup>1</sup> , %	2023	91	56	82	–	–	92	–	–	85	–	–	95	–	–	–
Proportion of employees who completed the Code of Conduct training, %	2023	–	–	95	–	–	96	–	–	95	–	–	95	–	–	–
Proportion of purchase value covered by supplier assessment <sup>2</sup> , %	2014	40	N/A	–	88	N/A	–	83	N/A	–	85	N/A	–	–	N/A	–

<sup>1</sup> Over applicable threshold values.

<sup>2</sup> This target refers to our European operations only. Includes Group purchasing and logistics but excludes wood supply.

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# ESRS S3 Affected communities

## Material impacts, risks and opportunities and their interaction with strategy and business model (S3 SBM-3)

Only a very small fraction of Billerud's wood supply comes from our own forests. Instead, Billerud has long-term sourcing partnerships with forestry companies, forest owners, logging companies and sawmills that ensure we have a continuous supply of responsible and cost-efficient wood raw material. In addition, we harvest wood in Sweden through our own forestry management services. As a large purchaser of wood raw material, Billerud is an important player in many of the communities where we operate. Some of the regions from which Billerud sources wood or conducts forestry management services are inhabited, owned or used by indigenous peoples. Our potential impact on indigenous populations is described below. See overview of identified material impacts, risks and opportunities in SBM-3 on page 60.

**Description of impacts**  
 ● **Potential sourcing without consultation of indigenous people**

Billerud engages with indigenous communities in our operations in Sweden and through our upstream wood supply chain in Sweden, Norway, Finland and North America. In Sweden, a small portion of Billerud's sourced wood is from

regions in northern Sweden inhabited by the Sami population. Billerud also conducts forest management services in Sweden on land where indigenous peoples conduct reindeer herding. In North America, Billerud sources a small portion of wood from areas in Wisconsin and Michigan that are home to various native American tribes. All affected communities likely to be materially impacted by Billerud are included in this standard.

If we were to source wood material without consulting and obtaining consent from the indigenous communities, it could potentially cause negative material impact on their right to free, prior, and informed consent. Free, prior and informed consent is a principle that recognizes the right of a community to give or withhold its consent to proposed projects that may affect the lands they own, occupy or use.

For example, when regeneration felling is conducted, in a forest bearing hanging lichen, trees should be saved as sources for spreading lichen, as this is crucial for reindeer herding. Without consultations, such environmental matters could potentially be overlooked.

It would also potentially impact the livelihood and the human rights of indigenous groups.

Indigenous groups are deemed to be at greater risk of harm than other populations living and using the land in regions where Billerud operates, as identified through conversations with wood supply representatives within our double materiality assessment. Globally, indigenous peoples continue to suffer disproportionately from poverty, access to health, human rights violations and environmental degradation. Indigenous peoples, for example, face threats to land rights, including natural resource extraction, which is why they are considered at greater risk of harm. Read about mitigating actions under S3-4 on page 139.

**Impacts on strategy and business model**

Billerud has not identified that the potential negative impact as appears in this section has or will have a material impact on our business model, value chain, strategy or decision-making. Nevertheless, ensuring responsible sourcing activities, including respecting the human rights of indigenous peoples, is vital to fulfill our legal and regulatory

obligations, adhere to requirements for relevant certifications, to initiate and develop forestry management projects and to build trust with stakeholders. Such activities are in turn crucial to secure wood supply, remain competitive and fulfill strategic and financial objectives and targets. The impact is covered by qualitative disclosure requirements and is connected to additional entity-specific quantitative disclosures, as demonstrated under S3-5 on page 140.

The potential impact is industry-wide and is not specifically connected to Billerud's strategy and business model. The impact is more widespread in areas that are inhabited, owned or used by indigenous people. Billerud is involved with material impacts across upstream activities within wood supply and through forestry management services in our own operations. Thus, we are connected to such material impacts both via our own activities and via business relationships with suppliers. Indigenous communities are located either at the end of the Billerud's value chain related to land use and forestry services, or through upstream logistics and distribution of sourced wood.

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74
    - Social information 114**
      - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

[Download pdf to print](#)





## Policies (S3-1)

Billerud is governed by its Sustainability Policy and Wood Supply Directive.

### Sustainability Policy

The Sustainability Policy describes the overarching ambition for Billerud's environmental, social and economic responsibility and direction. Its key objective is to integrate sustainability throughout all business activities and strategic decision-making. The policy includes, but is not restricted to, social matters, including a provision to contribute to making a positive impact on local communities where Billerud engages in production.

The policy stipulates Billerud's commitment to respecting and promoting international human rights and complying with internationally recognized guidelines regarding human rights. Sourcing without consulting indigenous peoples in affected communities is a potential negative material topic, which relates to the Sustainability Policy. However, specific consideration for the interests of indigenous peoples or other specific communities is not included in any policy provisions or in the setting of the policy.

The policy applies to the Group and its subsidiaries and covers Billerud's global business activities and operations, including board members, employees, trainees and consultants. All stakeholders working for or on behalf of Billerud are covered by the policy. The policy highlights that Billerud has the opportunity to influence sustainability matters both upstream and downstream throughout our value chain. The EVP

Sustainability & Public Affairs is the owner of the Sustainability Policy and is, as such, accountable for the implementation of the policy. The process for monitoring the policy includes the annual oversight and Board approval of the policy as well as compliance adherence of the policy through, for example, targets and metrics. Anonymous compliance wrongdoings can be made through Billerud's whistleblowing channel, the Speak-Up Line. Read more in G1-1 on page 146.

The Sustainability Policy commits Billerud to a multitude of initiatives and international guidelines. A selection of the most relevant initiatives related to affected communities are the UN Guiding Principles on Business and Human Rights, the UN Global Compact, The Universal Declaration of Human Rights, OECD Guidelines for Multinational Enterprises and the UN Global Goals.

### Wood Supply Directive

The directive presents mandatory principles for Billerud's wood procurement. It aims to maintain competitive wood-based raw material costs, and through balanced stock levels provide stability to adapt to variations in wood supply and production demand. The material impacts, risks and opportunities linked to affected communities, which the directive relates to, is the negative material impact regarding potential sourcing without consultation of indigenous peoples.

The Wood Supply Directive stipulates that Billerud should have systems in

place to trace the origin of the wood entering our products to ensure it originates from responsible and non-controversial sources. All wood raw material entering Billerud's production is either delivered as certified wood, controlled wood, which mitigates the risk of forest products originating from unacceptable sources, or is subject to our due diligence system. The directive recognizes the following third-party forest certification systems: the FSC®, the SFI® or the standards endorsed by the PEFC. All such certification schemes include standards and requirements related to respecting the human rights of indigenous peoples.

The directive also highlights the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). To address and prevent the potential negative impact of sourcing without consultation of indigenous peoples, the directive stipulates that Billerud should not source wood from activities where the spirit of the UNDRIP is not met. As such, the directive covers specific affected communities, and not only affected communities in general. The UNDRIP covers, for example, a specific right granted to indigenous peoples related to self-determination and free, prior and informed consent. No further consideration to the interests of indigenous groups has been taken in the setting of the policy, nor are any other policy provisions related to indigenous peoples included.

The directive is published on the intranet and governs, among others, our wood supply organization. The directive applies to the Group and its subsidiaries

and covers Billerud's global business activities and operations, including stakeholders such as board members, employees, interns and contractors.

The Senior Vice President Procurement & Wood Supply is the owner of the Wood Supply Directive and is, as such, accountable for the implementation of the directive. The process for monitoring the directive includes the annual oversight of the directive as well as compliance adherence of the directive through, for example, targets and KPIs related to relevant activities and action plans.

### Human rights policy provisions

Billerud's human rights policy commitments are regulated in the Billerud Code of Conduct, Sustainability Policy, Responsible Business Policy, Health & Safety Policy, and People Policy. The Sustainability Policy explicitly commits to the UN Guiding Principles on Human rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. In the Sustainability Policy, the commitment relevant to human rights impacts in local communities does not focus specifically on indigenous people.

As previously mentioned, the Wood Supply Directive enhances the UNDRIP, as well as the ILO Declaration on the Fundamental Principles and Rights at Work. Human rights are recognized by the UNDRIP commitment but processes and mechanisms to monitor compliance with other UN, ILO and OECD principles are not stipulated. Consequently, cases

of non-respect of such principles are not recognized in the policy itself. However, cases of non-respect are reported via various channels. See S3-3 on page 138.

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74
    - Social information 114**
      - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

[Download pdf to print](#)



## Processes for engaging with affected communities (S3-2)

Billerud always consults with indigenous groups when the legal or customary rights of the Sami populations are affected by our forestry management measures. The purpose is to exchange information to be able to adapt or prevent certain activities. Collaboration can take place in the planning phase or during the evaluation process of a measure. Information from consultations is logged, whereafter Billerud takes actions such as, for example, stopping or restricting felling activities.

Another example, is that Billerud sometimes can create "corridors" in forested areas to maintain continuity of lichens in the forest landscape. This is done in connection to our forest management activities in Europe on our owned forest sites and on Bergvik Skog Öst AB's sites, where Billerud is working on meeting the Sami populations' needs as we make decisions or activities aimed at managing our impacts on communities. On smaller forest owners' land, our intention is to meet the Sami populations needs. However, it is the small forest owners that makes the final decisions.

Billerud engages with legitimate representatives directly in consultation procedures and is committed to providing timely and comprehensible information to all parties. No steps have been taken to gain insights on specific vulnerable sub-segments of the affected communities.

In Europe, the form of collaboration/consultation needed depends on whether the landowner is certified or not, the forest owner's total area, the area of measure, the type of reindeer grazing land affected, and factors regulated in the 1992 settlement agreement. Such characteristics also define the type and frequency of consultations, which can be annual or on a case-by-case basis. Irrespective of the certification status and other characteristics, there are always minimum requirements stipulating rules and guidance for the need and form of collaboration.

In North America, the Native American Menominee tribe constitutes one of the enterprises that we purchase wood from. We engage with representatives directly through cyclical and case-by-case conversations, as we do for all suppliers. Hence, dialogue occurs more frequently with less formal agendas than in Europe, meaning both parties can easily affect the parameters of the engagement. Other sourcing activities from tribes are covered by SFI and PEFC standards.

In Europe, the Senior Director Forestry & Field Purchase has the highest operational responsibility for ensuring that engagement happens and informs about Billerud's approach. In North America, our Fiber Supply Director is the highest senior role responsible for ensuring that engagement occurs.

Billerud assesses the effectiveness of our engagement by following up on metrics, as presented in S3-5 on page 140. In both Europe and North America, effectiveness is also assessed through the yearly management reviews, where our certifications and related risks and opportunities are analyzed. We are also continuously audited by the certification bodies of FSC®, PEFC and SFI®, which assess the effectiveness of our approaches.

Billerud's stakeholder engagement covers representatives within our wood supply activities. They are themselves part of the preparation and participation of consultations with indigenous people. Such stakeholder engagement is focused on their rights to free, prior and informed consent related to land use, and cultural and economic property. Indigenous groups can always impact the agenda, nature and timeliness of the engagement.

## Processes to remediate negative impacts and channels to raise concerns (S3-3)

Billerud does not have a standardized process for providing or assessing remedy if we were to cause a material negative impact on affected communities. Instead, it is context and case-based. Indigenous peoples can seek remedy via channels described below.

There are several channels available for affected communities to raise concerns and have them addressed. One of these channels is Billerud's whistleblowing channel, called the Speak-Up Line. Both employees and external parties can anonymously report on suspected irregularities. The Speak-Up Line is available on the intranet and on Billerud's external website. Read more under G1 – Business conduct on page 145.

Billerud tracks the effectiveness and awareness of the Speak-Up Line, for example through the annual employee survey. However, indigenous peoples are not part of ensuring the effectiveness of either this channel or channels presented in this section. We track issues raised through the portal and present cases handled through the Speak-Up Line publicly in our Annual and Sustainability Report.

In Sweden, there is also a potential for indigenous peoples to seek mediation regarding differences in opinions during consultation procedures and to proceed

to a Dispute Settlement Committee of FSC® Sweden. In North America, SFI® hosts a hotline for any type of inconsistent practice. This is communicated through SFI® channels and mail sent to all suppliers. It is also communicated in all logger training. Similarly, FSC® provides regional complaints websites both in Europe and North America.

Finally, a formal complaints mechanism regarding wood supply and certifications is available via Billerud's external website. Internal routines are in place and documented to handle such complaints and where complaints records should be stored. This channel is internally administered. We do not use specific processes to assess if indigenous peoples are aware of channels or if a remedy is effective. Billerud appreciates that the objectivity of the third-party channel administrator creates trust amongst affected communities. Read more in G1-1 on page 146.

- Introduction 2
- Directors' report 23**
- Financial overview 23
- Corporate governance in Billerud 29
- Internal control over financial reporting 34
- Group Management Team 36
- Board of Directors 38
- Risks and risk management 40
- Sustainability statement 45
  - General information 46
  - Environmental information 74
  - Social information 114**
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print



## Actions (S3-4)

### Mitigating actions

National laws and regulations for forestry, such as the Swedish Forestry Act, EUTR, and US timber legislation, the Lacey Act, set the minimum standard for Billerud's activities. We are also third-party certified to chain of custody standards set by the Forest Stewardship Council® (FSC®), Programme for the Endorsement of Forest Certification (PEFC), and in North America, the Sustainable Forestry Initiative (SFI®). Certification principles and criteria mandate forest owners and managers to respect and uphold indigenous rights to land ownership, land use, and resource access.

Billerud conducts several activities to ensure that human rights commitments in general, and The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) commitments in particular, are upheld. However, such activities are not part of formalized action plans with set timelines and targets. Instead, these activities are a set of engagement procedures and provision of remedy channels as described in S3-3 on page 138. As such, actions are a part of continuous procedures and therefore time horizons are largely excluded.

Actions to manage our negative impact and to fulfill policy objectives are described in brief in this section. No significant Opex or Capex plan is dedicated to these actions. Human resources include employees from wood supply operations.

Metrics, presented under S3-5 on page 140, measure compliance of policy objectives rather than effectiveness related to the progress of actions, as activities are implemented on a case-by-case basis. Actions contribute to the policy objectives related to human rights commitments as well as related to performing sourcing activities according to strategic objectives.

The type of action needed to manage the potential negative impact is mainly determined based on geographic region, the type of activity, and the certification status of sourcing partners. Activities are put in place to avoid causing or contributing to material negative impacts on affected communities both in own operations and in the value chain. Activities in own operations relate mostly to planning related to forestry activities and land use as described below. The form of consulting activities described on this page, is explained in more detail under S3-3 on page 138.

### Consultation/collaboration activities related to forestry management activities (Europe)

Billerud engages in collaboration, consultations and joint planning activities with indigenous peoples in our own operations related to forestry management services. This done in connection to harvesting activities and will continue to be conducted out moving forward. The intention with our consultation and collaboration activities related to forest management is to maintain the Sami communities and their rights.

### Consultation/collaboration activities related to sourcing activities (Europe)

Billerud engages in collaboration, consultations and joint planning activities with indigenous peoples in our own sourcing activities for certain small forest owners. Larger sourcing activities are described below. The consultations and collaboration activities are done in connection to harvesting activities and will continue to be conducted moving forward. The intention is to maintain the Sami communities and their rights.

### Management of sourcing activities for certified suppliers (Europe and North America)

Billerud manages requirements for indigenous rights partly through sourcing certified wood. We rely on FSC® and PEFC certifications in Europe and FSC® and SFI® certification in North America. These certifications stipulate comprehensive requirements for forest owners regarding indigenous rights and offer third-party remedy mechanisms and complaints channels. SFI® includes sourcing requirements on indigenous relations including inclusion, recognition, training and awareness. In Sweden, both the FSC® and PEFC contain provisions on how forestry may be carried out within reindeer husbandry areas and how consultation, collaboration and co-planning with the affected Sami villages must be carried out. FSC® is stricter in its approach than PEFC. Billerud's due diligence system ensures that all purchases follow the procedures set out by FSC® Controlled Wood, which mitigates the risk of forest products originating from unacceptable

sources. Which also includes processes for Controlled Sources in PEFC Chain of Custody, and comply with the EU Timber Regulation, EUTR, and US timber legislation, the Lacey Act.

Swedish suppliers are certified in connection with contract signing. In addition, audits related to certifications are continuously performed to ensure compliance. Our management of sourcing activities for certified suppliers will continue to be conducted moving forward. The intention is to ensure that suppliers meet the same certification requirements as Billerud does.

### Preventative activities in stakeholder forums (North America)

Billerud is actively participating in preventative activities to ensure improved engagement with indigenous peoples. For example, a Billerud representative is the chair of a regional SFI® committee in North America responsible for improving regional opportunities and managing risks, including matters related to indigenous peoples. Our participation on the state SFI® Implementation Committees can engage communities locally or support the National SFI® Indigenous Relations agenda.

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74
    - Social information 114**
      - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print



# Metrics and targets

## Targets (S3-5)

There is currently no Group target related to free, prior and informed consent. However, Billerud tracks the effectiveness of actions to prevent and mitigate the occurrence of such impact, by measuring and following up on entity specific metrics as presented on this page.

Billerud is evaluating the potential benefit for indigenous groups from defining a target related to our potential negative impact but has not defined a specific timeframe for doing so. Billerud does not have a target with a specific timeframe because the impact is deemed unlikely to occur as Billerud engages directly with the indigenous groups and no violations have occurred in previous reporting periods. Hence, indigenous groups have not been engaged in either target setting, performance tracking or improvement identification in relation to targets.

## Entity-specific metrics

The below Billerud-specific metrics are used to evaluate performance and effectiveness of actions and policy objectives. The metrics regarding consultations carried out cover only European activities, as such types of consultations are not relevant in North America. The number of incidents concerning human rights violations include both Europe and North America and originates from incidents reported in Billerud's Speak-Up Line whistleblowing mechanism, through quarterly Litigation Reports and through an annual compliance survey with top management. For more information, see S1-17 on page 123. The number of consultations is tracked in our forestry operating system. A change in methodology was implemented between 2023 and 2024. In 2024, numbers presented include operation on all private forest land in Europe, which in 2023 was limited to Bergvik Skog Öst AB land. The measurement is internally defined and has not been validated by an external body other than the assurance provider.

Metric	Outcome 2024
1. Number of consultations carried out regarding the land managed by Billerud	11
2. Number of incidents concerning violations of the rights of indigenous peoples	0

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74
  - Social information 114**
    - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print





# ESRS S4 Consumers and end-users

## Material impacts, risks and opportunities and their interaction with strategy and business model (S4 SBM-3)

Billerud's paper and board are used around the world for packaging materials that come into direct or indirect contact with food or medical packaging.

Billerud's double materiality assessment highlights the importance of preventing the risk of contamination and ensuring product safety. Below, the identified potential negative impact is described. See overview of identified material impacts, risks and opportunities in SBM-3 on page 60.

### Description of impacts ● Products not meeting specifications may pose risks to end-consumers

Billerud's packaging solutions are used within the food and medical industry and can come in direct or indirect contact with consumers. Should the packaging solutions provided by Billerud not live up to specifications, they could negatively impact the health and safety of consumers. This identified potential negative impact is related to individual incidents, for example, a defect on a product that fails to meet food safety standards.

There are specific requirements relating to product safety in, for example, food packaging, medical applications, and

toys. Product-specific issues could be related to the migration of chemicals from the packaging material into the food or direct contamination of foreign objects, bacteria, virus or allergens.

Billerud has a certified production process which aims to prevent and/or minimize the risk of product contamination. Rigorous product analyses is part of the production process and hygienic transportation to customers is a requirement before reaching the end-user as a finished product.

Billerud does not have any direct influence on the potential negative impacts on consumers and end-users, as we do not have control over the final product. However, there is an indirect impact from our business model, since our material is a part of the final product that reaches consumers and end-users. This is illustrated by an example over how our value chain can look like: Billerud produces and sells cartonboard to a converter, who modifies the product. Thereafter it is sold to a brand owner, who modifies the product further, which is then sold to the consumer.

Billerud could have a potential negative impact on consumers or end-users if our product material would not be safe. To prevent this, Billerud continuously works with safety measures to ensure the quality of our products. Any negative impact that comes to our attention could constitute as basis for adapting Billerud's strategy and business model, for example, in relation to how we work with safety measures.

No particular vulnerable end-users have been identified because Billerud does not control the end-product, as described above, and therefore lacks knowledge of the end-users. No risks or opportunities linked to this impact have been assessed material in Billerud's double materiality analysis. No actual negative impacts on consumers and end-users have been identified during the reporting year 2024.

## Policies (S4-1)

Billerud's approach to food safety and product safety is governed by Billerud's Operations Quality & Procurement Policy and the complementary Food Safety & Product Safety Directive.

Billerud's Food Safety & Product Safety Directive describes procedures and principles to ensure food and product safety for packaging materials that may come into direct or indirect contact with food and medical products. It applies globally across all Billerud operations and requires compliance with relevant legislation, continuous risk assessment, and improvement practices. All Billerud representatives are individually responsible for reading, understanding and following the directive. It addresses any impact that could potentially affect Billerud's end-users, without focusing on any specific group. The directive describes the importance of personnel who, in their daily work can affect food and product safety, having the right competence and training.

Billerud's Food Safety & Product Safety Directive has been established with attention to our customers' expectations that our products and materials meet certification standards.

The Food Safety & Product Safety Directive ensures delivery of safe products to consumers by operating according to the third-party standard FSSC 22000. Billerud's ambition is to certify all production units according to FSSC 22000 where applicable. This is achieved by defining principles and responsibilities together with a product safety base level, risk assessments and a food safety management system.

Compliance with the directive is monitored through annual reviews, controls and third-party external audits and is reviewed at least annually. Responsibilities are established, and any deviations are reported in internal deviation systems where they are managed and followed up. The most senior level at Billerud accountable for the implementation of the Food Safety & Product Safety Directive is the Director Global Environment and Quality. The owner of the Operations, Quality and Procurement Policy is the Senior Vice President Operations & Deputy President Europe.

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74
  - Social information 114**
    - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

[Download pdf to print](#)



## Processes for engaging with consumers and end-users (S4-2)

Billerud does not directly engage with end-users or consumers. We primarily interacts with customers, brand owners, and converters to address any product issues. If a product fails to meet standards, customers inform Billerud, which can initiate an incident management process to address potential harm. In cases of severe impact, Billerud’s crisis management team has remediation processes for affected consumers.

## Processes to remediate negative impacts and channels to raise concerns (S4-3)

### Providing remedy

Billerud has a system for recalling faulty products that enables us to track and identify all products that have been impacted. If the impact already occurred, Billerud has a central crisis management team, that is alerted and in charge of providing remedies for any affected consumers or end-users. Billerud has no system or process in place to measure the effectiveness of such a remedy.

Customer queries are logged in a separate Customer Query Management System (CQMS) that is jointly managed with Technical Service representatives and applicable production sites. Activities are carried out by investigators for the selected business area/segment/mill. Customer expectations, queries and claims are managed on a daily basis and are reviewed according to a formalized procedure on an annual basis.

### Channels to raise concern

Consumers and end-users can raise concerns directly with Billerud via the Speak-Up Line whistleblowing function, which is available on Billerud’s website. Through the whistleblowing function, external parties can anonymously report any cases of wrongdoings or irregularities. Read more about the whistleblowing system and how we monitor and work with raised issues under G1-1 on page 146.

Billerud relies on actors at the end of the value chain to have processes in place to address and remediate any negative impacts. While Billerud has processes and routines to prevent negative impacts, these measures primarily focus on our direct customers rather than consumers or end-users, as described above. Consumers and end-users can report concerns via our whistleblowing channel on our website, as mentioned previously, but if an issue arises, it would typically be identified at the customer level. In such cases, our Food Safety & Product Safety Directive ensures the quality and safety of our products.

Billerud has a key account manager for each customer, which enables customers to raise concerns in case of potential or suspected incidents. Cus-

- Introduction 2
- Directors’ report 23**
- Financial overview 23
- Corporate governance in Billerud 29
- Internal control over financial reporting 34
- Group Management Team 36
- Board of Directors 38
- Risks and risk management 40
- Sustainability statement 45
  - General information 46
  - Environmental information 74
  - Social information 114**
  - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor’s report 155
- Other information 205

[Download pdf to print](#)



## Actions (S4-4)

Billerud controls the chemicals and other raw materials used. We analyze our products with respect to purity, taste, smell, etcetera, on a regular basis.

To manage any potential negative impacts, our production must live up to the highest standards and we are ensuring that Billerud's production units, where applicable, are certified according to the Food Safety Standard (FSSC 22000).

The Food Safety Standard (FSSC 22000) is a standard within the General Food Safety Initiative (GFSI). FSSC stands for Food Safety System Certification. The standard gives us good opportunities to constantly improve our working methods. It also requires internal and external reviews of our way of working.

All new employees in Region Europe (but also other employees, contractors and visitors) need to understand what the certification entails in their daily work and Food Safety Training is provided in our Global People Tool (GPT). Billerud has a product recall process as part of FSSC 22000 certification to ensure potential impacts do not reach consumers and end-users of our packaging material.

By being certified, the mills ensure the quality and efficiency of the production processes. This reduces the risk of contamination and foodborne illnesses, thereby increasing food safety for consumers and end-users. Certification is also required by many of our customers.

Actions differ between Region North America and Region Europe and are specified below.

### Region North America

In 2024, Billerud's North American mills (Escanaba and Wisconsin Rapids) have initiated a process to become certified according to the Food Safety Standard (FSSC 22000). Today, Billerud's products produced in North America are not for food or medical use. For more details regarding Billerud's targets regarding consumers and end-users, see S4-5 on page 144.

### Region Europe

Region Europe reached its target of FSSC 22000 certification for all mills already in 2019 and has consecutively reached it since then. Billerud's key action connected to managing the material impact in regard to product and food safety in its European operations is to focus on maintaining our certifications. To maintain the mills' FSSC 22000 certifications, external audits are conducted each year. In addition, Billerud works towards ensuring that both Region Europe and Region North America are certified according to our set targets, as described in S4-5 on page 144 and when a mill obtains certification, Billerud continuously works to maintain it.

During 2024, we focused on coordinating processes among production sites, updating instructions and routines, ensuring internal audit processes, and providing employees education on food safety. Billerud will work on these actions

continuously year after year. We also work on our internal audit processes and educating employees to fulfill the FSSC 22000 certification requirements.

Our customers require us to be certified according to FSSC 22000, to ensure that the end-product is safe for consumers. FSSC 22000 focuses on preventing or minimizing the risk of product contamination, thereby providing consumers with safe food products. Customers audit the effectiveness of Billerud's actions within food and product safety on-site, on a regular basis. The purpose of the audit process is to ensure that Billerud respects and always follows customer specifications and requirements within its manufacturing process and quality systems.

Billerud works strategically to mitigate our identified potential negative impact, which is connected to our certification targets for Europe and North America. See S4-5 on page 144. Billerud continuously works on improving how we ensure that we meet specific food safety requirements in our products, such as preventing contamination by foreign objects, bacteria, viruses, or allergens. Ensuring continuous improvements in relation to food safety in our production is also a requirement according to the FSSC 22000 standard. This is done through external and internal audits, as well as reviews by the management team at the mills, where areas for improvement are identified. This ensures that the mills have effective working methods in place.

Billerud has processes in place if we need to recall a product from a customer due to contamination. Our focus is to work based on preventive and corrective actions. For example, if a non-conformity originates from transportation, we contact the transporter to review their procedures. The processes that Billerud has in place for recalling faulty products are described under S4-3 on page 142.

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74
  - Social information 114**
    - Governance information 145
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

[Download pdf to print](#)



## Metrics and targets

### Targets (S4-5)

The goal is to have the Escanaba and Wisconsin Rapids mills certified according to FSSC 22000 by the end of 2025. All mills in North America should be certified by 2030. In Europe, Billerud's aim is to maintain certification of all the mills.

Billerud's target "Proportion of production units certified according to food safety standards, %" is set to ensure that all materials intended for direct or indirect contact with food are safe and meet the established requirements. The target is aligned with Billerud's approach to product safety, which is governed by the Operations, Quality & Procurement Policy, and the Food Safety & Product Safety Directive.

The target covers Billerud's own activities, and specifically the mills. The target is set to consistently maintain Billerud's high quality and performance. The assumption when setting the target is that all Billerud's production should be certified and uphold products according to a global food safety standard.

The target is set to fulfill the base level and align with the following regulations:

- Regulation (EC) No 1935/2004 on materials and articles intended to come into contact with food
- Regulation (EC) No 2023/2006 on good manufacturing practice for materials and articles intended to come into contact with food
- BfR (Bundesinstitut für Risikobewertung, Germany) Recommendation XXXVI, paper and board for food contact, intended to be used at temperatures up to 90°C (holding and reheating of food)
- FDA (Food and Drug Administration, USA) Code of Federal Regulation Title 21, Chapter 1, §176.170, 176.180, conditions of use E-G, Components of paper and paperboard in contact with aqueous and fatty foods and dry foods respectively

In addition, certain products comply with other demands, such as the Chinese standards on materials in contact with food. Some grades are designed to

fulfill medical standards for paper material. This ensures that Billerud's products are safe for the intended conditions of use.

### Performance according to target

In 2024, all Billerud's European production units upheld certifications within food safety, which means that Billerud reached its target for the European mills.

In 2024, none of the mills in North America were certified. Certification procedures include an external third-party review and verification of targets. The reason for not reaching our target in North America is due to changes in products targeted in one of our facilities, hence delaying the need of certification, and thus its prioritized implementation.

### Methodology

The target-setting process is managed by Billerud's food safety network Center of Excellence, which consists of representatives specializing in food safety issues from each of Billerud's mills. The targets are then approved by Billerud's

Operational Management Team on Group level, which thereby applies to all mills. The establishment of targets has been partly inspired by stakeholders through comments in audit reports from our external certification body. However, stakeholders have not been directly involved in the target-setting process.

### Changes in targets

The target was expanded in 2024 to also include North America.

Lessons related to the target include an understanding that Billerud's customers continue to require that we are certified according to certification standards.

S4 - Consumers and end-users	Baseline value				Outcome 2024		Target 2024		Target 2025		Target 2030	
	Base year, Europe	Base year, North America	North Europe	North America	North Europe	North America	North Europe	North America	North Europe	North America	North Europe	North America
Proportion of production units certified according to food safety standards, %	2019	2024	100	0	100	0	100	33	100	66	100	100

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74
  - Social information 114**
    - Governance information 145
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print





Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
Environmental information	74
Social information	114
<b>Governance information</b>	<b>145</b>
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205



## Governance information

This section contains disclosures under the European Sustainability Reporting Standards (ESRS): G1 Business conduct.

[Download pdf to print](#)



# ESRS G1 Business conduct

## Identification and assessment of material impacts, risks and opportunities (G1 IRO-1)

Billerud has conducted a double materiality assessment to identify impacts, risks and opportunities related to business conduct within its own operations and value chain. For more information about the double materiality assessment process, see IRO-1 on page 68. Below follows a description over the impacts, risks and opportunities relating to business conduct that are material for Billerud. See overview of identified material impacts, risks and opportunities in SBM-3 on page 60.

### Description of impacts

#### ● Lack of supplier assessment might negatively impact working conditions and nature of the value chain

Lacking processes for ESG supplier assessments (environment, social and governance) can have a potential negative impact on working conditions and the nature of the value chain, as unethical practices might go undetected.

#### ● High dependency among wood supply contractors

Another potential negative impact is that wood supply contractors are highly dependent on Billerud and could be negatively impacted by delayed payments. This is particularly the case for

Billerud's forestry contractors within the Baltics. If Billerud were to delay payments or terminate contracts, it could have a potential negative impact on the finances of these contractors.

### Description of risks and opportunities

#### ● Fines and damage to brand image and customer relations following potential corruption cases

Billerud risks fines and damage to its brand image and customer relations following potential corruption cases. These risks include actions taken by representatives on behalf of Billerud that violate applicable laws and international standards related to anti-corruption and anti-money laundering, potentially exposing Billerud to significant fines, reputational harm and other similar consequences.

#### ● Advocacy for fiber-based packaging solutions and lobbying activities

Billerud advocates for fiber-based packaging solutions. By engaging in various network industry associations, Billerud supports initiatives for circular and fiber-based packaging solutions. Engaging in improved conditions for circular and fiber-based packaging solutions provides Billerud with opportunities to increase incentives and business opportunities within the industry.

● Impact ● Risk ● Opportunity

## Business conduct policies and corporate culture (G1-1)

Billerud has several governing policies and directives aimed at managing business conduct and corporate culture impacts, risk and opportunities. The Code of Conduct is the Group's overarching governing document. Billerud's Board of Directors has also adopted eight Group policies, several of which deal with business conduct, ethics and compliance. This includes, in particular, the Responsible Business Policy. Under this policy, several steering documents (directives) have been adopted, which deal with specific topics in more detail, including anti-corruption, competition law compliance and business partner due diligence.

### Code of Conduct

Billerud's Code of Conduct establishes a foundation for how to behave towards each other and with our stakeholders. The Code of Conduct brings together the values, attitudes and guidelines that must govern our relationships with each other, our business partners, and society at large.

The Code of Conduct establishes, for example, that we shall always place safety first, respect human rights, have zero tolerance for corruption, and take responsibility for reducing our environmental impact. The Code of Conduct describes consideration given to key stakeholders such as employees, work-

ers in the value chain, local communities, customers as well as nature and the environment. Representatives from all parts of the Group, unions and mill directors were consulted when determining the Code.

The Code of Conduct applies to everyone working with or for Billerud, meaning not only employees but also the Group's Board of Directors, consultants and contractors.

The Code of Conduct highlights third-party standards and initiatives that Billerud should respect through its implementation of the Code, including the Paris Agreement as well as human rights, labor rights, employees' right to freedom of association and to collective bargaining, and zero tolerance for corruption.

The Code constitutes the highest level of the Group's framework for steering documents and is the starting point for our policies and rules for conduct. The Code of Conduct is ultimately adopted by Billerud's Board of Directors. The current Code of Conduct is valid from 15 March 2021. The most senior level in the organization that is accountable for the implementation of the policy is Billerud's CEO. The proportion of employees who have completed the Code of Conduct training is presented under S2-5 on page 135.

The Code of Conduct covers the following material risks and opportunities: fines and damage to brand image and customer relations following potential corruption cases. The Code partly covers advocacy for fiber-based packaging solutions.

### Responsible Business Policy

Billerud's Responsible Business Policy sets the high-level principles and minimum requirements that comprise Billerud's general commitment to responsible business.

The policy builds on third-party standards and initiatives, such as the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. However, the guidelines are not directly referenced in the policy.

The policy is supplemented by underlying directives and other governing documents that set out more detailed rules concerning responsible business. The policy has given interests to key stakeholders, such as employees, workers in the value chain, local communities, customers and business partners, which have been represented by internal stakeholders when setting the policy.

The policy applies to Billerud and its subsidiaries and covers Billerud's business activities and operations globally.

- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74
    - Social information 114
  - Governance information 145**
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

Download pdf to print



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
Environmental information	74
Social information	114
<b>Governance information</b>	<b>145</b>
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

[Download pdf to print](#)

This includes everyone who works for or on behalf of Billerud, including board members, employees, interns, contractors and consultants.

The EVP Legal & General Counsel is the most senior level in the organization accountable for implementation of the policy.

Our Responsible Business Policy covers the following material risks: fines and damage to brand image and customer relations following potential corruption cases.

### Whistleblowing Directive

The purpose of the Whistleblowing Directive is to establish Billerud's whistleblowing system and processes of reporting observed wrongdoings. In addition, the directive encourages people to raise concerns about observed wrongdoings. The directive also protects a reporting person from any risk of subsequent retaliation or discrimination, when reporting suspected misconduct or wrongdoing that has occurred in a work-related context. Examples of wrongdoings include acts of corruption, financial fraud and violations of human rights. For the protection set out in this directive to apply, the reporting person must have reported in good faith. This means that the reporting person should have had reasonable cause to suspect that the reported information was true.

The directive applies to Billerud and its subsidiaries and covers Billerud's business activities and operations globally. The directive applies to everyone working at Billerud or on Billerud's behalf and others who are engaged or have been engaged in Billerud's business

in a work-related context. Both Billerud employees and external persons can report to the whistleblowing system.

This directive is aligned with and supplements the Governance Policy. There are no relevant references to third-party standards in the directive. The Whistleblowing Directive describes the consideration given to key stakeholder groups, such as employees and consultants, which has been represented by internal stakeholders when setting the directive.

The Group Compliance Officer is the owner of the Whistleblowing Directive and is, as such, accountable for the implementation of the directive.

The Whistleblowing Directive covers the following material risk: fines and damage to brand image and customer relations following potential corruption cases.

### Supplier Code of Conduct

Billerud's Supplier Code of Conduct is aligned with Billerud's Code of Conduct and is based on the principles and guidelines. Such as Billerud being committed to sustainability, quality, customer value, and working actively to comply with and promote international standards regarding the environment, human rights, working conditions, anti-corruption and business ethics. Read more about the Supplier Code of Conduct in S2-1 on page 131.

The Supplier Code of Conduct covers the following material impact: lack of supplier assessment in parts of Billerud potentially impacting working conditions and the nature of the supply chain.

### Public Affairs Directive

Billerud's Public Affairs Directive sets out the high-level principles and minimum requirements that comprise Billerud's general commitment to a responsible public affairs engagement. The directive supplements the Sustainability Policy.

The directive applies to Billerud and its subsidiaries and covers Billerud's global business activities and operations. This applies for all Billerud employees and personnel working for Billerud or on Billerud's behalf, including board members, employees, interns, and consultants.

There are no relevant references to third-party standards in the directive. The directive has given interests to key stakeholders, such as employees and consultants, when determining the directive.

Billerud's Public Affairs Director is the most senior level in the organization accountable for implementation of the directive.

The Public Affairs Directive covers the following identified material risk and opportunity: fines and damage to brand image and customer relations following potential corruption case and advocacy for fiber-based packaging solutions and lobbying activities.

### The process for monitoring governing documents

An important element of Billerud's governance system is the steering document framework, which ensures that governing documents in Billerud are estab-

lished, implemented, applied, monitored and reviewed consistently and appropriately across the Group. The Group's policy framework is monitored continuously to ensure completeness and uniformity on formulation, ownership and responsibility. Policy updates are reviewed annually by the Group Management Team and the Board of Directors, and monitoring of policies is assisted by the Audit Committee. However, it is the owner of each steering document that is responsible for its compliance.

The Group Management Team reviews Billerud's policies annually and is responsible for ensuring that essential internal controls are implemented as necessary to manage significant risks in daily activities. This includes Group-wide steering documents to enable individual employees to understand their role in maintaining adequate internal control. These governing processes are applicable to Billerud's Code of Conduct, policies and directives described in G1-1.

The Responsible Business Compliance Program is one way to ensure that Billerud lives up to its Code of Conduct and policy documents.

### Responsible Business Compliance Program

Billerud's Group Management Team establishes the Group's values and its long-term vision, as well as strategies and policies for the Group based on the objectives set by the board. Billerud's Code of Conduct and values – We care for each other, We do what we say – are the cornerstones of Billerud's Responsible Business Compliance Program. Billerud's Responsible Business Compliance Program seeks to strengthen

responsible business practices, increase employee awareness and reduce the Group's business risks. These risks are affected by an increasingly complex regulatory environment. To mitigate risk, the program includes processes for risk assessment, due diligence, training, monitoring and reporting. Key components of the program are integrated in business processes. An important aspect of responsible business is having adequate knowledge about business partners. Billerud categorizes certain markets as high risk depending on the perceived degree of corruption, existence of international sanctions, history of human rights violations and/or lack of transparency. Depending on the categorization, varying due diligence measures are applied in relation to business partners in such countries.

The key components of the Responsible Business Compliance Program are regulated in relevant steering documents (The Responsible Business Policy, Group Directives, processes, procedures and other supporting documents). The framework is applicable globally, providing a group-wide standard for responsible business.

The Responsible Business Compliance Program focuses on five areas: anti-money laundering, anti-corruption, compliance with competition rules, compliance with international sanctions, and respect for human rights. Several components are necessary to ensure compliance, as illustrated by the wheel in page 148. Each step is frequently reviewed and revised to identify opportunities for improvement and more efficient processes. Evaluation of our corporate culture is done through train-





- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74
    - Social information 114
- Governance information 145**
  - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

*Billerud's Responsible Business Compliance Program focuses on five areas: anti-money laundering, anti-corruption, compliance with competition rules, compliance with international sanctions, and respect for human rights. Several components are necessary to ensure compliance within these areas, as illustrated by the ten-step wheel. Each step is frequently reviewed and revised to identify opportunities for improvement and more efficient processes.*



ing of the Code of Conduct and tracking Employee Net Promoter Score (ENPS), which is done through our annual employee survey. Read about our metric for the Code of Conduct training in S2-5 on page 135 and our employee survey in S1-2 on page 118.

Billerud has a Legal & Strategic Projects function, which includes compliance expertise, which is responsible for increasing awareness about Billerud's rules and procedures regarding business conduct. Furthermore, Billerud operates an internal control system, which is audited by an internal audit function. This system is aimed at detecting existing process gaps as

well as deviations. Business conduct risks are generally managed in the Enterprise Risk Management (ERM) system.

A survey is sent annually to selected managers who collectively cover all areas of the company. The aim is to increase the knowledge about any unlawful or unethical behavior during the year and if needed to take further action.

In addition to the above, Billerud operates the Speak-Up Line whistleblowing system. Both employees and third parties can report suspected wrongdoings and unlawful behavior in

Billerud's operations. Reports received via this system are investigated and if the allegations are substantiated, disciplinary measures may be imposed and corrective measures implemented. Information about the whistleblowing system is available both on the intranet and on Billerud's external website.

The whistleblowing system is supplied by a third-party service supplier but operated by Billerud and reporting can be done anonymously. The system is aligned with applicable EU whistleblowing regulations and is aligned and rests on the highest standards for information security and confidentiality, for example regarding encrypted information.

Access to reports and messages received through the Speak-Up Line is restricted to specially appointed Speak-Up Line officers who receive and handle the reports. When needed, experts may contribute to the investigation process. Everyone involved in Speak-Up Line cases works under strict confidentiality. All personal data is protected, as well as erased according to regulations and internal rules, when the personal data is no longer necessary and/or when the case is handled and closed. Whistleblowers reporting under the whistleblowing system are protected against retaliation and other negative treatment. This follows both Billerud's internal rules and EU whistleblowing legislation.

Billerud tracks the effectiveness and awareness of the Speak-Up Line. This is done through the annual employee survey. Through the Code of Conduct training all employees receive training on how to report concerns. Staff receiving reports receive no specific training but are continuously updated by the Legal & Strategic Projects function.

Matters investigated under the whistleblowing system and outcomes are reported on a quarterly basis to the Audit Committee, and annually to the Board of Directors. The Group Management Team is updated as needed. Cases reported in the whistleblowing system will be responded to within seven days and investigated swiftly. Reported cases are handled through internal investigations, which are led by appointed Speak-Up Line Officers, who are from the Legal & Strategic Projects, Global HR, and Internal Audit functions. They independently and objectively

carry out internal investigations, and may bring in further internal or external experts, also bound by strict confidentiality. There are also other processes in place to report wrongdoings, for example regarding discrimination. For more information, see S1-3 on page 118.

Billerud has a dedicated Code of Conduct training, which is mandatory for all employees. This is the overarching training related to business conduct and it takes place when onboarding new employees. Existing employees need to retake the training every two years. Billerud also has dedicated and more specific training on anti-corruption and competition law, which is open to everyone but mandatory only for those roles identified to be exposed to higher corruption and competition law risks. In this case, all white-collars have been considered to be most at risk. Read more in G1-3 on page 149. Moreover, the Legal & Strategic Projects function continuously carries out training and provides business conduct advice to relevant parts of the organization.

[Download pdf to print](#)





- Introduction 2
- Directors' report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
    - General information 46
    - Environmental information 74
    - Social information 114
  - Governance information 145**
    - Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

## Management of relationships with suppliers (G1-2)

Purchasing activities at Billerud are divided among three different departments, depending on the region and types of purchases. These areas operate differently, and thus are reported separately below. Read more about management with suppliers including metrics and targets, under the chapter S2 – Workers in the value chain on page 130.

### Region Europe (general)

Billerud's payment terms regarding its suppliers are stipulated in internal instructions for each purchaser to align with. There is no group-level payment policy, but the instructions function as a guideline for payment terms. The specific instructions state the standard payment terms that Billerud strives to adhere to. See G1-6 on page 152 for more information about Region Europe's standard payment terms towards suppliers.

### Aligning sustainability practices

Billerud has four main stages of supplier engagement, which are: the selection of suppliers, our EcoVadis supplier assessments, our Billerud-specific supplier assessments for logistics and supplier audits. In addition, we also work with the Supplier Code of Conduct and train purchases on the Supplier Code of Conduct during our purchasing processes and during our evaluations of suppliers. See S2-5 on page 135 for more information on targets and metrics related to supplier engagement.

Billerud ensures that the requirements relating to social, environmental and economic aspects are met and integrated into the day-to-day business practices prior to the selection of a contractual partner. This is done by, among other things, continuously increasing the coverage of the number of suppliers who sign our Supplier Code of Conduct, in parallel with also increasing the proportion of suppliers who undergo our supplier evaluation through EcoVadis.

In addition, it is also ensured that suppliers accept requirements in relation to our company certifications and contractual requirements, which are largely related to social and environmental parameters. This, in turn, drives more sustainable organizational procurement decisions, while providing positive incentives for trading partners to align with our sustainability practices.

Read more about our selection of suppliers in S2-2 on page 132.

### Region Europe (logistics)

Billerud's logistics department in Europe conducts an audit process based on risks and the size of the supplier. Most suppliers have signed the Supplier Code of Conduct. Logistics do not use EcoVadis but instead have an internal process for evaluating suppliers, which includes environmental and social conditions. This is done during our selection of suppliers. See S2-2 on page 132 for more information. Audits are triggered by country-specific risks, and the fre-

quency of audits is determined by a risk-based" approach. This includes an annual process to select suppliers for auditing, with the risk determined by factors such as country, revenue, and management triggers. The goal is to conduct physical audits annually for some suppliers and every three years for others. If a supplier is identified as high-risk and does not comply with Billerud's Supplier Code of Conduct, Billerud makes an individual assessment of each situation to decide whether to continue our engagement with the supplier.

### Region North America

Region North America does not have a process in place to choose or screen suppliers based on ESG criteria with the exception of a policy that favors businesses run by minorities. This addresses a portion of the ESG criteria.

Suppliers to Region North America must adhere to Billerud's Supplier Code of Conduct. The Supplier Code of Conduct requires Billerud's suppliers to take actions on several ESG areas, including ensuring environmental permits, environmental protection, climate ambition and targets, respect for fundamental human rights, and no child or forced labor.

Region North America is included in the target on signed spend of Supplier Code of Conduct, see S2-5 on page 135. For more information about our engagement with suppliers, see S2-2 on page 132.

## Prevention and detection of corruption and bribery (G1-3)

As stated under G1-1, Billerud has implemented several measures and processes to detect potential unlawful behavior, including corruption and bribery. These include a Legal & Strategic Projects function, internal controls, internal audits, the Enterprise Risk Management (ERM) system, and whistleblowing.

More specifically regarding corruption and bribery, Billerud has implemented a business partner due diligence program, according to which business partners are subject to due diligence depending on the risk in the geographical location. Business partners need to disclose Know Your Client information and are screened for sanctions and corporate crimes using a reputable international screening service. They must also agree to anti-corruption compliance obligations, and in some cases to Billerud's Supplier Code of Conduct, which includes compliance obligations with respect to anti-corruption legislation. In cases where a supplier does not agree to sign Billerud's Supplier Code of Conduct an individual assessment is conducted. One aspect of this assessment is a review of the supplier's internal Code of Conduct. If it is in line with and matches Billerud's requirements and guidelines, a mutual recognition with the supplier may be reached. Read more about the supplier selection process under S2-2 on page 132.

As mentioned under G1-1 on page 146, Billerud operates a whistleblowing system, the Speak-Up Line. Cases reported

through the Speak-Up Line are received by designated staff from Legal & Strategic Projects, HR and Internal Audit, referred to as Speak-Up Line Officers. Suspected wrongdoings are investigated by Speak-Up Line Officers, or external expertise brought in for a specific case. The Speak-Up Line Officers are considered impartial and competent to investigate suspected wrongdoings.

The Legal & Strategic Projects department continuously monitors legal risks arising from litigation and enforces actions by way of a litigation report. The report includes both investigated matters and outcomes. The report is prepared and reported quarterly to the Audit Committee.

Policies as well as other steering documents are published and available on the intranet and on Billerud's website. Information about the governance system is provided when onboarding new employees and is also a part of the mandatory Code of Conduct training. Employees are expected to be aware of relevant steering documents and internal rules and procedures, and also agree to this in their employment contracts.

### Mandatory training

All Billerud employees go through the Code of Conduct training, which covers anti-corruption. White-collar workers are considered to be exposed to increased risk for corruption and must therefore also take dedicated anti-corruption

Download pdf to print



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
Environmental information	74
Social information	114
<b>Governance information</b>	<b>145</b>
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

and anti-bribery training. This group includes key management positions, such as the Group Management Team. During 2024 a new online training for anti-corruption and anti-bribery was launched. The training covers Billerud's directive on anti-corruption and how to identify and act if faced with corruption. In addition, the Legal & Strategic Projects function continuously provides support and legal advice concerning anti-corruption. There are moreover several steering documents available which provide guidance for how corruption can be avoided.

The total number of employees receiving training in the anti-corruption and anti-bribery training during 2024 was 535 employees. Functions-at-risk covered by the training program, being all white-collar workers, was 100% during 2024. See S2-5 on page 135 for the reported metric related to Code of Conduct trainings.

Since the training is also open to Billerud's blue-collar employees, the metric includes both white-collar and blue-collar employees who have completed the training by the end of the year. The metric is not validated by an external body other than the assurance provider. The metric does not include employees in the subsidiary Scandifibre Logistics AB, the joint arrangement Bomhus Energi AB, or the associate Trätåg AB.

## Incidents of corruption or bribery (G1-4)

Anti-corruption efforts are part of Billerud's day-to-day compliance work. The Legal & Strategic Projects function continuously provides internal legal advice, conducts due diligence of business partners, and investigates whistleblowing cases and other cases of suspected corruption. Specific actions with respect to anti-corruption undertaken during 2024, include:

- A compliance risk assessment was conducted with key focus on sales and purchase department, with a view to identifying risks and assessing internal awareness.
- A new anti-corruption and anti-bribery e-learning was launched.
- The external Hospitality and Gifts Directive was reviewed and updated.
- We have had cases of violations of our internal rules during the year, which have also led to termination.

CapEx and OpEx connected to this are considered not relevant.

## Metrics and targets

There is currently no Group target related to incidents of corruption and bribery. However, Billerud tracks the effectiveness of actions to prevent and mitigate the occurrence of such impact, by measuring and following up metrics (as below) that support our ability to ensure adherence to policy provisions, rather than progress towards policy objectives. Due to this, base year for metrics is not relevant.

The number of violations of anti-corruption and anti-bribery laws are brought to Billerud's attention through reports to the Speak-Up Line and through quarterly Litigation Reports. In addition, the metrics are gathered through an annual compliance survey with top management. For more information, see S1-17 on page 123.

The metrics are not validated by an external body other than the assurance provider.

There were no (0) violations of anti-corruption and anti-bribery laws during 2024.

There were no (SEK 0) fines for violation of anti-corruption and anti-bribery laws during 2024.

[Download pdf to print](#)



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
General information	46
Environmental information	74
Social information	114
<b>Governance information</b>	<b>145</b>
– Assurance report	153
Financial statements, signatures and auditor's report	155
Other information	205

## Political engagement metrics (G1-5)

Billerud's Sustainability & Public Affairs department is responsible for the high-level management and monitoring of political and legislative developments and identifying issues of particular significance for Billerud and its value chain. The department engages in dialogue with decision-makers on a national and European level, often in coordination with industry associations such as the Swedish Forest Industries Federation and Brussels-based industry associations such as the Food and Beverage Carton Alliance (FBCA) and Confederation of European Paper Industries (CEPI), a non-profit association representing the paper industry to EU institutions and stakeholders in Brussels.

Billerud's North American team also monitors political and legislative developments and engages in dialogue with decision-makers directly and through associations like the American Forest and Paper Association (AF&PA) and Forest Resources Association (FRA).

Political engagement, meaning contacts with local or regional decision-makers, also happens in a decentralized way on a mill level, and is often carried out by local managers either directly or through local trade organizations. Billerud also engages on a specialist level, with experts being engaged in technical issues.

The representative responsible for the oversight of these activities is the EVP Sustainability & Public Affairs, who also is a part of Billerud's Group Management Team.

There are no Group targets related to political engagements. Billerud is politically neutral and does not accept political donations. Billerud does not allow nor accept charitable donations or sponsorships that could be interpreted as a substitute for political payments or used as a substitute for bribery. This is regulated in the Anti-Corruption Directive, which supplements the Responsible Business Policy. Since Billerud does not make any financial contributions, it is not relevant to track the effectiveness through metrics. However, as mentioned, Billerud continuously manages and monitors political and legislative developments and works to identify issues that could affect our business and value chain.

Billerud participates in collaborations to address the future challenges facing the industry, such as increasing the recyclability of packaging products. Our dialogues with decision-makers often take place in coordination with industry organizations such as the Swedish Forest Industries Federation, CEPI and FBCA.

Billerud is a part of these membership organizations:

- The Swedish Forest Industries Federation
- Food and Beverage Carton Alliance (FBCA)
- Cepi ContainerBoard (CCB)
- CEPI Cartonboard
- CEPI Eurokraft
- European Carton Makers Association (ECMA)

- Eurosac
- Pro Carton
- Michigan Manufacturers Association (MMA)
- American Forest and Paper Association (AF&PA)

The mission for CEPI is to secure the competitiveness of pulp and paper industries in respect to EU policies. The Board of CEPI is the ultimate decision-maker in CEPI, which is composed of chairmen from national associations and CEOs from the 15 largest companies. The CEO of Billerud is on this board. In addition, Billerud is a full-member of FBCA, which analyses and develops positions on relevant EU policies and industry issues. CEPI Eurokraft, which represents the Sack and Kraft industry, is another example of an organization that Billerud is a member of. It has the same purpose to develop positions on key EU policy and industry issues and convey them to EU policy-makers.

The main topics covered by Billerud's lobbying activities and our main positions during 2024, were for example:

- Packaging and Packaging Waste Regulation (PPWR): Billerud presented the benefits of using fiber-based material and presented informed views if proposals are made that entail restrictions on fiber-based packaging.
- Nature Restoration Regulation: Billerud presented views on the necessity of an active forestry for the benefit of the climate through a higher

- carbon sequestration and substitution effects.
- Regulation on Deforestation-free Products (EUDR): Billerud presented views on the necessity of an administrative solution that can be implemented both in time and in scope for the application of the regulation.

The lobbying activities are mainly related to impacts, risks and opportunities in E1 – Climate change (biobased substitute to fossil packaging) E4 – Biodiversity and ecosystems (responsible forestry) and E5 – Resource use and circular economy (recyclable packaging).

Billerud is registered in the EU Transparency Register with the identification number 761211137543-91.

No person within Billerud's administrative, management and supervisory bodies have held a comparable position in public administration in the two years preceding the 2024 reporting period.

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# Payment practices (G1-6)

## Region Europe (General)

Region Europe works together with some small suppliers, that potentially could be affected by late payments, while Region North America works

together with larger suppliers, that are therefore not exposed to the same level of risk. Therefore, below presented metric are disclosed for Region Europe och Wood Supply.

## Metrics and targets

There is currently no Group target related to payment practices. However, Billerud tracks the effectiveness of actions to prevent and mitigate the occurrence of such impact, by measuring and following up metrics (as below) that support our ability to ensure adherence to payment terms instructions as mentioned in G1-2 on page 149 and that are described further below. Due to this, base years for metrics are not relevant.

All metrics presented in this section is divided based on main categories of suppliers, which are the following: direct suppliers, indirect suppliers and maintenance suppliers.

Our average time to pay an invoice from the date when the contractual or statutory term of payment starts to be calculated was 46 days in 2024. Region Europe's standard payment terms are 75 days for direct suppliers and 60 days for indirect and maintenance suppliers. A payment term of 30 days is acceptable for small and medium-sized enterprises (SMEs). During 2024, the

proportion of payments per supplier category that were aligned with the payment terms was 62% for direct suppliers, 56% for indirect suppliers, and 58% for maintenance suppliers. The outcome for 2024 is largely due to the fact that Billerud sent payment files twice a week. This changed at the end of 2024, and we have since then seen an increase in the proportion of payments made on time.

Direct suppliers had average payment terms for 48 days in 2024, whereas indirect suppliers had 39 days. The average payment terms for suppliers in maintenance category was 44 days.

There was one legal proceedings currently outstanding for late payments at year-end.

The metrics are limited to Region Europe (purchases for the Finnish and Swedish mills) and do not include Wood Supply. The data is divided according to the main supplier categories from which Billerud purchased during 2024 and includes both Swedish and foreign suppliers. Due to data unavailability, the presented metrics have not been broken down by supplier size. The number of legal proceedings currently outstanding for late payments includes one supplier. The metrics are not validated by an external body other than the assurance provider.

Main supplier category	Outcome 2024		
	Direct	Indirect	Maintenance
Standard payment terms, days	75	60	60
Average payment terms, days	48	39	44
Share of payments aligned to these standard payment terms, %	62	56	58

- Introduction 2
- Directors' report 23**
- Financial overview 23
- Corporate governance in Billerud 29
- Internal control over financial reporting 34
- Group Management Team 36
- Board of Directors 38
- Risks and risk management 40
- Sustainability statement 45
  - General information 46
  - Environmental information 74
  - Social information 114
- Governance information 145**
- Assurance report 153
- Financial statements, signatures and auditor's report 155
- Other information 205

[Download pdf to print](#)





# Auditor’s limited assurance report of Billerud AB’s (publ) sustainability statement prepared in accordance with the European Sustainability Standards (ESRS)

- Introduction 2
- Directors’ report 23**
  - Financial overview 23
  - Corporate governance in Billerud 29
  - Internal control over financial reporting 34
  - Group Management Team 36
  - Board of Directors 38
  - Risks and risk management 40
  - Sustainability statement 45
- **Assurance report 153**
- Financial statements, signatures and auditor’s report 155
- Other information 205

To the Board of Directors of Billerud AB (publ), corporate identity number 556025-5001

- compliance with the reporting requirements of the EU’s Green Taxonomy Regulation Article 8.

### Conclusion

We have been appointed by the Management of Billerud AB (publ) to conduct a limited assurance engagement of the sustainability statement for Billerud AB (publ) (the “company”) for the financial year 2024. The sustainability statement is included on pages 45–152 in this document.

Based on our limited assurance engagement as described in the section Auditor’s responsibility, nothing has come to our attention that causes us to believe that the sustainability statement does not, in all material respects, meet the requirements of Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act which includes,

- whether the sustainability statement meets the requirements of ESRS,
- whether the process the company has carried out to identify reported sustainability information has been conducted as described in IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities’ on pages 68–69 of the sustainability statement,

### Basis for conclusion

We have conducted the assurance engagement in accordance with FAR’s recommendation RevR 19 The auditor’s limited assurance regarding the statutory sustainability statement. Our responsibility according to this recommendation is further described in the section Auditor’s responsibility.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Other matters

The prior year’s sustainability statement has not been in scope for limited assurance procedures in accordance with RevR 19 The auditor’s limited assurance regarding the statutory sustainability statement and consequently the prior years’ information in the sustainability statement for 2024 have not been in scope for limited assurance procedures in accordance with RevR 19 The auditor’s limited assurance regarding the statutory sustainability statement. Our conclusion is not modified in respect of these matters.

### Other information than the sustainability statement

This document also contains other information than the sustainability statement and is found on pages 1–44, 155–201 and 205–215. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such internal control as they determine is necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

### Auditor’s responsibility

Our responsibility is to express a conclusion with limited assurance on whether the sustainability statement has been prepared in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act based on our review. The assurance engagement has been conducted in accordance with FAR’s recommendation RevR 19 The auditor’s limited assurance regarding the statutory sustainability statement. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures performed are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially

lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We are independent of Billerud AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The engagement involves performing procedures to obtain evidence to support the sustainability information. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the

[Download pdf to print](#)



Introduction	2
<b>Directors' report</b>	<b>23</b>
– Financial overview	23
– Corporate governance in Billerud	29
– Internal control over financial reporting	34
– Group Management Team	36
– Board of Directors	38
– Risks and risk management	40
– Sustainability statement	45
– <b>Assurance report</b>	<b>153</b>
Financial statements, signatures and auditor's report	155
Other information	205

internal control that are relevant to how the Board of Directors and the Managing Director prepare the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

In conducting our limited assurance engagement, with respect to the process set out in the section IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities (the Process) on pages 68–69, we:

- Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management; and
  - reviewing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our review procedures about the Process implemented by the company was consistent with the description of the Process set out in the section 'IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities' on pages 68–69 in the sustainability statement.

In conducting our limited assurance engagement, with respect to the sustain-

ability statement, we have performed, but were not limited to, the following:

- Obtained an understanding of the company's reporting processes relevant to the preparation of its sustainability statement including the consolidation processes by obtaining an understanding of the company's control environment, processes and information systems relevant to the preparation of the sustainability statement;
- Evaluated whether material information identified by the Process is included in the sustainability statement;
- Evaluated whether the structure and the presentation of the sustainability statement are in accordance with ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the sustainability statement;
- Performed substantive assurance procedures on a selected sample of information in the sustainability statement;
- Evaluated selected methods, assumptions and data for developing material estimates and forward-looking information and how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy aligned economic activities and the corresponding disclosures in the sustainability statement; and
- Where applicable, compared disclosures in the sustainability statement with the corresponding disclosures in the financial statements.

**Inherent limitations in preparing the sustainability statement**

In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Managing Director of Billerud AB (publ) are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by Billerud AB (publ). Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Stockholm the 26th March 2025  
KPMG AB

Hök Olov Forsberg  
Authorized Public Accountant

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# Consolidated financial statements

## Consolidated income statement

SEKm	Note	2024	2023
Net sales	2	43,453	41,224
Other operating income	3, 28	659	308
Change in inventories		-77	-898
Raw materials and consumables		-22,205	-21,461
Other external costs	4	-10,195	-9,313
Employee benefit expense	5, 23	-6,264	-6,350
Depreciation, amortization and impairment of non-current assets	9, 10, 12	-2,860	-2,780
Change in value of biological assets	11	9	-2
Profit/Loss from participations and impairment in associated companies	13	41	-194
<b>Operating profit</b>	2	<b>2,561</b>	<b>534</b>
<b>Financial items</b>	6		
Finance income		118	93
Finance cost		-431	-442
<b>Net financial items</b>		<b>-313</b>	<b>-349</b>
<b>Profit before tax</b>		<b>2,248</b>	<b>185</b>
Tax	7	-501	299
<b>Profit for the year</b>		<b>1,747</b>	<b>484</b>
<b>Profit attributable to:</b>			
Owners of the parent company		1,747	484
Non-controlling interests		-	-
<b>Profit for the year</b>		<b>1,747</b>	<b>484</b>
Basic earnings per share, SEK	8	7.02	1.95
Diluted earnings per share, SEK	8	7.02	1.95

## Consolidated statement of Other comprehensive income

SEKm	Note	2024	2023
<b>Profit for the year</b>		<b>1,747</b>	<b>484</b>
<b>Items that cannot be transferred to profit/loss for the period</b>			
Revaluation of forest land	11	319	2
Revaluation of defined-benefit pensions	17	257	346
Change for the period in fair value relating to shares in Other holdings		-	5
Tax that can be attributed to items that cannot be transferred to profit/loss for the period	7	-134	-94
<b>Total items that cannot be transferred to profit/loss for the period</b>		<b>442</b>	<b>259</b>
<b>Items that have been or can be transferred to profit/loss for the period</b>			
Translation differences for the period arising from translation of foreign operations		883	-350
Translation differences for the period transferred to profit/loss for the year		-	-9
Changes in fair value of cash flow hedges during the period	21	-865	-1,044
Changes in fair value of cash flow hedges transferred to profit/loss for the year	21	191	7
Tax attributable to items that have been or can be transferred to profit/loss for the period	7, 21	141	221
<b>Total items that have been or can be transferred to profit/loss for the period</b>		<b>350</b>	<b>-1,175</b>
<b>Total comprehensive income for the year</b>		<b>2,539</b>	<b>-432</b>
<b>Attributable to:</b>			
Owners of the parent company		2,539	-432
Non-controlling interests		-	-
<b>Total comprehensive income for the year</b>		<b>2,539</b>	<b>-432</b>

Download pdf to print

- Introduction 2
- Directors' report 23
- Financial statements, signatures and auditor's report 155**
- Consolidated financial statements 155
- Consolidated notes 159
- Parent company financial statements 188
- Parent company notes 192
- Signatures 201
- Auditor's report 202
- Other information 205



## Consolidated balance sheet

SEKm	Note	31 Dec 2024	31 Dec 2023
<b>ASSETS</b>	1, 21		
<b>Non-current assets</b>			
Non-current intangible assets	9	2,296	2,227
Property, plant and equipment	10	29,105	29,199
Forest assets	11	721	393
Right-of-use assets	12	556	341
Participations in associated companies and joint ventures	13	939	906
Other holdings	14	13	11
Deferred tax assets	7	328	699
Net defined benefit asset	17	637	–
Non-current receivables		167	131
<b>Total non-current assets</b>		<b>34,762</b>	<b>33,907</b>
<b>Current assets</b>			
Intangible assets	9	147	111
Inventories	15	6,755	6,137
Accounts receivable		4,762	3,804
Tax receivables		5	7
Other receivables		683	1,079
Prepaid expenses and accrued income		554	577
Cash and cash equivalents	24	2,561	2,304
<b>Total current assets</b>		<b>15,467</b>	<b>14,019</b>
<b>Total assets</b>		<b>50,229</b>	<b>47,926</b>

SEKm	Note	31 Dec 2024	31 Dec 2023
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	1, 21		
<b>Shareholders' equity</b>	16		
Share capital		1,843	1,843
Other contributed capital		7,613	7,613
Reserves		1,640	1,048
Retained earnings including profit/loss for the year		17,883	16,441
<b>Total equity attributable to owners of the parent company</b>		<b>28,979</b>	<b>26,945</b>
Non-controlling interests		–	–
<b>Total shareholders' equity</b>		<b>28,979</b>	<b>26,945</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	19	5,004	4,696
Lease liabilities	12, 19	345	178
Provisions for pensions	17	596	653
Other provisions	18	229	411
Deferred tax liabilities	7	3,708	3,965
Other liabilities		121	113
<b>Total non-current liabilities</b>		<b>10,003</b>	<b>10,016</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	19	2,399	2,536
Lease liabilities	12, 19	218	168
Accounts payable	24	5,159	5,352
Tax liabilities		43	126
Other liabilities		751	453
Accrued expenses and deferred income	20	2,634	2,220
Provisions	18	43	110
<b>Total current liabilities</b>		<b>11,247</b>	<b>10,965</b>
<b>Total liabilities</b>		<b>21,250</b>	<b>20,981</b>
<b>Total shareholders' equity and liabilities</b>		<b>50,229</b>	<b>47,926</b>

Download pdf to print





## Consolidated statement of changes in equity

Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– Consolidated notes	159
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

SEKm	Note	Equity attributable to owners of the parent company						Total	Non-controlling interests	Total shareholders' equity
		Share capital	Other contributed capital	Translation reserve	Revaluation surplus	Hedging reserve	Retained earnings and profit/loss for the year			
Opening balance, 1 Jan 2024	16	1,843	7,613	618	118	312	16,441	26,945	–	26,945
Total comprehensive income for the year				883	254	–533	1,935	2,539		2,539
Dividend to owners of the parent company							–497	–497		–497
Hedging result transferred to acquisition cost in fixed assets						–12		–12		–12
Share-based payments to be settled in equity instruments, IFRS 2							4	4		4
<b>Closing balance, 31 Dec 2024</b>		<b>1,843</b>	<b>7,613</b>	<b>1,501</b>	<b>372</b>	<b>–233</b>	<b>17,883</b>	<b>28,979</b>	<b>–</b>	<b>28,979</b>

SEKm	Note	Equity attributable to owners of the parent company						Total	Non-controlling interests	Total shareholders' equity
		Share capital	Other contributed capital	Translation reserve	Revaluation surplus	Hedging reserve	Retained earnings and profit/loss for the year			
Opening balance, 1 Jan 2023	16	1,843	7,613	977	117	1,163	17,541	29,254	–	29,254
Total comprehensive income for the year				–359	1	–815	741	–432		–432
Dividend to owners of the parent company							–1,864	–1,864		–1,864
Hedging result transferred to acquisition cost in fixed assets						–36		–36		–36
Share-based payments to be settled in equity instruments, IFRS 2							23	23		23
<b>Closing balance, 31 Dec 2023</b>		<b>1,843</b>	<b>7,613</b>	<b>618</b>	<b>118</b>	<b>312</b>	<b>16,441</b>	<b>26,945</b>	<b>–</b>	<b>26,945</b>

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## Consolidated statement of cash flows

SEKm	Note	2024	2023
<b>Operating activities</b>	24		
Profit after financial items		2,248	185
Adjustments for items not included in cash flow		2,343	2,963
Tax paid		-428	-561
<b>Cash flow from operating activities before changes in working capital</b>		<b>4,163</b>	<b>2,587</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/decrease (+) in inventories		-422	1,105
Increase (-)/decrease (+) in operating receivables		-815	1,428
Increase (+)/decrease (-) in operating liabilities		104	-1,830
<b>Cash flow from operating activities</b>		<b>3,030</b>	<b>3,290</b>
<b>Investing activities</b>			
Investments in tangible and intangible assets	9, 10	-2,437	-3,177
Disposal of property, plant and equipment		19	9
Divestment of subsidiaries	28	-	-80
Acquisition of financial assets / contribution to associated companies		-14	-43
Dividend from associated companies		20	17
Disposal/repayment of other holdings		-	48
Divestment of associated companies		-	81
Changes in interest-bearing receivables		-	19
<b>Cash flow from investing activities</b>		<b>-2,412</b>	<b>-3,126</b>
<b>Financing activities</b>			
Borrowings		4,349	7,718
Debt repayment		-4,397	-5,700
Dividend		-497	-1,864
<b>Cash flow from financing activities</b>		<b>-545</b>	<b>154</b>
<b>Cash flow for the period</b>		<b>73</b>	<b>318</b>
<b>Cash and cash equivalents at start of year</b>		<b>2,304</b>	<b>2,046</b>
<b>Translation difference in cash and cash equivalents</b>		<b>184</b>	<b>-60</b>
<b>Cash and cash equivalents at year-end</b>		<b>2,561</b>	<b>2,304</b>

Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– <b>Consolidated financial statements</b>	<b>155</b>
– Consolidated notes	159
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

[Download pdf to print](#)



# Consolidated notes

Note 1	Significant accounting policies	159
Note 2	Operating profit/loss by segment and net sales by market	162
Note 3	Other operating income	163
Note 4	Fees and expenses to auditors	163
Note 5	Employees and employees benefits expense	164
Note 6	Net financial items	165
Note 7	Tax	165
Note 8	Earnings per share	166
Note 9	Intangible assets	167
Note 10	Property, plant and equipment	169
Note 11	Forest assets	170
Note 12	Right of use assets	171
Note 13	Participations in associates	172
Note 14	Other holdings	173
Note 15	Inventories	173
Note 16	Shareholders' equity	174
Note 17	Provisions for pensions and similar commitments	175
Note 18	Provisions	177
Note 19	Interest-bearing liabilities	177
Note 20	Accrued expenses and deferred income	178
Note 21	Financial assets and liabilities	178
Note 22	Financial risks	179
Note 23	Remuneration to the board and senior management	183
Note 24	Additional disclosures for the cash flow statement	185
Note 25	Events after the end of the period	186
Note 26	Pledged assets and contingent liabilities	186
Note 27	Related parties	186
Note 28	Divestment of subsidiaries	187

## 1 Significant accounting policies

### Statement of compliance

The consolidated accounts are prepared in accordance with IFRS Accounting Standards as endorsed by the European Commission for application within the EU. In addition, the Swedish Corporate Reporting Board's recommendation RFR 1 concerning supplementary accounting rules for Groups has been applied.

### Changes in accounting policies

The new and amended standards and interpretations that are applicable from 2024 have not had any material effect on Billerud's accounting. No amended standards or interpretations due to be implemented in the next few years have been applied in advance.

### Presentation currency

The Group's presentation currency is Swedish krona (SEK). The financial reports are presented in million Swedish kronor (SEKm). All amounts, unless stated otherwise, are rounded to the nearest million.

### Use of estimates and judgments in the financial reports

Judgements made by the company's management when applying IFRS Accounting Standards that have a significant impact on financial reports are described in note 13. These refers to the accounting of Billerud's holding of shares in BSÖ Holding AB.

Regarding estimates that have a significant risk of resulting in a material adjustment to the carrying amounts of the assets and liabilities within the next financial year, the assessment is that there are none at year-end.

Calculation of Goodwill and Pensions are based on uncertain estimates, which are described in more detail in note 9 and 17. However, the assessment of these estimates is not considered to be a significant risk of resulting in a material adjustment of the carrying amount of the assets and liabilities within the next financial year.

### Operating segments

Billerud's operations are divided into operating segments based on which parts of the operations the company's ultimate executive decision makers monitor, that is, according to the "management approach". The Group's operations are organized so that the Group Management Team (GMT) monitors the net sales, EBITDA-result, operating profit and sales

volumes based on the region where the products are produced and are therefore the Group's operating segments. A president for each region is a part of the Group management team and Billerud has identified its operating segments they consist of Region Europe, Region North America and Other. Currency hedging, etc is included in Other, but is presented separately in the annual report. During 2024 Billerud changed the name of the operating segment "Solutions and Other" to "Other".

The forestry and transport operations in Europe are a part of Other and primarily deliver services and wood. The results from the operation are not reviewed by the company's chief operating decision maker, because a large part of the operation sells at cost price internally within Sweden and is therefore not a separate segment.

Group eliminations are also a part of Other, and are therefore not disclosed in a separate column in Note 2.

### Revenue

#### Revenue from contracts with customers

Billerud's performance obligation mainly consists of supply of goods, as well as services to a limited extent.

#### Fulfillment of performance obligation for goods

Revenue has to be recognized when (or as) Billerud fulfills the performance obligation by transferring control of goods, which consists of packaging material and products of primary fiber, to a customer. To determine who has control over the goods and when the control is transferred, Billerud primarily considers the risks and rewards associated with the goods, where the delivery terms is the strongest indicator in the assessment. The transaction price, for fulfilling the performance obligation, consists of a fixed and variable component, where the fixed part forms the basis and the variable part includes various discounts, such as volume discounts and cash discounts.

#### Fulfillment of performance obligation for services

Services within Billerud mainly consist of transport services, forestry and services in Managed Packaging (until August 2023). As customers receive and consume all the benefits provided through Billerud's services, revenue is recognized over time in conjunction with fulfillment of the service.

Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

[Download pdf to print](#)



Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

**Financial instruments**

Financial instruments recognized in the balance sheet include, on the assets side, cash and cash equivalents, accounts receivable, financial investments and derivatives. On the liabilities side there are accounts payable, borrowings and derivatives.

**Derivatives and hedge accounting**

The Group's derivative instruments have primarily been acquired to hedge the currency, electricity and natural gas price risk exposure of the Group.

Gains and losses on hedging instruments are recognized in the profit and loss accounts at the same time that profit and loss are recognized for the items being hedged.

**Hedging of foreign currency – cash flow hedging**

Foreign exchange contracts used to hedge future cash flows and forecast sales, and purchases in foreign currency are recognized at fair value on the balance sheet. Changes in value are recognized in other comprehensive income and accumulate in the hedge reserve in equity until the time when the hedged flow is recognized in the profit and loss, at which time the hedging instrument's accumulated changes in value are transferred to net sales in the profit and loss accounts, where they then meet and match the profit/loss effects of the hedged transaction. If the hedged item is related to a future payment for the acquisition of a non-financial asset, like Billerud's property, plant & equipment, the amount accumulated in the hedging reserve is included in the carrying amount of the acquired item at the time of the acquisition. Profit and loss are subsequently impacted by depreciations and impairment, according to the hedged item's depreciation period.

**Derivatives – electricity and natural gas**

Billerud buys electricity and natural gas from external suppliers. To continually hedge the electricity price and natural gas prices, Billerud can enter into derivative contracts for electricity and natural gas. Derivatives that protect the forecasted outflow of energy expenses are recognized in the balance sheet at fair value.

Changes in value are recognized in other comprehensive income and accumulate in the hedge reserve in equity until the time when the hedged outflow is recognized in the profit and loss, at which time the hedging instrument's accumulated changes in value are transferred to the profit and loss accounts, where they then meet and match the profit/loss effects of the hedged transaction.

The gains or losses realized on these contracts are recognized continuously in operating profit/loss as a correction of energy costs.

**Impairment of financial assets**

The Group recognizes loss reserves for expected credit losses on accounts receivables. For assets other than accounts receivable which

are valued at amortized cost, possible expected credit losses are deemed to be negligible. The loss reserves for accounts receivables are always measured at an amount corresponding to expected credit losses throughout the life of the receivable.

Doubtful receivables are based on expected credit losses and consist of a general provision and an individual assessment. A percentage is calculated for the general provision based on historical credit losses and forward-looking assumptions. The individual assessment takes into account the customer's current situation and other relevant circumstances, for example credit insurance status, historical situation, geographic/political situation.

Impairment is recognized as other external expense in profit/loss.

**Property, plant and equipment and forest assets****Owned assets**

Forest assets consist of two parts, growing trees and forest land. Growing trees are recognized as biological assets and are recognized at fair value in the profit and loss. Forest land is recognized as land assets according IAS 16 - property, plant and equipment and are recognized at fair value (fair value method) through other comprehensive income. The forest assets are reported on a separate line in the balance sheet. Other property, plant and equipment are recognized at cost less deductions for accumulated depreciation and any impairment losses.

**Forest assets**

The Group's forest assets are recognized at fair value mainly based on the transaction prices for forest properties in those areas where the Group has forests. Fair value measurement is based on level 3. The total value of the forest assets is allocated across growing trees, which are recognized as biological assets, and forest land. The value allocated to the biological assets is established by calculating the present value of expected cash flows, less selling costs, from harvesting those trees currently growing. The value of the forest land is calculated as the difference between the total value of the forest assets and the biological assets. Changes in the fair value of biological assets are recognized in profit/loss. Changes in the fair value of forest land are recognized in other comprehensive income and accumulated in a separate component of equity, the revaluation surplus. If the fair value of forest land, however were to be less than cost, the difference would be recognized in profit/loss as an impairment loss. The forest assets acquisition value is low and the probability for impairment is low.

An external revaluation normally takes place every three to five years.

**Depreciation policies**

Assets are depreciated on a straight-line basis over the estimated useful life of the asset. Land is not depreciated.

*The following depreciation periods are applied:*

Industrial buildings	20–33 years
Residential and office buildings	30–50 years
Land improvements	20–25 years
Machinery used for pulp and paper	20–25 years
Other machinery	10 years
Vehicles, equipment and components	3–5 years

**Intangible assets****Emission rights**

Billerud participates in the European system for emission rights and each year Billerud receives allowances free of charge. Billerud has chosen to recognize the emission rights as a current intangible asset since Billerud intends to sell or utilize the emission rights within 12 months and as a prepaid revenue. The emission rights are initially recognized at market value as of the date to which the allocation pertains.

During the financial year, the prepaid revenue is dissolved linearly as actual emissions occur and a liability for use of emission rights is recognized. Both the revenues and the expenses are reported on the row for Raw materials and consumables in the income statement to achieve the purpose of the allocation of emission rights, which is to cover Billerud's emissions of carbon dioxide.

At the subsequent measurement of the emission rights, an assessment is made based on whether the price at the initial recognition is higher or lower than the market price at the end of the accounting period. There is an active market for emission rights, and observable prices on emission rights are determined on a daily basis. The market price reflects the price that Billerud expected to gain from a sale of the emissions rights and is therefore the residual value of the asset. During the year, Billerud signs forward contracts for a predetermined share of the emissions rights with delivery in December. Possibly positive results from the sale of emission rights are reported upon delivery in December. The amortized amount of the emission rights is zero, because there is no ongoing consumption of the emission rights after the previous year's liability has been settled. Instead, impairment assessment is carried out.

**Amortization policies**

Amortizations are recognized in the income statement on a straight-line basis over the estimated useful life of the intangible asset, unless the useful life is indefinite.

*The expected useful life is:*

Capitalized development expenditure and software, 3–7 years.





Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

**Inventories**

Inventories are stated at the lower of acquisition cost and net realizable value. The FIFO (first in, first out) method is used to calculate the cost of inventories. This includes fixed and variable production costs arising upon the acquisition of the assets and transport to the current site in their current condition. If it is not possible in practice to apply FIFO, a weighted average calculation can be used as it provides a good approximation of the FIFO method.

The net realizable value is the expected selling price in the ordinary course of business less expected costs for completion and selling.

**Employee benefits**

Billerud has both defined-contribution plans and defined-benefit plans.

**Defined-contribution plans**

Pension plans in which the company's commitments are restricted to the fees the company has undertaken to pay are classified as defined-contribution pension plans. The company's commitments concerning fees paid to defined-contribution pension plans are recognized as a cost in the profit and loss accounts at the rate at which they are earned through the employee performing services for the company during a period.

**Defined-benefit plans**

The Group's net commitments for defined-benefit plans are calculated separately for each plan by estimating the future benefit that each employee has earned through employment both in the current period and previous periods; this benefit is discounted to its present value. The discount rate in Sweden is the interest rate at the end of the reporting period for a first class corporate bond, including mortgage bonds, with a duration corresponding to the duration of the Group's pension commitments. When there is no active market for such corporate bonds, the market rate for government bonds of corresponding duration is used instead. In addition to these there is a supplement which is the difference between interest on mortgage bonds and nominal government bond with a similar duration. In the US, the discount rate is based on the yield curve reflecting returns on high quality corporate bonds (AA and AAA). The calculation is made by a qualified actuary using the projected unit credit method. In addition, the fair value of any plan assets is calculated at the closing date.

In the determination of the present value of the commitment, actuarial gains or losses may arise. They arise either because the fair value deviates from earlier assumptions or because the assumptions change. Actuarial gains and losses are recognized in other comprehensive income.

In the balance sheet the carrying amount of pensions and similar commitments represents the present value of commitments at the end of the period. Interest on pension liabilities is recognized in financial items. Corrections of previous years' earnings as well as gains and losses due to changes in pension plans are recognized in operating profit/loss.

The commitments for retirement and family pensions for salaried employees in Sweden are secured through an insurance policy with Alecta. This is a multi-employer defined-benefit plan. Billerud has not had access to such information as to make it possible to recognize this plan as a defined-benefit plan. ITP pension plans secured via insurance with Alecta are therefore disclosed as defined-contribution plans.

**Share-based payments**

The Group has incentives programs in terms of share-based payments in which the GMT and other key employees can be entitled to shares in Billerud if, in addition to continued employment and the retention of purchased shares in Billerud, certain performance conditions are met (see note 23). The fair value of these share rights at the start of the program are accounted for during the service period as an employee benefit expense and an increase in equity. An adjustment of the accounted amounts is made on an ongoing basis of expected fulfillment of the program's employments and performance conditions and a final adjustment is made to reflect the actual outcome of these conditions. Social security contributions for the programs are accounted for during the service period, as an employee benefit expense in the income statement and a liability in the balance sheet, and are continuously based on the fair value of the shares.



## 2 Operating profit/loss by segment and net sales by market

Billerud's operations in packaging materials is governed into two main business segments based on the geographical region where the products are manufactured: Region Europe and Region North America. From January 1 2024, Billerud changed the name of the operating segment Solutions & Other as a consequence of the divestment of Managed Packaging and other packaging solutions businesses during 2023.

Other includes Procurement & Wood Supply in Europe, ScandFiber Logistics AB, Managed Packaging, Consolidated Waterpower Company, rental operations, dormant companies, idle assets, income from sale of businesses, items affecting comparability and costs due to increased investments in the production structure. Other also includes group-wide functions, Group eliminations (including IFRS 16) and profit/loss from

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

### Profit/loss by operating segment

SEKm	Region Europe		Region North America		Other (excl. currency hedging etc.)		Currency hedging etc		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Net sales	28,342	27,114	12,122	11,511	2,971	2,948	18	-349	43,453	41,224
<i>Product area</i>										
Liquid packaging board	10,111	9,396	-	-	-	-	-	-	10,111	9,396
Containerboard	5,470	5,347	-	-	-	-	-	-	5,470	5,347
Kraft and speciality paper	4,081	3,841	-	-	-	-	-	-	4,081	3,841
Sack paper	3,240	2,912	-	-	-	-	-	-	3,240	2,912
Cartonboard	2,740	2,793	-	-	-	-	-	-	2,740	2,793
Pulp	2,437	2,553	1,568	1,564	-	-	-	-	4,005	4,117
Graphic paper	-	-	8,360	8,342	-	-	-	-	8,360	8,342
Specialty paper	-	-	2,194	1,605	-	-	-	-	2,194	1,605
Managed Packaging	-	-	-	-	-	420	-	-	-	420
Other	263	272	-	-	2,971	2,528	18	-349	3,252	2,451
Other income and operating expenses	-24,934	-24,361	-9,931	-9,893	-3,167	-3,656	-	-	-38,032	-37,910
EBITDA	3,408	2,753	2,191	1,618	-196	-708	18	-349	5,421	3,314
EBITDA, %	12	10	18	14	-7	-24	-	-	12	8
Depreciation, amortization and impairment losses	-1,897	-1,828	-749	-810	-214	-142	-	-	-2,860	-2,780
<b>Operating profit/loss</b>	<b>1,511</b>	<b>925</b>	<b>1,442</b>	<b>808</b>	<b>-410</b>	<b>-850</b>	<b>18</b>	<b>-349</b>	<b>2,561</b>	<b>534</b>
<b>Operating margin, %</b>	<b>5</b>	<b>3</b>	<b>12</b>	<b>7</b>	<b>-14</b>	<b>-29</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>1</b>
Financial items									-313	-349
Tax									-501	299
<b>Profit/loss for the period</b>									<b>1,747</b>	<b>484</b>

Of the Group's net sales of SEK 43,453 million (41,224), SEK 798 million (765) comprised sales of services.

Within Region Europe, there is one customer that accounts for more than 10% of the Group's total net sales.

The Other segment includes items classified as affecting comparability and amounted to SEK 254 million (-299). These items consist of restructuring costs SEK 58 million (-106), revaluation of biological assets SEK 15 million (-164), pension settlement gain in US SEK 389 million (-), transformation costs in the US SEK -278 million (-) and capital gain on divested assets in Wisconsin of SEK 70 million (-). In 2023, there were also items affecting comparability related to the impairment of the share in the associated company Paper Bottle Company AS SEK -52 million and total capital gain from the divestment of Managed Packaging SEK 23 million.

[Download pdf to print](#)

Introduction 2

Directors' report 23

**Financial statements, signatures and auditor's report 155**

- Consolidated financial statements 155

- **Consolidated notes 159**

- Parent company financial statements 188

- Parent company notes 192

- Signatures 201

- Auditor's report 202

Other information 205



Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

**Geographic areas**

SEKm	Net sales <sup>1</sup>		Non-current assets <sup>2</sup>	
	2024	2023	2024	2023
US	13,093	12,802	6,123	5,980
Sweden	4,158	3,348	26,935	26,518
Germany	3,929	3,606	2	2
China	2,639	2,584	3	2
Italy	2,401	2,218	–	1
Spain	1,969	1,741	1	1
United Kingdom	1,516	1,278	–	1
France	1,350	1,286	1	2
Turkey	1,201	1,294	–	–
The Netherlands	774	765	–	–
Denmark	653	691	–	–
India	542	683	–	–
Finland	478	465	451	470
Mexico	447	427	–	–
Poland	417	340	–	–
Saudi Arabia	358	230	–	–
Serbia	348	229	–	–
Canada	347	393	–	–
South Africa	335	229	–	–
Rest of Europe	2,350	2,333	101	89
Rest of the world	4,148	4,282	1	–
<b>Total</b>	<b>43,453</b>	<b>41,224</b>	<b>33,617</b>	<b>33,066</b>

1 Net sales refer to sales to countries where Billerud has its customers.  
 2 Non-current assets include non-current intangible assets and property, plant and equipment, right of use assets, shares and participation in associates and forest assets.

### 3 Other operating income

SEKm	2024	2023
Services sold	32	31
Capitalized work from own account	35	52
Insurance compensation	4	–
Settlement gain - pensions	389	–
Temporary rental of staff	11	6
Capital result from divestment of subsidiaries	–	23
Sales of electricity	32	35
Government grants	19	38
Sales of non-current assets	84	2
License agreement	15	14
Other	38	107
<b>Total</b>	<b>659</b>	<b>308</b>

### 4 Fees and expenses to auditors

SEKm	2024	2023
<b>KPMG</b>		
Auditing assignments	16	15
Auditing activities besides audit assignments	2	1
Tax consultancy	4	2
<b>Total</b>	<b>22</b>	<b>18</b>
<b>Other auditors</b>		
Auditing assignments	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

Audit assignments refer to the audit of the annual report and accounting records as well as the Board of Directors' and CEO's administration of the Company, other tasks incumbent on the Company's auditor and advice or other assistance resulting from observations made during audits or the performance of such tasks. Auditing activities besides audit assignments relate to reviews of attestations, interim reports, etc. that resulted in reports from the auditor. Tax consultancy relates to assignments performed in regard to taxes and other charges. Other services relate to all other assignments not included in the above.

The Annual General Meeting (AGM) of shareholders held on 21 May 2024 resolved that KPMG AB would be appointed as auditor for the period extending up until the end of the 2025 AGM.



Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

## 5 Employees and employee benefits expense

### Average number of employees

	2024	Of which men, %	2023	Of which men, %
Sweden	3,957	76	4,057	76
US	1,694	83	1,774	82
Finland	109	84	105	85
Latvia	57	75	63	76
Germany	12	75	13	69
China <sup>1</sup>	10	10	58	26
France	6	67	6	67
Italy	5	60	8	38
United Kingdom	4	100	6	100
Spain	3	100	4	100
Vietnam <sup>1</sup>	–	–	19	26
Other countries	15	60	21	67
<b>Total</b>	<b>5,872</b>	<b>78</b>	<b>6,134</b>	<b>77</b>

<sup>1</sup> Reduction in average number of employees due to the divestment of Managed Packaging in 2023.

SEKm	2024	2023
<b>Employee benefit expense</b>		
Wages, salaries and other remuneration		
Board, CEO and Group Management Team <sup>1</sup>	70	89
of which variable remuneration	18	24
Other employees	4,698	4,783
of which variable remuneration	160	148
<b>Total salaries and other remuneration</b>	<b>4,768</b>	<b>4,872</b>
<b>Social security costs</b>		
Contractual pensions for the CEO and Group Management Team		
Defined-benefit pensions	–	–
Defined-contribution pensions	10	12
Contractual pensions, other		
Defined-benefit pensions	2	3
Defined-contribution pensions	466	421
Other social security costs	1,018	1,042
<b>Total social security costs</b>	<b>1,496</b>	<b>1,478</b>
<b>Total employee benefits expense</b>	<b>6,264</b>	<b>6,350</b>

<sup>1</sup> CEO and Group Management Team refers to the Group CEO and the Group Management Team. Board refers to the Board of Billerud AB.

### Number of women in management positions

%	2024	2023
<b>Group management<sup>1</sup></b>		
Board <sup>2</sup>	25	25
CEO and Group Management Team	22	20

<sup>1</sup> Refers to composition at December 31.

<sup>2</sup> Including employee representatives, excluding deputy board member employee representatives.

For information about the benefits of senior managers in accordance with the Annual Accounts Act, see Note 23.

Download pdf to print





Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

## 6 Net financial items

SEKm	2024	2023
<b>Finance income</b>		
Net change in exchange rates	21	–
Interest income, other	97	92
Other financial income	–	1
<b>Total finance income</b>	<b>118</b>	<b>93</b>
<b>Finance costs</b>		
Interest expense for financial liabilities measured at amortized cost	–386	–306
Interest expense for pension provision	–16	–51
Net change in exchange rates	–	–54
Impairment of non-current receivables	–	–2
Interest expense, lease liability	–13	–10
Other financial expenses	–16	–19
<b>Total finance costs</b>	<b>–431</b>	<b>–442</b>
<b>Total net financial items</b>	<b>–313</b>	<b>–349</b>

Exchange rate differences related to financial assets and liabilities are recognized as a net in Net financial items.

Capitalized loan expenditures of SEK – million (47) are recognized as Property, plant and equipment.

Realized currency hedges of SEK 12 million (36) are recognized as a reduction of Property, plant and equipment.

## 7 Tax

SEKm	2024	2023	SEKm	2024	2023
<b>Profit/loss before tax</b>			<b>Reconciliation, effective tax rate</b>		
Sweden	215	–755	Tax according to Swedish income tax rate	–463	–38
Rest of the world	2,033	940	Effect of other tax rates for foreign subsidiaries	–90	53
<b>Total profit/loss before tax</b>	<b>2,248</b>	<b>185</b>	Non-deductible capital losses	–	–11
<b>Tax expense</b>			Non-taxable capital gains	–	4
<b>Current tax</b>			Tax attributable to previous periods	–7	–28
Tax expense for the period	–330	–278	Non-deductible expenses	–6	–17
Tax attributable to previous period	–7	–28	Result from participations in associated companies	8	–30
<b>Total current tax</b>	<b>–337</b>	<b>–306</b>	Non-taxable income	9	3
<b>Deferred tax</b>			Taxable income, not accounted for	–7	–9
Deferred tax income/expense related to temporary differences	–164	605	Tax credits – US	53	387
<b>Total tax expense</b>	<b>–501</b>	<b>299</b>	Allocation of shares in incentive programs	–2	–1
			Other	4	–14
			<b>Tax according to income statement</b>	<b>–501</b>	<b>299</b>
			<b>Effective tax rate, %</b>	<b>22.3</b>	<b>–161.6</b>

The low tax rate in 2023 was related to US tax credits for prior years, for which a deferred tax asset was recognized.



Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

**Change in deferred tax in temporary differences and loss carry-forwards**

SEKm	2024	2023
<b>Opening balance</b>	<b>3,266</b>	<b>3,972</b>
Recognized in Profit and loss	164	-605
Recognized in Equity		
<i>Hedging reserve</i>	-141	-221
<i>Revaluation of defined-benefit pensions</i>	68	94
<i>Revaluation of forest land</i>	66	-
Translation differences	-43	26
<b>Closing Balance, 31 December</b>	<b>3,380</b>	<b>3,266</b>

SEKm	2024	2023
<b>Deferred tax liability</b>		
Non-current assets	4,323	4,181
Tax allocation reserve	289	269
Hedging reserve	-	75
IFRS 16 – Leasing	129	77
Other	46	27
<b>Total deferred tax liability</b>	<b>4,787</b>	<b>4,629</b>

<b>Deferred tax asset</b>		
US tax credits	392	390
Inventories	183	215
Provisions, accrued expenses	99	198
Loss carry-forwards	424	473
Remaining negative net interest	50	6
IFRS 16 – Leasing	130	78
Hedging reserve	67	-
Other	62	3

<b>Total deferred tax asset</b>	<b>1,407</b>	<b>1,363</b>
<b>Total net deferred tax liability</b>	<b>3,380</b>	<b>3,266</b>

Portion recognized as deferred tax asset	328	699
Portion recognized as deferred tax liability	3,708	3,965

Temporary differences regarding loss carry-forwards for the Group that are not recognized as deferred tax assets total SEK 0 million (0).

**Pillar II**

The Group is covered by the Act on additional taxes for companies in large groups (Pillar II). However, the company's assessment is that no additional tax will be paid when special exception rules, "Transitional CbCR Safe Harbour", apply.

**8 Earnings per share**

	2024	2023
<b>Basic earnings per share</b>		
Profit/loss for the period, SEKm	1,747	484
Weighted number of outstanding ordinary shares	248,648,880	248,487,554
<b>Basic earnings per share, SEK</b>	<b>7.02</b>	<b>1.95</b>
<b>Diluted earnings per share</b>		
Profit/loss for the period, SEKm	1,747	484
Weighted number of outstanding ordinary shares	248,648,880	248,487,554
Adjustment for assumed dilution through incentive program	-	136,308
<b>Number of shares included in calculation of diluted earnings per share</b>	<b>248,648,880</b>	<b>248,623,862</b>
<b>Diluted earnings per share, SEK</b>	<b>7.02</b>	<b>1.95</b>

In addition to adjustments for incentive programs included in the calculation above, there are additional share-based programs that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they did not arise to any dilutive effects during reported periods.

For more information regarding share-based payments, see Note 23.



## 9 Intangible assets

### Non-current intangible asset

SEKm	Acquired intangible assets								Internal development		Total	
	Goodwill		Customer contracts		Software		Other intangible assets		Construction in progress			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Acquisition value</b>												
Carrying amount at start of year	2,246	2,256	567	567	167	176	15	15	–	–	2,995	3,014
Investments	–	–	–	–	–	–	–	–	48	–	48	–
Sale of subsidiaries	–	–	–	–	–	–6	–	–	–	–	–	–6
Divestments and disposals	–	–	–	–	–1	–	–	–	–	–	–1	–
Reclassification	–	–	–	–	–	–	–	–	–	–	–	–
Translation differences	26	–10	–	–	8	–3	–	–	–	–	34	–13
<b>Carrying amount at year-end</b>	<b>2,272</b>	<b>2,246</b>	<b>567</b>	<b>567</b>	<b>174</b>	<b>167</b>	<b>15</b>	<b>15</b>	<b>48</b>	<b>–</b>	<b>3,076</b>	<b>2,995</b>
<b>Accumulated amortization</b>												
Carrying amount at start of year	–	–	–567	–567	–159	–160	–11	–10	–	–	–737	–737
Sale of subsidiaries	–	–	–	–	–	6	–	–	–	–	–	6
Amortization	–	–	–	–	–5	–8	–1	–1	–	–	–6	–9
Divestments and disposals	–	–	–	–	1	–	–	–	–	–	1	–
Translation differences	–	–	–	–	–7	3	–	–	–	–	–7	3
<b>Carrying amount at year-end</b>	<b>–</b>	<b>–</b>	<b>–567</b>	<b>–567</b>	<b>–170</b>	<b>–159</b>	<b>–12</b>	<b>–11</b>	<b>–</b>	<b>–</b>	<b>–749</b>	<b>–737</b>
<b>Accumulated impairment losses</b>												
Carrying amount at start of year	–31	–31	–	–	–	–	–	–	–	–	–31	–31
Divestments and disposals	–	–	–	–	–	–	–	–	–	–	–	–
<b>Carrying amount at year-end</b>	<b>–31</b>	<b>–31</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–31</b>	<b>–31</b>
<b>Carrying amounts according to balance sheet</b>	<b>2,241</b>	<b>2,215</b>	<b>–</b>	<b>–</b>	<b>4</b>	<b>8</b>	<b>3</b>	<b>4</b>	<b>48</b>	<b>–</b>	<b>2,296</b>	<b>2,227</b>

### Investment commitments

In 2024, the Group signed agreements on the future acquisition of non-current intangible assets of around SEK 80 million, these commitments are expected to be settled in 2025.

- Introduction 2
- Directors' report 23
- Financial statements, signatures and auditor's report 155**
- Consolidated financial statements 155
- Consolidated notes 159
- Parent company financial statements 188
- Parent company notes 192
- Signatures 201
- Auditor's report 202
- Other information 205

Download pdf to print



Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

**Intangible assets – current**

SEKm	Emission rights	
	2024	2023
Carrying amount at start of year	123	132
Emission rights allocated	492	737
External purchase	5	6
Sales	–413	–674
Settlement with Swedish government	–60	–78
<b>Carrying amount at year-end</b>	<b>147</b>	<b>123</b>
<b>Accumulated impairment losses</b>		
Carrying amount at start of year	–12	–2
Impairment	–18	–180
Sales	30	170
<b>Carrying amount at year-end</b>	<b>–</b>	<b>–12</b>
<b>Carrying amount according to balance sheet</b>	<b>147</b>	<b>111</b>

During 2024, a positive result of SEK 471 million (575) from emission rights was accounted for, which has been recognized under the item Raw material and consumables in the income statement. Emission rights that Billerud is entitled to but has not yet been allocated amounted to SEK 33 million (–), and are accounted for as an accrued income up until allotment. At the end of the year, the liability for emission amounted to SEK 53 million (70), which are accounted for as a Other current liability.

In accordance with the applicable legislation for the EU Emission Trading Scheme (EU ETS), Billerud will only be allotted free emission rights during the financial year 2025. It means that no free emissions right can be expected 2026 and going forward.

For more information on emission rights, see the Risks and risk management Report on page 41 and ESRS 2 SBM–3 on page 60.

**Goodwill**

The Group's goodwill originates from two acquisitions, SEK 1,953 million arising from the acquisition of Korsnäs acquisition in 2012 and SEK 288 million from the acquisition of Verso Corporation in 2022.

The recoverable amount has been calculated as value in use.

The impairment tests are based on a forecast period of five years. The assumptions in the multi-year plan are based on historical experience and forecasts regarding market performance and other factors. The main assumptions relate to volume growth, EBITDA margin, operating capital and investment needs. Forecasts are made on management's assessments which are based on both internal and external sources.

For the period beyond 2029, an annual growth rate of 2% has been used to extrapolate cash flows beyond 2029 in both impairment tests.

The result of the conducted impairment tests has not identified any need for impairment of goodwill.

**Goodwill from the acquisition of Korsnäs**

The goodwill value has been allocated to Region Europe, which is a cash-generating unit in line with Billerud's organizational structure.

The calculations are based on cash flow from the business plan adopted in 2024 regarding 2025. For 2026, an estimation has been made for each significant assumption. For period 2027–2029 the following assumptions have been used: an annual volume growth of 2.0%, an increase in sales prices of 2.0%, and a cost inflation of 2.0%.

In the impairment test, a discount rate before tax of 8.7% (9.5) was used.

A sensitivity analysis shows that the carrying amount of the goodwill would exceed to be equal to the recoverable amount at the following changes in one of the key assumptions for the period 2027–2029: a decrease in volume growth by –0.6%, a reduction in sales prices by –0.2%, an increase in cost inflation by 0.4%, or an rise in the discount rate before tax by 0.4%. The sensitivity analysis is based on a change in an individual key assumption while all other assumptions remain unchanged.

**Goodwill from the acquisition of Verso Corporation**

The goodwill value has been allocated to Region North America, which is a cash-generating unit in line with Billerud's organizational structure.

The calculations are based on cash flow from the business plan adopted in 2024, regarding 2025 and include the strategic decisions made during the year for the operations in North American. For the period 2026–2029, the following assumptions have been used: an average annual increase in sales volumes of 3%, an average annual customer prices increase of 1%, and an average annual cost inflation of 4%.

In the impairment test, a discount rate before tax of 8.9% (9.5) was used.

Billerud assesses that no reasonable changes in any of the significant assumptions would result in an impairment of goodwill.

**Climate risk assessment**

Billerud's assessment is that the climate risks that are expected to affect future results and cash flows are taken into account in the forecasts that are the basis for the impairment tests. A risk that could have a direct impact in the next 5-10 years could be floods that result in operational interruptions. This usually does not mean that tangible assets become unusable therefore Billerud has assessed that it is not reasonable to assume that climate risks can lead to a direct need for impairment or a shortening of the estimated useful life due to a single flood.

In the sensitivity analyses, assessments have been made regarding future costs that to a large extent contain assessments regarding wood prices in the future, as wood is the main raw material in the production of paper and pulp. The same applies to energy prices, but also inflation. Billerud has made the assessment that it is growth that is the main factor to consider and has therefore primarily taken into account what happens in the case of lower sales growth, since reduced sales growth can both be due to climate-related risks and to other unknown factors. There is a satisfactory gap between the value in use and the book value of net assets. In terms of financial effects in general, scenario analysis of climate risks and opportunities shows that scenarios tend to have positive effects.

Climate change does not only mean risks for Billerud's operations, but also significant opportunities. Increased use of bio-based products from renewable materials generally has a smaller climate impact than many other materials, and the increased awareness among consumers can also lead to increased demand for Billerud's products.

For further information regarding climate risk assessment, see section E1 SBM–3 on page 76 in the sustainability report.





## 10 Property, plant and equipment

SEKm	Buildings and land <sup>1</sup>		Plant and equipment <sup>2</sup>		Construction in progress <sup>3</sup>		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Acquisition value</b>								
Carrying amount at start of year	10,270	9,741	57,163	53,832	2,029	3,263	69,462	66,836
Investments	–	1	6	31	2,383	3,145	2,389	3,177
Change in accounting estimate <sup>4</sup>	–14	–6	–	–	–	–	–14	–6
Reclassification	313	581	1,980	3,755	–2,293	–4,335	–	1
Divestments and disposals <sup>5</sup>	–260	–8	–1,925	–63	–283	–	–2,468	–71
Disposals via divestment of business <sup>6</sup>	–	–	–	–26	–	–	–	–26
Translation differences	87	–39	887	–366	50	–44	1,024	–449
<b>Carrying amount at year-end</b>	<b>10,396</b>	<b>10,270</b>	<b>58,111</b>	<b>57,163</b>	<b>1,886</b>	<b>2,029</b>	<b>70,393</b>	<b>69,462</b>
<b>Accumulated depreciation</b>								
Carrying amount at start of year	–4,686	–4,364	–33,541	–31,587	–	–	–38,227	–35,951
Depreciation	–360	–341	–2,281	–2,236	–	–	–2,641	–2,577
Divestments and disposals <sup>5</sup>	194	5	1,918	50	–	–	2,112	55
Disposals via divestment of business <sup>6</sup>	–	–	–	15	–	–	–	15
Translation differences	–32	14	–464	217	–	–	–496	231
<b>Carrying amount at year-end</b>	<b>–4,884</b>	<b>–4,686</b>	<b>–34,368</b>	<b>–33,541</b>	<b>–</b>	<b>–</b>	<b>–39,252</b>	<b>–38,227</b>
<b>Accumulated impairment losses</b>								
Carrying amount at start of year	–111	–111	–1,925	–1,925	–	–	–2,036	–2,036
<b>Carrying amount at year-end</b>	<b>–111</b>	<b>–111</b>	<b>–1,925</b>	<b>–1,925</b>	<b>–</b>	<b>–</b>	<b>–2,036</b>	<b>–2,036</b>
<b>Carrying amounts according to balance sheet</b>	<b>5,401</b>	<b>5,473</b>	<b>21,818</b>	<b>21,697</b>	<b>1,886</b>	<b>2,029</b>	<b>29,105</b>	<b>29,199</b>

1 Of which land is SEK 210 million (234).

2 Light machinery and equipment represent only a minor proportion of the value of plant and equipment and thus are not disclosed separately.

3 During 2023 there were capitalized loan expenditures included in cost of acquisition totaling SEK 47 million, and the interest rate used in determining loan expenditure was 4.7% at year-end. There have been no capitalized loan expenditures in 2024.

4 Changes in the estimated costs of dismantling, removing or restoring items of property, plant and equipment.

5 During 2024, disposal and divestment mainly relates to US transformation costs and sale of tangible assets in Wisconsin.

6 Relates to the divestment of Managed Packaging.

### Government grants

In 2024, the Group received government grants of SEK 3 million (2) to reduce the acquisition value of property, plant and equipment.

### Investment commitments

In 2024, the Group signed agreements on the future acquisition of property, plant and equipment for SEK 1,327 million (1,398). Of these commitments, it is expected that SEK 543 million (532) will be settled in 2025.

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## 11 Forest assets

SEKm	Forest land		Biological assets		Total	
	2024	2023	2024	2023	2024	2023
Carrying amount at start of year	248	246	145	147	393	393
Revaluation	319	2	9	-2	328	-
Change due to harvesting	-	-	-1	-2	-1	-2
Other changes	-	-	1	2	1	2
<b>Carrying amount at year-end</b>	<b>567</b>	<b>248</b>	<b>154</b>	<b>145</b>	<b>721</b>	<b>393</b>

The forest assets in the group consists of two parts: growing trees, which are recognized as biological assets in accordance with IAS 41 – Agriculture, and forest land, which is recognized in accordance with IAS 16 – Property, Plant and Equipment.

The Group's forest assets are recognized at fair value, which is based on transaction prices from 376 sales of forest properties over the past three years in the areas where the Group owns forests. Fair value measurement is based on level 3. The total value of the forest assets is allocated across growing trees, which are recognized as biological assets, and forest land. The value of the forest land is calculated as the difference between the total value of the forest assets and the biological assets. The value allocated to the biological assets is determined the net present value of the expected cash flows over the next 100 years. The cash flow is calculated based on harvesting revenues with deduction for harvesting costs. The present value is based on a forecast of future harvesting volumes over the period, harvesting costs and the value of forest revenue from the calculated harvesting volumes based on the wood price at the valuation date. In the valuation, wood prices of SEK 517–832 m<sup>3</sup>sub has been used. All revenues and costs in the model are adjusted for inflation. For the period 2024–2027, the forecasts from the Swedish central bank's have been used, and thereafter their inflation target. A discount rate of 7% (5) before tax is used in the net present value calculation.

According to the latest market statistics, the average price for the forest assets is approximately SEK 19,000 per hectare (10,900). Based on this, the forest assets are valued at SEK 721 million (393).

The most recent valuation of forest assets was conducted in 2024 by an independent external provider. Prior to that, an external revaluation was done in 2020, which explains the large increase for the year. The Group does not make any adjustments to the data provided by third parties and used in the valuation model.

A significant part of the Group's final harvestable forest is located in mountain-near areas as well as in large stands old-growth forest in Jämtland and Dalarna. Due to uncertainties regarding how much of these areas can actually be harvested, the harvesting forecast has been reduced to 60% of harvesting volumes. This, and the fact that the forests mainly are located in mountain-near areas, are the main explanations that the biological asset part of the forest assets is relatively low.

The area covers a total of approximately 36,000 hectares of forest land, of which 16,000 hectares are productive consist of productive forest land. In addition, the Group owns approximately 2,000 forest hectares of forest land adjacent to its production facilities in Sweden, of which 1,000 hectares are productive forest land.

Billerud expects, as a result of the transaction with Bergvik Skog Öst in 2019 to own an additional 12,700 hectares of forest assets, of which approximately 6,200 hectares are productive forest land, when the cadastral processes for these properties are finalized. These forest assets will be recognized at that time.

The impact of climate change has not been considered in the in the cash flow analysis, as its effects are expected to lie further in the future and will not impact the current cash flow model. Instead, a sensitivity analysis is presented for biological assets, where the change in the most significant parameters is highlighted.

### Sensitivity analysis – Biological assets as a share of forest assets

Assumption	Change (%)	Change in value, (SEKm, before tax)
Harvesting lever	+10	+38
Wood price	+10	+30
Harvesting cost	+10	-14
Discount rate	+0.1	-3

The sensitivity analysis is based on a change in an individual parameter while all other parameters remain unchanged.

Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

[Download pdf to print](#)



Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

## 12 Right of use assets

SEKm	Vehicles		Office rents		Other		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Acquisition value</b>								
Carrying amount at start of year	419	425	251	246	88	72	758	743
New leasing contract	121	64	112	55	139	35	372	154
Modification of contract	13	2	35	41	6	4	54	47
End of leasing contract	-67	-71	-27	-82	-39	-20	-133	-173
Disposals via divestment of business	-	-1	-	-5	-	-	-	-6
Translation differences	3	-	15	-4	10	-3	28	-7
<b>Carrying amount at year-end</b>	<b>489</b>	<b>419</b>	<b>386</b>	<b>251</b>	<b>204</b>	<b>88</b>	<b>1,079</b>	<b>758</b>
<b>Accumulated depreciation</b>								
Carrying amount at start of year	-228	-205	-136	-105	-53	-27	-417	-337
Depreciation	-96	-90	-91	-76	-26	-29	-213	-195
End of leasing contract	61	65	31	40	27	2	119	107
Disposals via divestment of business	-	-	-	1	-	-	-	1
Translation differences	-2	2	-8	4	-2	1	-12	7
<b>Carrying amount at year-end</b>	<b>-265</b>	<b>-228</b>	<b>-204</b>	<b>-136</b>	<b>-54</b>	<b>-53</b>	<b>-523</b>	<b>-417</b>
<b>Carrying amounts according to balance sheet</b>	<b>224</b>	<b>191</b>	<b>182</b>	<b>115</b>	<b>150</b>	<b>35</b>	<b>556</b>	<b>341</b>

### Other disclosures

SEKm	2024	2023
<b>Lease liabilities</b>		
Current	218	168
Non-current	345	178
<b>Total</b>	<b>563</b>	<b>346</b>
The total cash outflow for leases	212	194
Expense relating to short-term leases	327	335
Expense relating to leases of low-value assets	2	2
Obligation for undelivered leases	183	135

Expense for short-term leases include rental of train carriages in the Scand-Fiber business of SEK 324 million (324).

The year's interest payments amounted to SEK 13 million (10). For details on the maturity analysis of the lease payments and future interest payments of SEK 39 million, are included together with other interest payments, see Note 22 Financial risks.



Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

## 13 Participations in associates

SEKm	2024	2023
Carrying amount at start of year	906	1,156
Capital contribution to associates <sup>1</sup>	12	43
Divestment of associated companies <sup>2</sup>	–	–82
Dividend	–20	–17
Impairment of associated companies <sup>3</sup>	–	–52
Participations in associates' profit/loss after tax	41	–142
<b>Carrying amount at end of year</b>	<b>939</b>	<b>906</b>

<sup>1</sup> Capital contributions in 2024 are related to Billerud Viken AS. Capital contributions in 2023 was related to Paper Bottle Company A/S and Billerud Viken AS.

<sup>2</sup> The divestment of Paper Bottle Company A/S during October 2023.

<sup>3</sup> Impairment of Paper Bottle Company A/S in 2023.

### BSÖ Holding AB Group

In 2019, Billerud sold 89.9% of the shares in BSÖ Holding AB (BSÖ). As a result of the transaction, an excess value of SEK 159 million related to forest land arose, which is included in the value of the shares. Accordingly, the holding in BSÖ Holding AB amounts to 10.1% of the shares and votes.

The holding is classified as shares in an associated company in accordance with IAS 28, although Billerud holds less than 20% of the votes. This is based on the assessment that Billerud is deemed to have a "significant influence" over BSÖ Holding AB under the provisions and definitions of IAS 28. It has been assessed that Billerud doesn't have a controlling influence over BSÖ Holding AB. The decisions and activities that have the main effect on the profitability of BSÖ are in all material respects the result of the management and Board of BSÖ. Billerud has a contractual right to appoint one member of the Board of BSÖ Holding AB. There are five members of the Board in BSÖ Holding AB.

Billerud has an exclusive right to buy wood (through felling rights) from Bergvik Skog Öst AB, a subsidiary to BSÖ Holding AB, through a Wood Supply Agreement. The agreement is valid until June 24, 2034, and is after that automatically prolonged with five year intervals unless it is terminated by either of the parties. For the first 15 years Bergvik Skog Öst AB has a base volume that should be sold to Billerud, but also a sale option volume regarding additional volumes. If the parties disagree regarding the price, the dispute should first be resolved by an audit, and secondly by an independent group of experts.

Billerud and Bergvik Skog Öst AB also had a Forest Service Agreement until December 31, 2024, that was determined. The services involved the practical operational forest management- and administrative services that are necessary on the Bergvik Skog Öst properties. The services did not involve policies and strategic decisions regarding forest management. The management and the Board of BSÖ Holding AB, over which Billerud has no control, make the necessary decisions that have the largest impact on the earnings that BSÖ Holding AB generates, such as use of the option to sell additional volume, extended use of the land, cost budgets, hiring of personnel and choice of suppliers of operative services.

### Associates

SEKm	Country	Revenue	Earnings	Assets	Liabilities	Shareholders' equity	Proportion owned, %	Carrying amount
<b>2024</b>								
Trätåg AB	Sweden	323	–	73	73	–	50	–
SSG Standard Solutions Group AB	Sweden	207	20	199	61	138	28	40
BSÖ Holding AB Group	Sweden	723	356	12,250	5,454	6,796	10	845
Billerud Viken AS	Norway	–	–	91	–	91	50	45
Wisconsin Valley Improvement Company Inc.	US	55	1	199	163	37	23	9
<b>Total</b>								<b>939</b>
<b>2023</b>								
Trätåg AB	Sweden	307	–	69	69	–	50	–
SSG Standard Solutions Group AB	Sweden	194	12	166	50	116	28	33
BSÖ Holding AB Group	Sweden	654	–1,430	12,041	5,391	6,650	10	831
Billerud Viken AS (name changed from Follum Utvikling AS)	Norway	4	2	69	1	68	50	34
Wisconsin Valley Improvement Company Inc.	US	55	1	153	121	32	23	8
<b>Total</b>								<b>906</b>

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## 14 Other holdings

Name/Corp. ID no.	Number of shares	Holding in %	Carrying amount, SEKm
<b>2024</b>			
One tenant-owner property	1	–	–
Bergvik Skog Öst AB, 556644-5473	1	0.1	8
Radio Skog AB, 556137-8505	400	10	–
RK Returkartong AB, 556483-8828	28	4	–
Recycl3R Solutions SL, Spain, B-16.557.514	117	10	3
Hanhaa Ltd, UK, 09097664	21,336	13	–
Vericool Inc, US, 47-5317336	543,915	12	–
IUC Norr AB	200	3	–
Industrikraft i Sverige AB, 559484-8961	5,000	6	2
<b>Total</b>			<b>13</b>

In November 2024, Billerud acquired shares in Industrikraft i Sverige AB.

On July 5 2023, Billerud sold its holding in Kezzler AS, for SEK 48 million.

### Bergvik Skog Öst AB

Under the contractual arrangements relating to Billerud's shareholding in, and wood supply from, Bergvik Skog Öst AB, Billerud is party to an option agreement which grants Billerud the right to buy back Bergvik Skog Öst AB under certain circumstances. The option agreement includes this right if Billerud is not offered an extension of the Wood Supply Agreement with Bergvik Skog Öst AB when the current contract term expires in 2034, and in the event of certain contractual breaches by parties in the constellation (others than Billerud). Billerud does not itself control the circumstances that can trigger the option. The option agreement is intended to create long-term supply certainty from the forestlands owned by Bergvik Skog Öst AB. Because Billerud does not itself control the circumstances that can trigger the option, the option agreement is as such not deemed to have any value to recognize.

Name/Corp. ID no.	Number of shares	Holding in %	Carrying amount, SEKm
<b>2023</b>			
One tenant-owner property	1	–	–
Bergvik Skog Öst AB, 556644-5473	1	0.1	8
Radio Skog AB, 556137-8505	400	10	–
RK Returkartong AB, 556483-8828	28	4	–
Recycl3R Solutions SL, Spain, B-16.557.514	117	10	3
Hanhaa Ltd, UK, 09097664	21,336	13	–
Vericool Inc, US, 47-5317336	543,915	12	–
IUC Norr AB	200	3	–
<b>Total</b>			<b>11</b>

## 15 Inventories

SEKm	2024	2023
Raw materials and consumables	2,877	2,351
Finished goods	3,416	3,436
Work in progress	316	266
Advances to suppliers	146	84
<b>Total</b>	<b>6,755</b>	<b>6,137</b>

Of the inventory of finished goods, SEK 209 million (923) has been measured at net realizable value. Accumulated write-downs of finished goods amount to SEK 132 million (173).

Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205





Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

## 16 Shareholders' equity

### Share capital

Owners of ordinary shares are entitled to a dividend approved at a later date, and the shareholding entitles the owner to vote at general meetings, with one vote per share. All shares have the same rights to Billerud's remaining net assets. Regarding shares in the company's treasury (see below), all rights are suspended until the shares are re-issued.

### Other contributed capital

The shares represent equity paid in by the owners. This includes part of share premium reserves transferred to the statutory reserve at 31 December 2005. Allocations to the share premium reserve from 1 January 2006 onward are also recognized as paid-in capital.

### Reserves

#### Translation reserve

The translation reserve comprises all exchange rate differences arising from the translation of financial reports of foreign operations that have prepared their financial reports in a currency other than the currency that is the Group's functional currency. The Group presents their financial statements in Swedish kronor.

#### Revaluation surplus

The revaluation surplus is comprised of revaluation of forest land.

#### Hedging reserve

The hedging reserve comprises the effective portion of accumulated net changes in the fair value of a cash flow hedge instrument attributable to hedge transactions that have not yet occurred.

#### Retained earnings

Retained earnings including profit/loss for the year includes profit earned by the parent company and its subsidiaries and associates.

Retained earnings also includes revaluation of defined-benefit pensions and net changes in fair value relating to shares in Other holdings.

Previous allocations to the statutory reserve, excluding transferred share premium reserves, are included in this capital item.

#### Repurchased shares

Repurchased shares includes the acquisition cost of treasury shares held by the parent company. At 31 December 2024, the Group's holdings of treasury shares totaled 906,501 (1,059,569).

### Dividend

After the balance sheet date, the board has proposed a dividend of SEK 3.50 per share to the Annual General Meeting, which corresponds to a total dividend of SEK 870 million.

This proposal will be considered for approval at the Annual General Meeting on May 20, 2025.

### Paid dividend

	2024	2023
Dividend, SEKm	497	1,864
Dividend per ordinary share, SEK	2.00	7.50*

\* of which an ordinary dividend of SEK 5.50 per share and an extraordinary dividend of SEK 2.00 per share.

### Financial position

Billerud's financial target for its financial position is for the long-term ratio of net interest-bearing debt to EBITDA to be less than 2.5.

Group interest-bearing net debt in relation to EBITDA at the end of 2024 was 1.0 (1.8).

For further information regarding share capital, see Parent Company Note P16.



Introduction 2

Directors' report 23

**Financial statements, signatures and auditor's report 155**

- Consolidated financial statements 155
- **Consolidated notes 159**
- Parent company financial statements 188
- Parent company notes 192
- Signatures 201
- Auditor's report 202
- Other information 205

## 17 Provisions for pensions and similar commitments

Billerud has both defined-benefit pension plans and defined-contribution pension plans.

### Sweden

The white collar staff in Sweden has defined-benefit pension plans (ITP plan). In addition to this, there are defined-benefit pensions secured through endowment insurance, along with a provision for non-vested pensions of SEK 16 million (17) in the subsidiary Billerud Skog & Industri AB.

Parts of the ITP plan's pension commitments are secured through provisions on the balance sheet in accordance with the FPG/PRI system.

All newly earned pension contributions within the ITP 2 plan are secured through pension insurance company Alecta.

Alecta cannot provide sufficient information to recognize the ITP plan as a defined-benefit plan, and the plan is therefore recognized as a defined-contribution plan in accordance with UFR 10.

The ITP plan secured with Alecta is a multi-employer defined-benefit plan. Alecta's collective consolidation ratio was 162% (158) at year end. The collective consolidation ratio consists of the market value of Alecta's assets in relation to the insurance undertakings calculated as per Alecta's actuarial assumptions, which do not correspond to IAS 19. Billerud's pension undertakings secured with Alecta constitute a marginal proportion of total undertakings secured with Alecta.

This means that no pension costs for newly earned defined-benefit pension are recognized as defined-benefit.

The recognized defined-benefit pension costs are attributable to previous periods.

Fees for pension insurance with Alecta totalled SEK 145 million (129) for the year.

### US

Billerud's business in North America offers pension and retirement benefits to certain employees, under a defined benefit pension plan.

The pension plan provides defined benefits based on years of service multiplied by a flat monetary benefit or based on a percentage of compensation as defined by the plan document. The plan is frozen to new entrants. However, some of the pension plan participants continue to earn service accruals toward their pension benefits.

The defined benefit plan is funded with plan assets that are required to meet at least the minimum funding required under local legislation.

Under the Pension Protection Act, minimum contributions are required until such time that the assets in the plan are sufficient to meet the plan

liabilities including any annual increases in those liabilities and all plan expenses. If the plan is overfunded, it is possible that the minimum required contribution will be zero. The plan sponsor may be required to make additional contributions above the minimum required in certain cases as required by the local legislation. A deterioration in the value of plan assets could cause the unfunded status of the pension plan to increase, thereby increasing our obligation to make additional contributions to the plan.

The primary investment objective of the pension plan assets is to ensure, over the long-term life of the pension plan, an adequate pool of sufficiently liquid assets to support the pension obligation. To achieve this objective, the pension plan will apply a debt-driven investment strategy,

which involves a planned adjustment of the portfolio's asset allocation over time. This aligns the portfolio's risk profile with the risks of the liabilities it is intended to fund, typically by shifting towards more conservative investments (interest income) as the funding status improves and the maturity date of the liabilities approaches. Overall, it is a process to reduce the risk in the pension plan's portfolio as liabilities mature, and to minimize the volatility of the funded status by matching the duration of the portfolio assets to the duration of the liabilities.

During 2024 a part of the net-defined benefit obligation in the US was settled. The settlement resulted in a gain of SEK 389 million that was recognized as other operating income in the income statement. This had no cash flow impact.

### Specification of deferred benefit pension plans and plan assets by country

SEKm	Sweden		US <sup>1</sup>		Other		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Present value of obligation for unfunded plans	590	617	–	–	6	8	596	625
Present value of obligation for funded plans	–	–	3,060	8,811	–	–	3,060	8,811
Fair value of plan assets	–	–	–3,697	–8,783	–	–	–3,697	–8,783
<b>Surplus(–)/Deficit(+)</b>	<b>590</b>	<b>617</b>	<b>–637</b>	<b>28</b>	<b>6</b>	<b>8</b>	<b>–41</b>	<b>653</b>

<sup>1</sup> The funding level of the net defined benefit obligation in the US is 121% (100).

### Actuarial assumptions

The following material actuarial assumptions have been applied in the calculation of commitments (weighted averages).

	Sweden	US
Discount rate (%)	3.40	5.56
Inflation (%)	1.80	–
Lifetime	DUS 23	Pri- 20212

### Sensitivity analysis<sup>1</sup> (%)

Discount rate (+0.5 %)	–34	–142
Discount rate (–0.5 %)	37	154
Inflation (+0.5 %)	37	NA
Inflation (–0.5 %)	–34	NA
Lifetime (+1 year)	30	77
Lifetime (–1 year)	–30	–78

<sup>1</sup> Change in provision for pensions.

The sensitivity analysis is based on a change in an individual parameter while other parameters remain unchanged. This method shows the sensitivity of the undertaking to a single assumption. This is a simplified method as the actuarial assumptions are usually correlated.

The average maturity of pension undertakings is around 11 (11) years in Sweden and 10 (9) years in the US.



Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

**The movement in the present value of the net defined benefit obligation**

SEKm	Present value of obligation		Fair value of plan assets		Total	
	2024	2023	2024	2023	2024	2023
<b>Provision at the start of the year</b>	9,436	9,621	-8,783	-8,425	653	1,196
Current service cost	18	57	–	–	18	57
Interest income or expense	415	489	-400	-438	15	51
Gains and losses – from settlements	-5,868	–	5,479	–	-389	–
	<b>4,001</b>	<b>10,167</b>	<b>-3,704</b>	<b>-8,863</b>	<b>297</b>	<b>1,304</b>
Remeasurements						
Return on plan assets	–	–	-197	-866	-197	-866
Actuarial changes						
Change in demographic assumptions	–	7	–	–	–	7
Change in financial assumptions	-112	307	–	–	-112	307
Experience-based adjustments	52	206	–	–	52	206
	<b>-60</b>	<b>520</b>	<b>-197</b>	<b>-866</b>	<b>-257</b>	<b>-346</b>
Translation differences	576	-349	-600	358	-24	9
Contributions:						
Employer	–	–	-9	-268	-9	-268
Payments:						
From the plan	-861	-902	813	856	-48	-46
<b>Provision at year-end</b>	<b>3,656</b>	<b>9,436</b>	<b>-3,697</b>	<b>-8,783</b>	<b>-41</b>	<b>653</b>
of which covered by credit insurance with FPG/PRI					548	578

Of the provision, SEK 47 million (48) is expected to be paid within 12 months. As collateral for pension commitments, the Group has pledged endowment insurance totalling SEK 105 million (88). The Group expects to make cash contributions of SEK 0 million (9) during 2025.

**Pension plan asset allocation**

SEKm	2024	2023
Cash and cash equivalents	69	396
Bond investments	2,855	5,610
Equity investments	742	2,593
Real estate	–	94
Alternatives composite	31	90
<b>Total</b>	<b>3,697</b>	<b>8,783</b>

Of which 79% (91) have a quoted market price in an active market.

SEK 31 million (90) of Alternative composite and SEK 738 million (711) of Equity investments, do not have quoted market price in an active market.

[Download pdf to print](#)



Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

## 18 Provisions

SEKm	Severance pay, redundancy pay		Working environment		Restoration costs <sup>1</sup>		Other costs <sup>2</sup>		Total carrying amount	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Change for the year</b>										
Carrying amount at start of year	92	71	56	51	337	356	36	36	521	514
Reclassification	9	–	–17	–	3	–	5	–	–	–
Provisions made during the year	8	95	–	9	20	18	10	–	38	122
Change in discount rate	–	–	–	–	–14	–7	–	–	–14	–7
Unutilized amount reversed during the year	–60	–27	–	–1	–	–	–38	–	–98	–28
Amount utilized during the year	–27	–48	–	–3	–16	–18	–7	–	–50	–69
Divestment <sup>3</sup>	–	–	–	–	–154	–	–	–	–154	–
Translation difference	–	1	–	–	28	–12	1	–	29	–11
<b>Carrying amount at end of year</b>	<b>22</b>	<b>92</b>	<b>39</b>	<b>56</b>	<b>204</b>	<b>337</b>	<b>7</b>	<b>36</b>	<b>272</b>	<b>521</b>
of which current portion	18	57	–	11	18	6	7	36	43	110

<sup>1</sup> Restoration costs are related to dismantling, removing or restoring items of property, plant and equipment. Discount rate used is 4.8% (4.1), for calculating provision for restoration costs. Expected to be settled within 10–30 years.

<sup>2</sup> Other mainly relates to property tax.

<sup>3</sup> During 2024, Billerud divested the Wisconsin Water Quality Center(WQC) and related landfill asset assets.

## 19 Interest-bearing liabilities

SEKm	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Non-current liabilities</b>				
Syndicated loans	–	–	–	–
Bilateral loans	1,904	1,904	1,196	1,196
Bond loans	3,100	3,191	3,500	3,580
Leasing	345	345	178	178
<b>Carrying amount at year-end</b>	<b>5,349</b>	<b>5,440</b>	<b>4,874</b>	<b>4,954</b>
<b>Current liabilities</b>				
Syndicated loans	–	–	–	–
Bond loans	1,000	1,000	600	600
Commercial papers	897	897	1,437	1,437
Bilateral loans	502	502	499	499
Leasing	218	218	168	168
<b>Carrying amount at year-end</b>	<b>2,617</b>	<b>2,617</b>	<b>2,704</b>	<b>2,704</b>

The majority of the liabilities are due for payment within five years of the end of the reporting period. For information on maturity of financial liabilities see note 22 – Financial risks.

The difference between carrying amount and fair value is due to the liabilities not being marked to market in the balance sheet and instead being recognized at amortized cost. The Group has no loans recognized at fair value through profit or loss. Fair value of interest-bearing liabilities are done according to level 1 regarding fixed interest rate bonds. The bilateral loans have a variable interest rate and the carrying amount and fair value are not expected to differ significantly. For a definition of value hierarchy, see Note 21.

### Terms and repayment periods

The agreements for the syndicated loans, bilateral loans and bond loans issued outside the MTN program contain financial obligations (covenants) which must be met for them to be available. These obligations primarily relate to the net debt/equity ratio and interest coverage ratio. All covenants were met throughout 2024 with a large headroom. The syndicated loans and bilateral loans have variable interest rates.

Billerud had four outstanding bond loans totalling SEK 4,100 million as of 31 December 2024. Of the outstanding bond loans, SEK 2,500 million have variable interest and SEK 1,600 million fixed interest. SEK 2,500 million of the bonds were issued under the MTN program, which was established in 2013.

Commercial papers are issued under the program originally established in 2003. The commercial paper program has a framework amount of SEK 4,000 million. Commercial papers have a minimum maturity of one day and a maximum maturity of 364 days.



Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

## 20 Accrued expenses and deferred income

SEKm	2024	2023
Employee benefit expenses, including social security costs	1,076	1,034
Delivery expenses	203	60
Wood expenses	441	317
Energy expenses	100	70
Deferred income	124	170
Accrued interest expenses	97	121
Other accrued expenses <sup>1</sup>	593	448
<b>Total</b>	<b>2,634</b>	<b>2,220</b>

<sup>1</sup> Other accrued expenses mainly include costs for external services and administrative fees.

## 21 Financial assets and liabilities

SEKm	Fair value – hedge accounting		Fair value through other comprehensive income		Amortized cost		Total carrying amount		Total fair value	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Valuation classification	Level 2		Level 3							
Other shares and participations	–	–	13	11	–	–	13	11	13	11
Non-current receivables	23	1	–	–	127	130	150	131	150	131
Accounts receivable	–	–	–	–	4,762	3,804	4,762	3,804	4,762	3,804
Other receivables	47	463	–	–	635	616	682	1,079	682	1,079
Cash and cash equivalents	–	–	–	–	2,561	2,304	2,561	2,304	2,561	2,304
<b>Total</b>	<b>70</b>	<b>464</b>	<b>13</b>	<b>11</b>	<b>8,085</b>	<b>6,854</b>	<b>8,168</b>	<b>7,329</b>	<b>8,168</b>	<b>7,329</b>
Non-current interest-bearing liabilities	–	–	–	–	5,349	4,874	5,349	4,874	5,440	4,954
Current interest-bearing liabilities	–	–	–	–	2,617	2,705	2,617	2,705	2,617	2,705
Accounts payable	–	–	–	–	5,159	5,352	5,159	5,352	5,159	5,352
Other liabilities	391	50	–	–	441	436	832	486	832	486
<b>Total</b>	<b>391</b>	<b>50</b>	<b>–</b>	<b>–</b>	<b>13,566</b>	<b>13,367</b>	<b>13,957</b>	<b>13,417</b>	<b>14,048</b>	<b>13,497</b>

Fair value of interest-bearing liabilities are done according to level 1 regarding fixed interest rate bonds.

### Fair value hierarchy

Level 1. Valuation based on fully observable data, unadjusted listed prices on an active market for identical assets and liabilities that the company has access to at the valuation date.

Level 2. Valuation based on data other than listed prices in level 1 that are directly or indirectly observable.

Level 3. Valuation is based essentially on non-observable data for the asset or liability

Reconciliation of Level 3 fair values are stated in Note 14.

[Download pdf to print](#)





Introduction 2

Directors' report 23

**Financial statements, signatures and auditor's report 155**

– Consolidated financial statements 155

– **Consolidated notes 159**

– Parent company financial statements 188

– Parent company notes 192

– Signatures 201

– Auditor's report 202

Other information 205

**Outstanding derivatives – hedge accounting**

Line in the balance sheet	Currency		Electricity		Natural gas		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Non-current receivables	–	1	21	–	2	–	23	1
Other receivables	8	245	39	218	–	–	47	463
<b>Total assets</b>	<b>8</b>	<b>246</b>	<b>60</b>	<b>218</b>	<b>2</b>	<b>–</b>	<b>70</b>	<b>464</b>
Other liabilities (non-current)	1	–	79	30	4	7	84	37
Other liabilities (current)	133	8	169	–	5	5	307	13
<b>Total liabilities</b>	<b>134</b>	<b>8</b>	<b>248</b>	<b>30</b>	<b>9</b>	<b>12</b>	<b>391</b>	<b>50</b>

The net amount of derivatives in hedge accounting covered by netting agreements is SEK – million (427) accounted for as asset and SEK 322 million (12) as liability.

The Group enters into derivatives contracts under International Swaps and Derivatives Association (ISDA) master netting agreements. These agreements mean that when a counterparty is unable to settle its

commitments for all transactions, the agreement is discontinued and the net amount of all outstanding balances have to be settled. These ISDA-agreements do not meet the criteria for set-off, as set-off of ISDA –contracts is only permitted if the counterparty or the Group is unable to settle its commitments. There is no intention to settle these balances on a net basis.

**Hedging reserve – movement during the year**

SEKm	Currency <sup>1</sup>		Electricity <sup>2</sup>		Natural gas <sup>2</sup>		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance, 1 January	173	–92	149	1,256	–10	–	312	1,164
Changes in fair value of cash flow hedges transferred to profit/loss for the year	44	263	138	–256	9	–	191	7
Hedging result transferred to acquisition cost in fixed assets	–12	–36	–	–	–	–	–12	–36
Changes in fair value of cash flow hedges during the period	–347	106	–515	–1,138	–3	–12	–865	–1,044
Tax attributable to items that have been or can be transferred to profit/loss for the period	63	–68	78	287	–	2	141	221
<b>Closing balance, 31 December</b>	<b>–79</b>	<b>173</b>	<b>–150</b>	<b>149</b>	<b>–4</b>	<b>–10</b>	<b>–233</b>	<b>312</b>

<sup>1</sup> Changes in fair value of cash flow hedges transferred to profit/loss for the year recognized in Net sales.

<sup>2</sup> Changes in fair value of cash flow hedges transferred to profit/loss for the year are recognized in Raw materials and consumables.

## 22 Financial risks

As a large international company, Billerud is exposed to financial risks related to currency, financing, liquidity, interest rates, energy price, financing, financial credit- and customer credit risk. Financial risks are governed by a finance policy and underlying framework directives for credit and hedging. The following section describes Billerud's financial risk management policies, which correspond to the policies adopted before and during 2024.

**Currency risk – transaction exposure**

Transaction risk is the risk that changes in exchange rates for export revenues and import expenses will negatively affect Billerud's operating profit and the acquisition cost of fixed assets. The Group has a significant net currency exposure, principally in EUR, USD and GBP. However, the majority of the operating expenses are in SEK, with the exceptions of costs of imported wood raw material, electricity, chemicals and shipping costs, which are primarily affected by EUR and USD exchange rates. Exceptions are also production costs in Finland and the US.

To mitigate the consequences of currency exposure, the Group can hedge forecasted net flows in foreign currencies. The financial policy adopted by the Board provides guidelines for currency hedging, stating that between 0 and 80 percentage of net flows over the forthcoming 15-month period can be hedged. Hedging outside of this policy must be determined by the Board.

The main target for each region is the EBITDA-margin and follow-up of the operating margin, which is measured excluding the earnings effects of hedging currency flows. The effect on earnings of changes in exchange rates for operating capital are managed at Group level and matched against corresponding earnings for currency hedging.

**Comments 2024**

At the end of 2024, foreign exchange contracts not yet recognized in profit/ loss nominally totaled SEK 4,097 million (4,592). These will be recognized in profit/loss in 2025 and 2026. Net currency flows are estimated to total SEK 5,400 million (6,500) in 2025.

Nominal amount of foreign exchange derivatives	2024	2023
EURm	176	251
USDm	240	228
GBPm	19	15
<b>Market value of foreign exchange derivatives, SEKm</b>		
Forward foreign exchange contracts	–126	232

Of forecasted ingoing net flows over the coming 15-month period in EUR, USD and GBP, 80%, 75% and 44% respectively, were hedged at year end. As of 31 December 2024, the market value of Billerud's outstanding



Introduction 2

Directors' report 23

**Financial statements, signatures and auditor's report 155**

– Consolidated financial statements 155

– **Consolidated notes 159**

– Parent company financial statements 188

– Parent company notes 192

– Signatures 201

– Auditor's report 202

Other information 205

foreign exchange contracts was SEK –126 million (232), of which SEK –28 million (–21) is the portion of the contracts corresponding to accounts receivable that affected earnings in 2024. The remaining SEK –98 million (211) will impact Net sales when realized.

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

Currency		Q1–25	Q2–25	Q3–25	Q4–25	Q1–26	Total 15 months
EUR	Share*	83%	79%	78%	78%	82%	80%
	Rate	11.33	11.46	11.42	11.34	11.50	11.41
USD	Share*	79%	76%	75%	78%	65%	75%
	Rate	10.25	10.28	10.26	10.55	10.64	10.39
GBP	Share*	69%	69%	46%	35%	0%	44%
	Rate	13.82	13.77	13.66	13.65	–	13.74
<b>Market value of currency contracts</b>		<b>–42</b>	<b>–31</b>	<b>–30</b>	<b>–18</b>	<b>–5</b>	<b>–126</b>

<sup>1</sup> On 31 December 2024.  
\* Shares of net flows

**Currency risk – translation exposure**

Translation exposure is the risk to which Billerud is exposed when foreign subsidiaries' income statements and balance sheets are translated into Swedish krona.

Billerud has assets in foreign currency, mainly through owning assets in the US and Finland.

**Comments 2024**

On 31 December 2024, total capital employed in foreign currency was SEK 8,363 million (8,237), of which SEK 10,358 million (9,781) was financed by shareholders' equity. No net assets are currently hedged.

SEKm	Capital employed	Net borrowings	Net assets
GBP	–1	–10	9
EUR	717	–715	1,432
USD	7,653	–1,219	8,872
Other currencies	–6	–51	45
<b>Total</b>	<b>8,363</b>	<b>–1,995</b>	<b>10,358</b>

**Financing risk**

The financing risk is the risk of failure to obtain financing, or of only obtaining financing at a sharply increased cost. Access to further financing will be affected by a number of factors including market conditions, the general availability of credit and Billerud's creditworthiness and credit capacity. In addition, access to further financing depends on customers, suppliers and lenders not being affected by negative perceptions about Billerud's long- and short-term financial prospects. Disruptions and uncertainty on the capital and credit markets may also limit access to the capital required to run the business.

In order to ensure that the Group always has access to external financing, the Treasury department must ensure access to short- and long term credit facilities. The Group aims to achieve cost-efficiency within established limits. The actions of the finance department are governed by the finance policy, which is reviewed annually.

Billerud is engaged in a few selected long standing supplier finance arrangements. The basis of the Supplier Chain Finance arrangements is that the trade payable is paid to the bank under the payment terms that Billerud as agreed with the supplier, the supplier than has the option to ask for earlier payment against a discounting fee charged by the bank. The charged discounting fee are in some arrangements partly recharged to Billerud in accordance with underlying supply agreement. The arrangements are all recognised as trade payables. See Note 24 for quantitative data.

The lender base must also be reasonably diversified to avoid excessive dependence on individual sources of financing. The repayment structure for the Group's loans must be arranged so that loan maturity is evenly spread over time. The company also aims for access to liquidity over the next 12 months to exceed utilization by a minimum of 1.2 times.

**Financial liabilities – maturity structure**

(number of years from 31 Dec 2024)	0–1	1–2	2–	Total
Bilateral loans	502	102	1,802	2,406
Bond loans	1,000	1,250	1,850	4,100
Commercial papers	897	–	–	897
Accounts payable	5,159	–	–	5,159
Other liabilities	441	–	–	441
Derivatives in hedge accounting	307	70	14	391
Lease liabilities	218	134	211	563
<b>Total</b>	<b>8,524</b>	<b>1,556</b>	<b>3,877</b>	<b>13,957</b>
<b>Future interest payments</b>	<b>258</b>	<b>199</b>	<b>351</b>	<b>808</b>

**Comments 2024**

Billerud has a syndicated credit facility of SEK 5,500 million, which were extended by 1 year during the year, and falls due in 2029. The credit facility was unused at year-end 2024.

In March, the Group repaid term loans of SEK 400 million and other bond loans of SEK 600 million. New loan agreements totaling SEK 1,000 million were signed during the first quarter.

In May, the Group utilized SEK 800 million of a loan agreement, signed in November 2023.

The Group repaid commercial papers of SEK 2,985 million and issued new commercial papers of SEK 2,379 million during 2024.

At 31 December 2024, Billerud's net interest-bearing debt totaled SEK 5,347 million (5,927). Interest-bearing debt increased by SEK 171 million in 2024. Of the interest-bearing borrowings, SEK 2,399 million was short term, which represented a decrease of SEK 137 million during the year. At the end of the year, bond loans totaling SEK 600 million and bilateral loans totaling SEK 495 million had been repaid compared with the start of the year. Long-term interest-bearing net borrowings totaled SEK 5,004 million at the end of the year, of which SEK 3,652 million falls due in 2027 or later.

For more information about financial assets and liabilities, see Note 21.

**Interest rate risk**

Interest rate risk is the possible effect that a change in interest rates may have on earnings. The speed with which a change in the interest rate trend affects earnings depends on the fixed interest term on loans and investments.

The Group may use derivatives to manage interest rate risk. The average fixed interest term (duration) for the entire loan portfolio should be between 1 and 36 months. The fixed interest term for an individual loan or interest rate swap may not exceed 10 years. The Board may, however, determine a longer fixed interest term. To achieve this standard, interest rate derivatives, preferably interest rate swaps and fixed interest loans, can be used.

Price risk is defined as the effect on earnings that may be caused by changes in the price of outstanding capital instruments.

**Comments 2024**

If the Group's entire borrowing portfolio had a variable interest rate, the effect on earnings in one year from a 1 percentage point change in interest rates would be SEK 74 million (72), based on the total interest-bearing liability of SEK 7,403 million (7,232) at year-end.



Introduction 2

Directors' report 23

**Financial statements, signatures and auditor's report 155**

– Consolidated financial statements 155

– **Consolidated notes 159**

– Parent company financial statements 188

– Parent company notes 192

– Signatures 201

– Auditor's report 202

Other information 205

The Group's average fixed-interest term was 6 months (9) at year-end. The decrease in the fixed interest term was due to unchanged loan portfolio with fixed interest rates during the year. A 1 percentage point change in interest rates would have an annualized effect of SEK 58 million (56) on earnings, given the current as of 31 December fixed interest term.

Nominal amount, fixed-interest loans	2024	2023
Maturity of less than 1 year	–	–
Maturity of 1–2 years	850	–
Maturity of more than 2 years	750	1,600
<b>Total</b>	<b>1,600</b>	<b>1,600</b>

**Energy price risk**

Billerud uses electricity, natural gas, biofuels, oil and LPG as energy resources and they account for a significant percentage of manufacturing costs. Increased energy prices result in increased operating expenses and have an adverse impact on operating profit.

The largest factors affecting energy costs are the price of:

- Electricity consumption in the Group, is mainly in the bidding zones of SE3 and SE1 in Sweden, HEL in Finland and MichCon in the US
- Natural gas (MichCon)
- Byproducts from wood, recovered byproducts for our recovery boilers and steam turbines

In principle, most own generated power is biofuel-based via back pressure turbines, and the cost of own generated power follows the trends and risk of wood prices in Europe and in the US where also natural gas is a factor.

During 2024 European operations consumed approximately 3.4 TWh of electricity, of which 1.0 TWh was generated in the Group's own back pressure facilities and 2.4 TWh was purchased.

During 2024, the North American operations consumed approximately 1.1 TWh of electricity and 1.9 TWh of natural gas. Billerud North America generated 0.8 TWh of electricity in the Group's own back pressure facilities and 0.3 TWh was purchased.

The cost of electricity in Europe is managed through trading in financial derivatives and spot trading. The hedging strategy is to purchase financial contracts corresponding up to 80 % of the estimated physical electricity consumption in Europe that is exposed to the spot price.

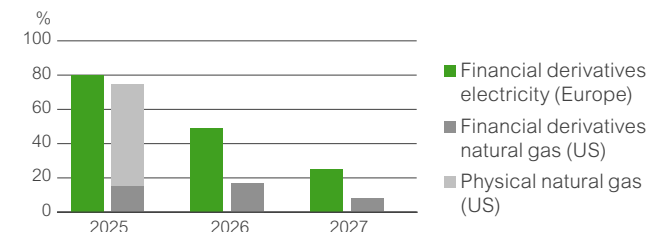
The cost of natural gas in the US is managed through trading in financial derivatives, spot trading and physical contracts. During 2023 a hedging strategy for financial derivatives was implemented for natural gas. The

financial derivatives will gradually replace the physical contracts upon maturity.

The pace of the financial trading of financial electricity and natural gas derivatives is linear and begins three years ahead of delivery year. Billerud assesses hedge effectiveness at inception of the hedge and on an ongoing basis – at a minimum, at each reporting date or on a significant change in the circumstances affecting the hedge effectiveness requirements, whichever comes first. The hedge ratio is anticipated to be 1:1. Billerud is also taking continuous measures to increase energy efficiency and decrease greenhouse gas emissions.

**Comments 2024**

The graph shows Billerud's price hedges in relation to forecast consumption of electricity and natural gas for the next three years. The price hedges include financial derivatives and physical contracts.



The market value of Billerud's outstanding financial hedging derivatives related to electricity in Europe, represent a value of SEK –188 million (188) of which SEK –130 million (218) matures during 2025.

The market value of Billerud's outstanding financial hedging derivatives related to natural gas in the US represent a value of SEK –7 million (– 12) of which SEK –5 million (– 5) matures during 2025.

These hedges are accounted for as energy costs and Raw materials and consumables in the income statement at the time of maturity.

**Financial credit risk**

Credit risk refers to risks such as when a counterparty cannot meet its financial obligations. If measures taken by Billerud to minimize credit and counterparty risk are inadequate, this may have an adverse effect on Billerud's financial position and earnings.

In order to reduce credit and counterparty risk, Billerud's finance policy has defined the size of the counterparty risk that is acceptable based among other things on the counterparty's external credit rating. Billerud also has ISDA agreements with relevant banks.

When calculating credit risks, the positive effects on earnings of derivative contracts with counterparties are also considered. Billerud's

maximum credit risk exposure corresponds to the fair value of financial assets, disclosed in note 21.

**Comments 2024**

At year-end, the total net credit exposure was SEK 2,095 million (2,360). The continued high exposure was explained by a solid cash balance that was maintained throughout the year.

**Customer credit risk**

Billerud has approximately 2,200 customers and packaging partners in more than 100 countries; the Group's five largest customers account for approximately one-third of the net sales. If Billerud cannot meet the demands made by its largest customers, and if customers do not fulfil their payment obligations, the Group may be adversely affected. Customers mainly consist of packaging producers, and the relationship with the customer is usually long-lasting. By expanding its customer base, Billerud can reduce its dependence on a small number of customers.

The credit granted to customers varies, depending on the market and the product. The Group has guidelines to control customer credit risk, which consists of applying credit insurance on as much customer credit risks as possible to insure. Exemptions are made for certain major long-standing customers through supply chain solutions. In certain markets irrevocable confirmed letters of credit, advance payments or bank guarantees are applied to safeguard payments.

**Comments 2024**

Accounts receivable totaled SEK 4,762 million (3,804) on 31 December 2024. Accounts receivable averaged SEK 4,457 million (4,507) in 2024, representing an average customer credit period of around 37 days (40). During the financial year, there were credit losses totaling SEK 21 million (8). During 2023, the subsidiaries within the Managed Packaging group were divested. The provision for doubtful debts amounted to SEK 67 million (61) at the end of 2024.

**Provision for doubtful debts**

SEKm	2024	2023
Provision at start of year	61	67
Provision for anticipated bad debt losses	26	14
Divestment of subsidiaries	–	–3
Confirmed bad debt losses	–21	–8
Decrease due to reversal of provisions for expected credit losses	–	–8
Translation differences	1	–1
<b>Provision at year-end</b>	<b>67</b>	<b>61</b>

Download pdf to print



Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

**Breakdown of accounts receivable by age**

SEKm	2024			2023		
	Gross	Impairment	Net	Gross	Impairment	Net
Accounts receivable not due	4,322	–30	4,292	3,432	–22	3,410
Accounts receivable overdue 0–30 days	453	–	453	384	1	385
Accounts receivable overdue >30–90 days	–20	–2	–22	–11	–1	–12
Accounts receivable overdue >90–180 days	27	–6	21	12	–3	9
Accounts receivable overdue >180–360 days	19	–17	2	13	–9	4
Accounts receivable overdue >360 days	28	–12	16	35	–27	8
<b>Total</b>	<b>4,829</b>	<b>–67</b>	<b>4,762</b>	<b>3,865</b>	<b>–61</b>	<b>3,804</b>

**Sensitivity analysis**

*Impact on profit/loss before tax*

Variable	Change	SEKm
Sales volume	+/- 10%	+/-1,630
Exchange rates, SEK <sup>1</sup>	+/- 10%	-/+730
– of which relates to EUR	+/- 10%	-/+250
– of which relates to USD	+/- 10%	-/+430
– of which relates to GBP	+/- 10%	-/+50
Fiber price	+/- 10%	-/+1,440
Electricity price <sup>2</sup>	+/- 10%	-/+160
Natural gas <sup>3</sup>	+/- 10%	-/+30
Loan rate <sup>4</sup>	+/- 1 percentage point	-/+58

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

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

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

<sup>4</sup> Refers to the loan and interest conditions on December 31, 2024. Interest rate changes and loan amounts in 2025 are not considered.

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## 23 Remuneration to the board and senior management

### Remuneration to the Board of Directors

The Chairman and members of the Board receive remuneration in accordance with resolutions by the Annual General Meeting. Additional fees are paid for work on committees.

Board fees, SEK thousand, Name	Fee for the year		Fee for audit committee		Fee for remuneration committee		Total Fees	
	2024–2025	2023–2024	2024–2025	2023–2024	2024–2025	2023–2024	2024–2025	2023–2024
Jan Svensson	1,750	1,700	–	–	55	50	1,805	1,750
Jan Åström	–	580	–	200	–	–	–	780
Victoria Van Camp	600	580	–	–	30	25	630	605
Florian Heiserer	600	580	250	100	–	–	850	680
Magnus Nicolin	600	580	120	–	–	–	720	580
Regi Aalstad	600	580	120	100	–	–	720	680
Andreas Blaschke	600	–	–	–	–	–	600	–
<b>Total</b>	<b>4,750</b>	<b>4,600</b>	<b>490</b>	<b>400</b>	<b>85</b>	<b>75</b>	<b>5,325</b>	<b>5,075</b>

### Remuneration to the CEO and Group Management

The 2024 Annual General Meeting approved the guidelines for remuneration to senior executives. Senior executives include the CEO and other members of the Group Management Team (GMT).

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

Billerud is challenging conventional packaging for a sustainable future and this mission describes the purpose of Billerud's business operations. Profitable growth is essential when challenging less sustainable packaging materials and solutions over time. In order to deliver profitable growth, a goal-oriented and intensive work is being undertaken. Billerud's employees are the people that, with a customer focus, are driving the change that is needed to realize the strategy and achieve our ultimate purpose – a sustainable future.

A prerequisite for the successful implementation of Billerud's business strategy and safeguarding of Billerud's long-term interests, including its sustainability, is that Billerud is able to recruit and retain qualified employees with high competence and capacity to achieve set goals. Billerud will challenge conventional packaging for a sustainable future – and it is Billerud's talented and high-performing employees that are the people driving the change that is needed to realize the strategy and achieve this purpose. To achieve this, it is necessary that Billerud offers competitive total remuneration which creates incentives for senior executives. The goal is to create incentives to promote Billerud's business strategy and long-term interests, deliver exceptional results and to link incentives for key persons within Billerud with the shareholders' interests. These guidelines enable this objective and that GMT members can be offered a competitive total remuneration.

### Types of remuneration, etc.

Billerud shall be on market terms as regards compensation levels and terms of employment. The remuneration shall consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Furthermore, the general meeting may resolve on, among other things, share and share price-related remuneration.

The variable cash remuneration to the GMT members is paid based on outcomes in relation to clearly stated goals and shall amount to a maximum of 70 percent of their respective annual fixed cash salary. Reflecting current market conditions, the variable cash remuneration for GMT members employed in the US may amount to a maximum of 150 percent of their respective annual fixed cash salary.

Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made on an individual basis, either for the purpose of recruiting or retaining GMT members, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 100 percent of the annual fixed cash salary, and 150 percent of the annual fixed cash salary for GMT members employed in the US. Any resolution on such remuneration shall be made by the board based on a proposal from the remuneration committee.

Decisions on long-term share and share price-related remuneration are made by the general meeting – irrespective of these guidelines. Long-term share and share price-related remuneration shall be designed to ensure long-term commitment to Billerud's development and in order for the CEO and GMT members to have a significant, long-term shareholding in Billerud. The outcome of the long-term share and share price-re-

lated remuneration shall be linked to certain predetermined performance conditions based on Billerud's share price and/or results.

Pension benefits shall be defined contribution. The pension premiums for defined contribution pension shall amount to a maximum of 35 percent of the annual fixed cash salary. Variable cash remuneration shall qualify for pension benefits to the extent required by mandatory collective agreement provisions. Other benefits may include, for example, life insurance, medical insurance (Sw: sjukvårdsförsäkring) and company car. Premiums and other costs related to such benefits may amount to no more than 40 percent of the annual fixed cash salary.

### The decision-making process to determine, review and implement the guidelines

The Board has established a remuneration committee. The committee's tasks include preparing the board's decision to propose guidelines for executive remuneration. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Board shall prepare a proposal for new guidelines where material changes of the guidelines become necessary, and in any case at least every fourth year and submit it to the general meeting.

The remuneration committee shall also monitor and evaluate programs for variable remuneration for the Group Management Team, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in Billerud. The members of the remuneration committee are independent of the company and its Group Management Team. The CEO and GMT members do not participate in the Board's processing of and resolutions regarding remuneration-related matters if they are affected by such matters.

Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– Consolidated notes	159
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

[Download pdf to print](#)





Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

#### Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may also be individualized, quantitative or qualitative objectives. The objectives for the Group for variable cash remuneration may change from year to year depending on the Group's focus areas and strategic decisions.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other GMT members, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by Billerud.

Variable cash remuneration shall only be paid provided that Billerud's operating profit is positive, and the remuneration committee shall only use its discretion to decide on variable remuneration in accordance with the goals set out above in a way that implies that there is a link between such compensation and Billerud's result.

#### Salary and employment conditions for employees

In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of Billerud have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to senior executives and remuneration to other employees will be disclosed in the remuneration report.

#### Termination of employment

In the event of termination of employment of an GMT member, a notice period of a maximum of twelve months and a right to severance pay corresponding to a maximum of the fixed cash salary for one year if the employment is terminated by Billerud. When termination is made by an GMT member, the notice period may not exceed six months, without any right to severance pay. In order to meet market conditions, in relation to GMT members employed in the US, Billerud can apply severance pay corresponding to a maximum of 18 months fixed cash salary if the employment is terminated by Billerud and similar situations.

#### Remuneration to board members elected by general meetings

Board members elected by General meetings in Billerud shall in special cases be able to be remunerated for services within their respective

areas of expertise, which do not constitute board work in Billerud Aktiebolag. For these services, a market-based fee shall be paid, which must be approved by the Board.

#### Derogation from the guidelines

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve Billerud's long-term interests, including its sustainability, or to ensure Billerud's financial viability. As set out above, the remuneration committee's tasks include preparing the board's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

#### Exception from the guidelines adopted by the general meeting

During 2024, Billerud has followed the guidelines for remuneration to senior executives adopted by the annual general meetings in 2023 and 2024 without any exceptions.

SEK thousand, Year	Gross salary	Variable remuneration	LTIP	Other benefits	Pension costs <sup>7</sup>	Total
<b>Remuneration and benefits to the CEO</b>						
2024	8,196 <sup>1</sup>	520	4,176	154	2,441	15,487
2023 <sup>2</sup>	3,146 <sup>4</sup>	786	–	60	644	4,636
2023 <sup>3</sup>	22,738 <sup>5</sup>	627	3,766	51	3,832	31,014 <sup>6</sup>

#### Remuneration and benefits to rest of Group Management Team (including Deputy CEO)

2024	38,149	4,532 <sup>8</sup>	8,798	1,285	7,902	60,666 <sup>9</sup>
2023	31,815	16,706 <sup>8</sup>	2,181	1,632	7,684	60,018

<sup>1</sup> This amount includes paid holiday days, holiday supplement, taxable allowances for expenses and lunch coupons totalling SEK 188 thousand in addition to fixed salary.

<sup>2</sup> CEO, Ivar Vatne, August-December 2023.

<sup>3</sup> CEO, Christoph Michalski, January-July 2023.

<sup>4</sup> This amount includes paid holiday days, holiday supplement, taxable allowances for expenses and lunch coupons totalling SEK 43 thousand in addition to fixed salary.

<sup>5</sup> This amount includes paid holiday days, holiday supplement, taxable allowances for expenses and lunch coupons totalling SEK 317 thousand in addition to fixed salary.

<sup>6</sup> Remuneration for noticing the former CEO, Christoph Mickalski, left Billerud in July 2023, amounted to SEK 18,960 thousand, of which gross salary and severance pay SEK 16,563 thousand, variable remuneration SEK 627 thousand, other benefits SEK 21 thousand and pension costs SEK 1,749 thousand.

<sup>7</sup> Pension costs do not include ITP2 pension base costs in Sweden that can not be negotiated amounting to SEK 386 thousand (453) for the CEOs and the Group Management team.

<sup>8</sup> Include retention bonuses of SEK 128 thousand (7,104) related to Region North America.

<sup>9</sup> Remuneration for two persons in the group management team that were noticed during 2024 amounted to SEK 12,116 thousand, of which gross salary and severance pay SEK 9,898 thousand, variable remuneration SEK 620 thousand, other benefits SEK 136 thousand and pension costs SEK 1,462 thousand.

#### Comments on the tables

Variable remuneration for 2024 refers to amounts to be paid out in 2025 but charged to 2024, while variable remuneration for 2023 refers to remuneration paid out in 2024 but charged to 2023. The actual amounts are based on financial and individual targets linked to the development of the business and based on profit for 2024 and 2023.

The LTIP for 2024 relates to the benefit value of the outcome of LTIP 2021, and the LTIP for 2023 relates to the benefit value of the outcome for LTIP 2020.

Other benefits include car allowance, accommodation allowance and other taxable benefits.

Pension costs refers to the costs charged to profit for the year.

Long-term incentive program (LTIP)

#### Long-term incentive program (LTIP)

There are currently three long-term incentive programs (LTIP) ongoing; 2022, 2023 and 2024. The LTIP has a term of three years. The programs extend to members of the GMT members and other key employees within the Billerud Group. The North American employees only participates in LTIP 2023 and LTIP 2024.

For all programs a condition to participate is that the employee must hold shares in Billerud corresponding to a certain value determined by the annual general meeting. The CEO shall hold as many shares as correspond to 15% of the annual salary, other GMT members shall hold as many shares as corresponds to 10% of the annual salary and other key persons shall hold so many shares as corresponds to 5% of the annual salary.

Depending on the fulfillment of the performance conditions, the participant within the European operations is awarded with a number of performance shares corresponding to, for the CEO a maximum outcome of 60% of the annual salary, for the other GMT members a maximum outcome of 50% of the annual salary and other key employees have a maximum outcome of 25% of the annual salary.

For participants within the American operations the performance shares are allotted to an absolute value expressed in US dollars. For participants who are a part of the GMT the maximum value is a total of USD 450,000 and for other key employees a maximum of USD 375,000. The number of shares awarded after the vesting period are the number that at that time amounts to a value corresponding to the vested amount.

For long-term incentive programs 2022 the outcome depends on annual compound average growth rate of Earnings Per Share (EPS CAGR, adjusted for items affecting comparability and exchange rate effects) growth set over a three year period with a straight-line basis between minimum and maximum levels. For LTIP 2023 the outcome depends on the same financial performance conditions as LTIP 2022 but is measured as total earnings per share ("Total earnings per share") instead of growth in earnings per share. For LTIP 2022 and LTIP 2023, conditions for earnings are that the participant remains employed and continues to hold the Billerud shares throughout the three-year period. LTIP 2024 contains two performance conditions, a financial performance condition which is the



Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

same as LTIP 2023 and a sustainability-related performance condition which is CO<sub>2</sub> emission reductions during the financial years 2024-2026. For LTIP 2024 the performance conditions are weighted such that 85 percent of the allotment of performance shares will be based on the degree of fulfilment of the financial performance condition and 15 percent on the degree of fulfilment of the sustainability-related performance condition. The participants will also undertake to retain half of the allotted performance shares until the participant has a shareholding in Billeud corresponding to a set shareholding target depending on the participant's category. The CEO will undertake to retain performance shares corresponding to 100% of the annual salary, other GMT members 50% of the annual salary and other key employees 25% of the annual salary.

If fulfilment of the performance condition is between the threshold and maximum level, the vested amount is determined on a linear basis. If the threshold level is not met, the amount is zero and there is no allotment of performance shares.

Upon allotment of performance shares to the participants, Billeud can reduce the number of shares allocated to cover the participant's taxation of benefits due to the allotment in the share program.

During 2024 employment benefit expenses (including social security cost) amounted to SEK 5 million (27).

The number of shares that are allocated after the end of the vesting period, are the number corresponding to the vested amount.

Maximum possible amount, SEKm	2024	2023
LTIP 2021	–	29
LTIP 2022	–	27
LTIP 2023	48	76
LTIP 2024	77	–
<b>LTIP total</b>	<b>125</b>	<b>132</b>
Share price on 31 December	101,4	102,4
<b>Maximum outcome of shares<sup>1</sup></b>	<b>1,228,429</b>	<b>1,289,710</b>

<sup>1</sup> Furthermore, share may be withheld to cover the taxation of benefits for the participants.

The table above shows the maximum amount for all outstanding programs, at maximum vesting. However, it is not unlikely that full vesting will not be achieved for all programs.

The number of shares allocated during the year for vested programs amounts to 153,068 (202,322).

## 24 Additional disclosures for the cash flow statement

SEKm	2024	2023
<b>Interest paid and received</b>		
Interest received	100	92
Interest paid	–426	–224
<b>Total</b>	<b>–326</b>	<b>–132</b>
<b>Adjustments for items not included in cash flow</b>		
Depreciation and amortization	2,860	2,780
Financial items	–42	196
Pensions and other provisions	–686	–233
Unrealized result from emission rights	–85	17
Share of profit/loss in associates/impairment of investments	–41	194
Share-based payments	4	23
Disposal of non-current assets	342	–14
Revaluation of biological assets	–9	–
<b>Total</b>	<b>2,343</b>	<b>2,963</b>
Cash and cash equivalents <sup>1</sup>		
The following are included in cash and cash equivalents		
Short-term investments	–	200
Cash and bank balances	2,561	2,104
<b>Total</b>	<b>2,561</b>	<b>2,304</b>

<sup>1</sup> Short-term investments are classified as 'Cash and cash equivalents' when they mature less than three months after the acquisition date and are exposed to only a minor risk of fluctuation in value. Short-term investments consist of deposits to obtain higher interest income.

SEKm	2023	Cash flows	Changes not affecting cash flow				2024
			Leasing	Divestment	Business combinations	Changes in exchange rates	
Non-current interest-bearing liabilities	4,874	140	329	–	–	6	5,349
Current interest-bearing liabilities	2,704	–188	95	–	–	6	2,617
<b>Total</b>	<b>7,578</b>	<b>–48</b>	<b>424</b>	<b>–</b>	<b>–</b>	<b>12</b>	<b>7,966</b>

SEKm	2022	Cash flows	Changes not affecting cash flow				2023
			Leasing	Divestment	Business combinations	Changes in exchange rates	
Non-current interest-bearing liabilities	3,030	1,858	–	–	–	–14	4,874
Current interest-bearing liabilities	2,404	160	143	–	–	–3	2,704
<b>Total</b>	<b>5,434</b>	<b>2,018</b>	<b>143</b>	<b>–</b>	<b>–</b>	<b>–17</b>	<b>7,578</b>



Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

Additional information about the Group's trade payables is provided in the table below:

	2024	2023
Carrying amount at year-end of accounts payables, SEKm	5,159	5,352
Accounts payables within supplier finance arrangements, SEKm	711	- <sup>1</sup>
- of which the suppliers have received payment from the bank, SEKm	666	- <sup>1</sup>
<b>Range of payment due dates</b>		
Accounts payables subject to supplier finance arrangements (days after invoice date)	63–127	- <sup>1</sup>
Comparable accounts payables (days after invoice date)	30–60	- <sup>1</sup>

<sup>1</sup> The Group applied transitional relief available under Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7 and has not provided comparable information in the first year of adoption.

Payments to the bank are included within operating cash flows because they are a part of the normal operating activities, including payments for wood and logistic services.

The payments from the bank to the suppliers of finance arrangements are not a cash transaction for Billerud.

More information about these arrangements can be found in the Note 22 Financial risks.

## 25 Events after the end of the period

No significant events have occurred after the end of the period.

## 26 Pledged assets and contingent liabilities

SEKm	2024	2023
<b>Pledged assets for own liabilities and provisions</b>		
Pledged endowment insurance	–	–
<b>Total pledged assets</b>	<b>–</b>	<b>–</b>
<b>Contingent liabilities</b>		
Guarantee commitment, FPG/PRI	10	10
Other guarantees	156	130
Guarantees for associates	1	1
Guarantees for Group companies	–	–
<b>Total contingent liabilities</b>	<b>167</b>	<b>141</b>

Other guarantees mainly refer to bank guarantees.

Pledged endowment insurance of SEK 105 million (88) are accounted for with net amounts in the Group and are not disclosed as pledged in the table above for the Group.

There are no indications that any pledged securities or contingent liabilities will lead to any outflow of resources.

## 27 Related parties

The Group has related-party relationships with its subsidiaries and joint arrangements (see P13 in parent company), and associated companies (Note 13).

Board members, senior management and close family members to these persons, and companies that those persons have a significant influence over are considered as related parties.

### Summary of related-party transactions

SEKm	Year	Sales of goods and services to related parties	Procurement of goods and services from related parties	Liabilities to related parties	Receivables from related parties
<b>Relationship</b>					
BSÖ Holding AB Group <sup>1</sup>	2024	116	458	59	6
Other associates and other related parties	2024	–	111	8	2
BSÖ Holding AB Group <sup>1</sup>	2023	100	377	42	7
Other associates and other related parties	2023	–	90	7	3

<sup>1</sup> Includes BSÖ Holding AB as an associated company and its subsidiary Bergvik Skog Öst AB.

Purchase of steam/electricity from Bomhus Energi AB as a joint arrangement amounted to SEK 313 million (314). These amounts are not included in the table above.

### Transactions with key individuals in executive positions

Salaries, remuneration and other benefits are accounted for in Notes 5 and 23.



Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– <b>Consolidated notes</b>	<b>159</b>
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

## 28 Divestment of subsidiaries

On 31 August 2023, Billerud divested Managed Packaging to Mimir Group. The divestment resulted in a total capital gain of SEK 23 million. The total capital gain includes a positive effect of accumulated exchange rate differences of SEK 9 million.

The following entities were included in the divestment of Managed Packaging: Billerud Managed Packaging AB, Billerud Managed Packaging Holding AB, Billerud Managed Packaging Inc., Billerud Managed Packaging LLC, Billerudkornäs International Trading (Shenzhen) Ltd Co., Billerud Vietnam Ltd, Managed Packaging Bangladesh Ltd.

SEKm	August 31, 2023
<b>Divested assets and liabilities</b>	
Other non-current assets	17
Current assets	158
<b>Total Assets</b>	<b>175</b>
Non-current liabilities	1
Current liabilities	126
<b>Total liabilities</b>	<b>127</b>
<b>Selling price</b>	
Consideration	83
Selling costs	–21
Deferred selling price	–80
Cash in the divested business	–62
<b>Effect on cash and cash equivalents</b>	<b>–80</b>
<b>Capital result</b>	
Consideration, less selling costs	62
Assets sold	–175
Liabilities sold	127
<b>Capital result</b>	<b>14</b>
Translation differences from foreign operation classified to profit or loss	9
<b>Total capital result</b>	<b>23</b>

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# Parent company financial statements

## Parent company income statement

SEKm	Note	2024	2023
Net sales	P2	490	16
Other operating income	P3	20	42
<b>Total operating income</b>		<b>510</b>	<b>58</b>
<b>Operating expenses</b>			
Other external costs	P4, P12	-444	-434
Employee benefit expense	P5, P18	-336	-362
Depreciation, amortization and impairment of non-current assets	P10	-1	-
<b>Total operating expenses</b>		<b>-781</b>	<b>-796</b>
<b>Operating profit/loss</b>		<b>-271</b>	<b>-738</b>
<b>Financial items</b>	P6		
Profit/Loss from investments in Group companies		2,092	73
Interest income and similar profit/loss items		626	495
Interest expense and similar profit/loss items		-863	-774
<b>Total financial items</b>		<b>1,855</b>	<b>-206</b>
<b>Profit/loss after financial items</b>		<b>1,584</b>	<b>-944</b>
Appropriations	P7	983	776
<b>Profit/loss before tax</b>		<b>2,567</b>	<b>-168</b>
Tax	P8	-118	-11
<b>Profit/loss for the year</b>		<b>2,449</b>	<b>-179</b>

## Parent company statement of Other comprehensive income

SEKm	2024	2023
<b>Profit/loss for the year</b>	<b>2,449</b>	<b>-179</b>
<b>Other comprehensive income</b>		
Other comprehensive income for the year	-	-
<b>Total comprehensive income</b>	<b>2,449</b>	<b>-179</b>

Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– Consolidated notes	159
– <b>Parent company financial statements</b>	<b>188</b>
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205

[Download pdf to print](#)





## Parent company balance sheet

SEKm	Note	31 Dec 2024	31 Dec 2023
<b>ASSETS</b>	P1, P22		
<b>Non-current assets</b>			
Non-current intangible assets	P9	48	–
Property, plant and equipment	P10	6	5
Forest assets	P11	5	5
Investments in Group companies	P13	15,617	15,617
Receivables from Group companies		373	318
Participations in associated companies and joint ventures	P14	47	34
Other holdings	P15	2	–
Deferred tax asset	P8	29	21
Other non-current receivables		144	125
<b>Total non-current assets</b>		<b>16,271</b>	<b>16,125</b>
<b>Current assets</b>			
Intangible asset	P9	147	76
Accounts receivable		3,339	2,715
Receivables from Group companies		13,219	12,654
Tax receivables		77	–
Other receivables		74	19
Prepaid expenses and accrued income		114	98
Cash and bank balances	P24	1,554	1,213
<b>Total current assets</b>		<b>18,524</b>	<b>16,775</b>
<b>Total assets</b>		<b>34,795</b>	<b>32,900</b>

SEKm	Note	31 Dec 2024	31 Dec 2023
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	P1, P22		
<b>Shareholders' equity</b>	P16, P17		
<b>Restricted equity</b>			
Share capital		1,843	1,843
Statutory reserve		149	149
Research and development reserve		48	–
<b>Total restricted equity</b>		<b>2,040</b>	<b>1,992</b>
<b>Non-restricted equity</b>			
Share premium reserve		7,537	7,537
Retained earnings		609	1,329
Profit/loss for the year		2,449	–179
<b>Total non-restricted equity</b>		<b>10,595</b>	<b>8,687</b>
<b>Total shareholders' equity</b>		<b>12,635</b>	<b>10,679</b>
<b>Untaxed reserves</b>	P25	<b>1,405</b>	<b>1,300</b>
<b>Provisions</b>			
Provisions for pensions according to the Social Security Act and similar commitments	P18	308	284
Provisions	P19	8	24
<b>Total provisions</b>		<b>316</b>	<b>308</b>
<b>Non-current liabilities</b>			
Bond loans	P20	3,100	3,500
Other interest-bearing non-current liabilities	P20	1,904	1,196
<b>Total non-current liabilities</b>		<b>5,004</b>	<b>4,696</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	P20	2,399	2,536
Accounts payable		149	115
Liabilities to Group companies		12,623	12,954
Tax liabilities		–	6
Other liabilities		87	85
Accrued expenses and deferred income	P21	177	221
<b>Total current liabilities</b>		<b>15,435</b>	<b>15,917</b>
<b>Total shareholders' equity and liabilities</b>		<b>34,795</b>	<b>32,900</b>

Download pdf to print

Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– Consolidated notes	159
– <b>Parent company financial statements</b>	<b>188</b>
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205



## Parent company statement of changes in equity

SEKm	Note	Restricted equity			Non-restricted equity			Total share-holders' equity
		Share capital	Statutory reserve	Research and development reserve	Share premium reserve	Retained earnings	Profit/loss for the year	
<b>Opening balance, 1 Jan 2024</b>	P16	1,843	149	–	7,537	1,329	–179	10,679
Previous year's profit/loss brought forward						–179	179	–
Profit/loss for the year						–	2,449	2,449
Increase of research and development reserve				48		–48	–	–
Dividends paid						–497	–	–497
Share-based payments to be settled in equity instruments						4	–	4
<b>Closing balance, 31 Dec 2024</b>		<b>1,843</b>	<b>149</b>	<b>48</b>	<b>7,537</b>	<b>609</b>	<b>2,449</b>	<b>12,635</b>

SEKm	Note	Restricted equity			Non-restricted equity			Total share-holders' equity
		Share capital	Statutory reserve	Research and development reserve	Share premium reserve	Retained earnings	Profit/loss for the year	
<b>Opening balance, 1 Jan 2023</b>	P16	1,843	149	–	7,537	348	2,822	12,699
Previous year's profit/loss brought forward						2,822	–2,822	–
Profit/loss for the year						–	–179	–179
Dividends paid						–1,864	–	–1,864
Share-based payments to be settled in equity instruments						23	–	23
<b>Closing balance, 31 Dec 2023</b>		<b>1,843</b>	<b>149</b>	<b>–</b>	<b>7,537</b>	<b>1,329</b>	<b>–179</b>	<b>10,679</b>

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## Parent company cash flow statement

SEKm	Note	2024	2023
<b>Operating activities</b>			
Profit/loss after financial items	P24	1,584	-944
Adjustments for items not included in cash flow		-18	138
Tax paid		-208	-336
<b>Cash flow from operating activities before changes in working capital</b>		<b>1,358</b>	<b>-1,142</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/decrease (+) in operating receivables		-299	-3,718
Increase (+)/decrease (-) in operating liabilities		-265	696
<b>Cash flow from operating activities</b>		<b>794</b>	<b>-4,164</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment and intangible assets	P9,P10	-50	-1
Acquisition of shares and shareholder contributions to subsidiaries	P13	-	-43
Sale of shares in subsidiary		-	-19
Acquisition of shares in associates, other holdings and shareholder contributions	P14, P15	-14	-27
Change in financial receivables		-61	18
<b>Cash flow from investing activities</b>		<b>-125</b>	<b>-72</b>
<b>Financing activities</b>			
Borrowings		4,348	7,719
Repayment of borrowings		-4,185	-5,506
Dividend		-497	-1,864
Settled Group contributions		6	4,197
<b>Cash flow from financing activities</b>		<b>-328</b>	<b>4,546</b>
<b>Cash flow for the year</b>		<b>341</b>	<b>310</b>
<b>Cash and cash equivalents at start of year</b>		<b>1,213</b>	<b>903</b>
<b>Cash and cash equivalents at year-end</b>		<b>1,554</b>	<b>1,213</b>

Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
- Consolidated financial statements	155
- Consolidated notes	159
<b>- Parent company financial statements</b>	<b>188</b>
- Parent company notes	192
- Signatures	201
- Auditor's report	202
Other information	205

[Download pdf to print](#)



# Parent company notes

P1	Significant accounting policies	192
P2	Net sales by activity and geographical markets	193
P3	Other operating income	193
P4	Fees and auditor expenses	193
P5	Employees and employee benefits expense	193
P6	Net financial items	194
P7	Appropriations	194
P8	Tax	194
P9	Intangible assets	195
P10	Property, plant and equipment	195
P11	Forest assets	195
P12	Operating leases	195
P13	Investment in Group companies	195
P14	Participations in associates	197
P15	Other holdings	197
P16	Shareholders' equity	197
P17	Proposed allocation of profit	197
P18	Provisions for pensions and similar commitments	198
P19	Provisions	198
P20	Liabilities to credit institutions	198
P21	Accrued expenses and deferred income	198
P22	Financial assets and liabilities	198
P23	Financial risks	199
P24	Additional disclosures for the cash flow statement	199
P25	Untaxed reserves	200
P26	Events after the end of the period	200
P27	Pledged assets and contingent liabilities	200
P28	Related parties	200
P29	Information about the parent company	200

## P1 Significant accounting policies

The parent company prepares its annual report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Corporate Reporting Board's standard RFR 2 Reporting by legal entities. Statements on listed companies published by the Swedish Corporate Reporting Board are also followed. Under RFR 2, the parent company in its annual report for the legal entity shall apply all IFRS Accounting Standards and interpretations endorsed by the EU as far as possible within the limitations of the Annual Accounts Act, the Swedish law safeguarding pension commitments and with consideration for the connection between accounting and taxation.

### Functional currency

The functional currency of the parent company is Swedish kronor.

### Differences between the Group's accounting policies and those of the parent company

The parent company follows the same accounting principles as described in the Group's note 1, except for as below.

### Classification and presentation

The parent company's profit and loss accounts and balance sheet are presented based on the schedule in the Swedish Annual Accounts Act. The differences from IAS 1 Presentation of Financial Statements, which is applied when structuring the consolidated accounts, mainly concern reporting of financial income and expenses, non-current assets and equity.

### Operating segments

The parent company does not disclose segment information, but instead discloses net sales by activity and geographical markets.

### Forest assets

The revaluation method is not applied in the legal entity and therefore the parent company recognizes forest land at acquisition cost.

### Leasing

IFRS 16 leases is not applied by the parent company according to the exception permitted under RFR 2. Lease expenses are recognized as a cost over the life of the lease on a straight-line basis. No right-of-use assets or lease liabilities have been recognized in the balance sheet.

### Subsidiaries and associated companies

Participations in subsidiaries and associated companies are recognized in the parent company in accordance with the cost method.

All dividends from subsidiaries and associated companies are recognized in the profit and loss accounts for the parent company. Under special circumstances, such dividends can serve as an indication that the shares have declined in value and thus a test for impairment should be performed.

### Emission rights

Billerud AB purchases and manage the surplus of emission rights from Group companies. The emission rights are sold externally and the gains or losses realized on emission rights, are invoiced to the Group companies, regardless if the outcome is positive or negative. This means that the profit and loss effect in the parent company is zero.

### Financial instruments and hedge accounting

Because of the connection between accounting and taxation, the rules in IFRS 9 concerning financial instruments and hedge accounting are not applied by the parent company as a legal entity.

The parent company measures non-current financial assets at acquisition cost less any impairment losses and current financial assets at the lesser of cost or market. The interest-bearing instruments are accounted for at acquisition cost.

In currency hedging of receivables and liabilities the forward contract is measured at the forward rate applicable on the day when the derivative contract is entered into, which is usually zero. The gains or losses realized on the currency hedging contracts are recognized continuously in operating profit/loss as a correction of net sales, when they meet and match the profit/loss effect of the hedged transaction.

In order to continuously hedge electricity prices and natural gas, Billerud may enter into derivative contracts for electricity and natural gas. The derivative contracts are measured at the rate applicable on the day when the derivative contract is entered into, which is usually zero. The gains or losses realized on these electricity and natural gas derivative contracts, are invoiced to the Group companies for which the electricity and natural gas purchases are hedged, regardless if the outcome is positive or negative. This means that the profit and loss effect in the parent company is zero.

Recognition of derivatives used for hedging is governed by the hedged item. This means that the derivative is treated as an off-balance-sheet item as long as the hedged item is not on the balance sheet or recognized on the balance sheet at cost.

Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– Consolidated notes	159
– Parent company financial statements	188
– <b>Parent company notes</b>	<b>192</b>
– Signatures	201
– Auditor's report	202
Other information	205

[Download pdf to print](#)



Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– Consolidated notes	159
– Parent company financial statements	188
– <b>Parent company notes</b>	<b>192</b>
– Signatures	201
– Auditor's report	202
Other information	205

### Anticipated dividends

Anticipated dividends from subsidiaries are recognized if the parent company has the sole right to determine the size of the dividend and has determined the size of the dividend before publishing its financial statements.

### Employee benefits – Defined-benefit plans

The parent company uses different assumptions than those set out in IFRS Accounting Standards when calculating defined-benefit pension plans. The parent company follows the Swedish law on safeguarding pension commitments and the Swedish Financial Supervisory Authority's rules, because they are a condition for tax deductions. The most material differences compared to the IFRS Accounting Standards rules are how the discount rate is determined, that the calculation of the defined benefit commitment is based on current salary levels with no consideration of future increases and that all actuarial gains and losses are recognized in the profit and loss accounts as they occur.

### Taxes

In the parent company, untaxed reserves are recognized on the balance sheet without dividing them into equity and deferred tax liabilities, unlike in the consolidated accounts. Correspondingly, the parent company does not recognize in its profit and loss accounts deferred tax expense as a part of appropriations.

### Shareholder contributions

Shareholder contributions are recognized directly in the equity of the recipient and are capitalised in shares and participations for the contributor, as far as no impairment is determined.

### Group contribution

Billerud has elected to apply the alternative rule in accordance with RFR 2, which means that all Group contributions are recognized as appropriations.

## P2 Net sales by activity and geographical markets

SEKm	Service		Currency hedging etc.		Total	
	2024	2023	2024	2023	2024	2023
Sweden	438	338	20	-349	458	-11
Finland	20	14	-	-	20	14
US	12	12	-	-	12	12
Rest of the world	-	1	-	-	-	1
<b>Total</b>	<b>470</b>	<b>365</b>	<b>20</b>	<b>-349</b>	<b>490</b>	<b>16</b>

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

## P3 Other operating income

SEKm	2024	2023
License agreement	14	14
Recharged employee benefit expense	6	20
Temporary rental of staff	-	1
Other	-	7
<b>Total</b>	<b>20</b>	<b>42</b>

## P4 Fees and auditor expenses

SEKm	2024	2023
<b>KPMG</b>		
Auditing assignments	3	1
Auditing activities besides audit assignments	1	1
Tax consultancy	1	-
<b>Total</b>	<b>5</b>	<b>2</b>

Audit assignments refer to the audit of the annual report and accounting records as well as the Board of Directors' and CEO's administration of the Company, other tasks incumbent on the Company's auditor and advice or other assistance resulting from observations made during audits or the performance of such tasks. Auditing activities besides audit assignments relate to reviews of attestations, interim reports, etc. that resulted in reports from the auditor. Tax consultancy relates to assignments performed in regard to taxes and other charges. Other services relate to all other assignments not included in the above.

The general meeting of shareholders held on 21 May 2024 resolved that KPMG AB would be appointed as auditor for the period extending up until the end of the 2025 AGM.

## P5 Employees and employee benefits expense

### Average number of employees

	2024	Of which men, %	2023	Of which men, %
Sweden	173	46	159	48
Other countries	4	50	5	60
<b>Total</b>	<b>177</b>	<b>46</b>	<b>164</b>	<b>48</b>

SEKm	2024	2023
<b>Employee benefit costs</b>		
Wages, salaries and other remuneration		
Board, CEO and Group Management Team <sup>1</sup>	45	69
of which variable remuneration <sup>2</sup>	11	11
Other employees	152	159
of which variable remuneration	4	5
<b>Total salaries and other remuneration</b>	<b>197</b>	<b>228</b>
<b>Social security costs</b>		
Contractual pensions for the CEO and Group Management Team		
Defined-benefit pensions	-	-
Defined-contribution pensions	9	10
Contractual pensions, other		
Defined-benefit pensions	-	-
Defined-contribution pensions	48	48
Other social security costs	82	76
<b>Total social security costs</b>	<b>139</b>	<b>134</b>
<b>Total employee benefits expense</b>	<b>336</b>	<b>362</b>

<sup>1</sup> CEO and Group Management Team refers to group management employees in the the parent company. Board refers to the Board of Billerud AB.

<sup>2</sup> Bonus includes LTIP, and the value for LTIP relates to the benefit value of the outcome of the LTIP programme.

### Number of women in management positions

%	2024	2023
<b>Group and parent company management<sup>1</sup></b>		
Board <sup>2</sup>	25	25
CEO and Group Management Team	22	20

<sup>1</sup> Refers to composition at December 31.

<sup>2</sup> Including employee representatives, excluding deputy board member representatives.

For information about the benefits of senior managers in accordance with the Annual Accounts Act, see Note 23 for the Group.





Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– Consolidated notes	159
– Parent company financial statements	188
– <b>Parent company notes</b>	<b>192</b>
– Signatures	201
– Auditor's report	202
Other information	205

## P6 Net financial items

SEKm	2024	2023
<b>Finance income</b>		
Dividends from Group companies	2,092	156
Net change in exchange rates	29	–
Interest income, Group companies	545	442
Interest income, other	52	53
<b>Total finance income</b>	<b>2,718</b>	<b>651</b>
<b>Finance costs</b>		
Interest expense for financial liabilities measured at amortised cost	–385	–346
Impairment losses, subsidiaries	–	–58
Capital gain/loss, subsidiaries	–	–25
Interest expense for pension provision	–6	–6
Interest expenses, Group companies	–459	–388
Net change in exchange rates	–	–18
Other financial expenses	–13	–16
<b>Total finance costs</b>	<b>–863</b>	<b>–857</b>
<b>Net financial items</b>	<b>1,855</b>	<b>–206</b>

## P7 Appropriations

SEKm	2024	2023
Group contributions, received	1,088	6
Tax allocation reserve, resolved	70	770
Tax allocation reserve, provided	–175	–
<b>Total</b>	<b>983</b>	<b>776</b>

## P8 Tax

SEKm	2024	2023
Profit/loss before tax	2,567	–168
<b>Tax expense</b>		
<b>Current tax</b>		
Tax expense for the period	–119	–2
Tax attributable to previous period	–7	–
<b>Total current tax</b>	<b>–126</b>	<b>–2</b>
<b>Deferred tax</b>		
Deferred tax income/expense related to temporary differences	8	–9
<b>Total tax expense</b>	<b>–118</b>	<b>–11</b>
<b>SEKm</b>	<b>2024</b>	<b>2023</b>
<b>Reconciliation, effective tax rate</b>		
Tax according to Swedish income tax rate	–529	35
Tax attributable to previous periods	–7	–
Non-deductible capital losses	–	–5
Tax-exempt dividends	431	32
Impairment of shares	–	–12
Taxable income, allocation negative net interest, not accounted for	–34	–63
Adjustment of net interest income from previous year	24	–
Allocation of shares in incentive programs	–1	–1
Non-deductible expenses	–2	1
Other	–	2
<b>Tax according to income statement</b>	<b>–118</b>	<b>–11</b>
<b>Effective tax rate, %</b>	<b>4.6</b>	<b>–6.5</b>

### Change in deferred tax in temporary differences

SEKm	2024	2023
Opening balance	21	30
Recognized in Profit and loss	8	–9
<b>Closing Balance, 31 December</b>	<b>29</b>	<b>21</b>

	2024	2023
<b>Deferred tax liability</b>		
Accounts receivable incl. FX-effects	–	4
<b>Total deferred tax liability</b>	<b>–</b>	<b>4</b>

<b>Deferred tax asset</b>		
Negative net interest	–	6
Accounts receivable incl. FX-effects	6	–
Other non-current assets	–	1
Provisions	21	18
Other	2	–
<b>Total deferred tax asset</b>	<b>29</b>	<b>25</b>

<b>Total net deferred tax liability(–)/receivable(+)</b>	<b>29</b>	<b>21</b>
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Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– Consolidated notes	159
– Parent company financial statements	188
– <b>Parent company notes</b>	<b>192</b>
– Signatures	201
– Auditor's report	202
Other information	205

## P9 Intangible assets

### Intangible asset – non current

MSEK	Internal development	
	Construction in progress	
	2024	2023
<b>Acquisition value</b>		
Carrying amount at start of year	–	–
Investments	48	–
<b>Carrying amount at year-end</b>	<b>48</b>	<b>–</b>
<b>Carrying amounts according to the balance sheet</b>	<b>48</b>	<b>–</b>

### Investment commitments

In 2024, the parent company signed agreements on the future acquisition of non-current intangible assets of SEK 80 million, these commitments are expected to be settled in 2025.

### Intangible asset – current

SEKm	Acquired intangible assets	
	Emission rights	
	2024	2023
<b>Acquisition value</b>		
Carrying amount at start of year	88	79
External purchase	462	650
Sales	–403	–641
<b>Carrying amount at year-end</b>	<b>147</b>	<b>88</b>
<b>Accumulated impairment losses</b>		
Carrying amount at start of year	–12	–2
Impairment	–9	–144
Sales	21	134
<b>Carrying amount at year-end</b>	<b>–</b>	<b>–12</b>
<b>Carrying amount according to the balance sheet</b>	<b>147</b>	<b>76</b>

## P10 Property, plant and equipment

SEKm	Buildings and land <sup>1</sup>		Equipment		Total	
	2024	2023	2024	2023	2024	2023
<b>Acquisition value</b>						
Carrying amount at start of year	2	2	12	11	14	13
Investments	–	–	2	1	2	1
<b>Carrying amount at year-end</b>	<b>2</b>	<b>2</b>	<b>14</b>	<b>12</b>	<b>16</b>	<b>14</b>
<b>Accumulated depreciation</b>						
Carrying amount at start of year	–	–	–9	–9	–9	–9
Depreciation	–	–	–1	–	–1	–
<b>Carrying amount at year-end</b>	<b>–</b>	<b>–</b>	<b>–10</b>	<b>–9</b>	<b>–10</b>	<b>–9</b>
<b>Carrying amounts according to balance sheet</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>6</b>	<b>5</b>

1 Of which land is SEK 1 million (1).

In 2024, the parent company did not enter into any agreements regarding future acquisitions of property, plant or equipment.

## P11 Forest assets

SEKm	Forest land		Total	
	2024	2023	2024	2023
<b>Acquisition value</b>				
Carrying amount at start of year	5	5	5	5
<b>Carrying amount at year-end</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>

## P12 Operating leases

Expenses for leasing costs during 2024 amounted to SEK 23 million (15).

Future contractual lease commitments are allocated as follows:

SEKm	2024	2023
Within 1 year	23	15
2-5 Years	23	18
<b>Total</b>	<b>46</b>	<b>33</b>

## P13 Investments in Group companies

SEKm	2024	2023
<b>Acquisition value</b>		
Opening balance at start of year	15,867	15,829
Investments <sup>1</sup>	–	133
Divestments <sup>2</sup>	–	–86
<b>Closing balance at year-end</b>	<b>15,867</b>	<b>15,867</b>
<b>Accumulated impairment losses</b>		
Opening balance at start of year	–259	–201
Impairment losses <sup>3</sup>	–	–58
<b>Closing balance at year-end</b>	<b>–259</b>	<b>–259</b>
<b>Carrying amount on the balance sheet</b>	<b>15,617</b>	<b>15,617</b>

1 Investments in 2023 refers to shareholder contributions to Billerud Venture AB of SEK 52 million and Billerud Managed Packaging AB SEK of 81 million regarding non-cash issue for investments in American and Chinese entities.

2 Refers to divestment of Billerud Managed Packaging AB.

3 Refers to impairment of the shareholding in Billerud Venture AB.

Download pdf to print



Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– Consolidated notes	159
– Parent company financial statements	188
– <b>Parent company notes</b>	<b>192</b>
– Signatures	201
– Auditor's report	202
Other information	205

**Specification of parent company's investments in Group companies**

Subsidiary/Registered office/Corp. ID no.	Number of shares	Holding in % <sup>1</sup>	Carrying amount, SEKm
Billerud Americas Holding Inc., Delaware	100	100	5,083
Billerud Estonia OÜ, Pärnu	1	100	–
Billerud Europe AB, Solna, 559500-0992	25,000	100	–
Billerud Finland Oy, Pietarsaari	2,500	100	1,167
Billerud France S.A.S., Paris	25,401	100	–
Billerud Germany GmbH, Hamburg	2	100	1
Billerud Italy S.r.l, Milano	–	100	–
Billerud Latvia SIA, Juanjlgava	5,623	100	43
Billerud Lithuania UAB, Klaipeda	200	100	15
Billerud Norway AS, Oslo	30,000	100	–
Billerud India Private Ltd, New Dehli	8,750	100	3
Billerud Singapore Private Ltd, Singapore	500,000	100	3
Billerud Skog & Industri AB, Gävle, 556023-8338	53,613,270	100	8,240
Billerud Spain S.L, Barcelona	–	100	1
Billerud Sweden AB, Stockholm, 556876-2974	2,000	100	1,040
Billerud Venture AB, Solna, 559040-3548	50,000	100	2
BillerudKorsnäs Asia Holding Ltd, Hong Kong	10,000	100	–
BillerudKorsnäs Bangladesh Limited, Dhaka	998	100	–
Billerud Benelux B.V., Amsterdam	200	100	3
Billerud China Limited, Shanghai	–	100	4
NimblePacc Packaging Private Ltd, Haryana	36,908	100	4
Paccess AB, Solna, 556459-7572	1,000	100	–
ScandFibre Logistics AB, Örebro, 556253-1474	10,000	100	8
<b>Total</b>			<b>15,617</b>

**In addition to participations directly owned by the parent company, the following companies are part of the Group**

Subsidiaries and joint arrangements/Registered office/ Corp. ID no.	Holding in % <sup>1</sup>
AB Marma Skog 75, Gävle, 556802-4359	100
AB Marma Skog 76, Gävle, 556802-4367	100
AB Marma Skog 77, Gävle, 556802-4375	100
AB Marma Skog 78, Gävle, 556904-3465	100
AB Marma Skog 79, Gävle, 559269-7253	100
AB Stjernsunds Bruk, Gävle, 556028-6881	100
Billerud Americas Corportation, Delaware	100
Billerud Americas LLC, Delaware	100
Billerud Commercial LLC, Delaware	100
Billerud Converting LLC, Delaware	100
Billerud Escanaba LLC, Delaware	100
Billerud GB Ltd, Stowe	100
Billerud Quinnesec LLC, Delaware	100
Billerud Quinnesec Warehouse LLC, Delaware	100
Billerud Rockhammar AB, Lindesberg, 556761-2436	100
Billerud U.S Energy Holding LLC, Delaware	100
Billerud U.S Production Holding LLC, Delaware	100
Billerud Wisconsin LLC, Delaware	100
Bomhus Energi AB, Gävle, 556793-5217 (joint arrangement)	50
Consolidated Water Power Company, Wisconsin	100
Diacell AB, Gävle, 556155-2786	100
Fastighets AB Marma Skog 31, Gävle, 556580-2203	100
Korsnäs Sägverks AB, Gävle, 556024-8477	100
Trävaru AB Dalarne, Gävle, 556044-3920	100
Verso Quinnesec REP LLC, Delaware	100

<sup>1</sup> Participating interest in capital, which is the same as the proportion of votes in the total number of shares..

Download pdf to print



Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– Consolidated notes	159
– Parent company financial statements	188
– <b>Parent company notes</b>	<b>192</b>
– Signatures	201
– Auditor's report	202
Other information	205

## P14 Participations in associates

SEKm	2024	2023
<b>Acquisition value</b>		
At start of year	34	7
Capital contribution to associates	13	27
<b>Carrying amount at year-end</b>	<b>47</b>	<b>34</b>

### Specification of participations in associates directly owned by the parent company

Company and registered office	Votes and capital, %	Carrying amount
<b>2024</b>		
<b>Associates</b>		
Billerud Viken AS, Norway	50	47
<b>Total</b>		<b>47</b>
<b>2023</b>		
<b>Associates</b>		
Billerud Viken AS (Name change from Follum Utvikling AS), Norway	50	34
<b>Total</b>		<b>34</b>

For more information regarding associated companies, see Note 13 for the Group.

## P15 Other holdings

SEKm	2024	2023
<b>Acquisition value</b>		
Carrying amount at start of year	–	–
Acquisition of Industrikraft i Sverige AB	–	–
Capital contribution to Industrikraft i Sverige AB	2	–
<b>Carrying amount at year-end</b>	<b>2</b>	<b>–</b>

Name/Corp. ID no.	Number of shares	Holding in %	Carrying amount, SEKm
<b>2024</b>			
Industrikraft i Sverige AB, 559484-8961	5,000	6	2
SSG Standard Solutions Group AB, 556403-1523	7,143	14	–
<b>Total</b>			<b>2</b>
<b>2023</b>			
SSG Standard Solutions Group AB, 556403-1523	7,143	14	–
<b>Total</b>			<b>–</b>

## P16 Shareholders' equity

### Restricted equity

Restricted equity may not be reduced by the distribution of profits.

### Share capital

The share capital at year-end consists of 249,611,422 (249,611,422) ordinary shares with a quotient value of SEK 7.38 (7.38) and entitling holders to one vote per share.

### Statutory reserve

The purpose of the statutory reserve is to save a part of net earnings, that is not needed to cover retained losses.

### Research and development reserve

Refers to expenditures for the company's own development work for non-current intangible assets. The corresponding amount is transferred from non-restricted equity to the research and development reserve.

### Non-restricted equity

#### Share premium reserve

When shares are issued at a premium, that is at a price that is greater than the shares' quotient value, an amount corresponding to the amount received in excess of the quotient value of the shares must be transferred to the share premium reserve.

#### Retained earnings

These consist of the preceding year's non-restricted equity after payment of dividends, if any. Together with profit/loss for the year this constitutes total non-restricted equity, that is, the amount available for distribution as a dividend to shareholders.

## P17 Proposed allocation of profit

### Non-restricted equity in the parent company consists of:

SEK	
Share premium reserve	7,537,183,856
Retained earnings	608,110,465
Profit/loss for the year	2,449,461,518
<b>Total</b>	<b>10,594,755,839</b>

### The Board proposes:

SEK	
Dividend to shareholders, 248,704,921 shares at SEK 3.50 per share <sup>1</sup>	870,467,224
the remaining amount to be retained	9,724,288,615
<b>Total</b>	<b>10,594,755,839</b>

<sup>1</sup> Allocation of shares under the LTIP program in April or May, if any, are not taken into account.



Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– Consolidated notes	159
– Parent company financial statements	188
– <b>Parent company notes</b>	<b>192</b>
– Signatures	201
– Auditor's report	202
Other information	205

## P18 Provisions for pensions and similar commitments

Billerud has defined-benefit pension plans for white collar staff in Sweden (ITP plan). Billerud also has defined-contribution pension plans.

Parts of the ITP plan's pension commitments are secured through provisions on the balance sheet in accordance with the FPG/PRI system.

All newly earned pension contributions within the ITP 2 plan are secured through pension insurance with Alecta. No pension costs for newly earned defined-benefit pension are recognized as defined-benefit.

SEKm	2024	2023
<b>Pension costs</b>		
Employee benefit costs	57	58
Special payroll tax	17	16
Financial costs	6	6
<b>Total cost of direct pensions</b>	<b>80</b>	<b>80</b>

### Provisions for pensions in the balance sheet

The value of pension commitments related to retirement under the management of the company at start of year	202	191
Pension costs	14	19
Financial costs	6	6
Pensions paid	-15	-14
<b>Present value of pension commitments related to retirement under the management of the company at end of year</b>	<b>207</b>	<b>202</b>

Commitments paid to endowment insurance held by Billerud	81	66
Other provisions	20	16
<b>Provisions for pensions in the balance sheet</b>	<b>308</b>	<b>284</b>

of which covered by credit insurance with FPG/PRI

	207	202
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Of the provision, SEK 15 million (15) is expected to be paid within 12 months. As collateral for pension commitments, the parent company has pledged endowment insurance totaling SEK 81 million (66).

## P19 Provisions

SEKm	Severance pay, redundancy pay		Other costs		Total carrying amount	
	2024	2023	2024	2023	2024	2023
<b>Change for the year</b>						
Carrying amount at start of year	19	3	5	5	24	8
Provisions made during the year	8	26	–	–	8	26
Unutilized amount reversed during the year	–	–	-5	–	-5	–
Amount utilized during the year	-19	-10	–	–	-19	-10
<b>Carrying amount at end of year</b>	<b>8</b>	<b>19</b>	<b>–</b>	<b>5</b>	<b>8</b>	<b>24</b>
of which current portion	8	19	–	5	8	24

## P20 Liabilities to credit institutions

SEKm	2024	2023
<b>Non-current liabilities</b>		
Syndicated loans	–	–
Bilateral loans	1,904	1,196
Bond loans	3,100	3,500
Other interest-bearing liabilities	–	–
<b>Carrying amount at year-end</b>	<b>5,004</b>	<b>4,696</b>

### Current liabilities

Syndicated loans	–	–
Bilateral loans	502	499
Bond loans	1,000	600
Commercial papers	897	1,437
<b>Carrying amount at year-end</b>	<b>2,399</b>	<b>2,536</b>

### Repayment periods

(number of years from 31 Dec 2024)	0–1	1–2	2–	Total
Syndicated loans	–	–	–	–
Bilateral loans	502	102	1,802	2,406
Bond loans	1,000	1,250	1,850	4,100
Commercial papers	897	–	–	897
<b>Total</b>	<b>2,399</b>	<b>1,352</b>	<b>3,652</b>	<b>7,403</b>

The majority of the liabilities are due for payment within five years after the closing date.

## P21 Accrued expenses and deferred income

SEKm	2024	2023
Employee benefit expenses, including social security costs	49	70
Accrued interest expenses	95	121
Other	33	30
<b>Total</b>	<b>177</b>	<b>221</b>

## P22 Financial assets and liabilities

SEKm	Amortised cost		Fair value	
	2024	2023	2024	2023
Other non-current receivables	146	125	169	126
Accounts receivable	3,339	2,715	3,339	2,715
Receivables from Group companies	13,591	12,972	13,591	12,972
Other receivables	74	19	121	461
Cash and bank balances <sup>1</sup>	1,554	1,213	1,554	1,213
<b>Total</b>	<b>18,704</b>	<b>17,044</b>	<b>18,774</b>	<b>17,487</b>
Bond and syndicated loan	4,100	4,100	4,191	4,180
Non-current interest-bearing liabilities	1,904	1,196	1,904	1,196
Current interest-bearing liabilities	1,399	1,936	1,399	1,936
Accounts payable	149	115	149	115
Liabilities to Group companies	12,623	12,954	12,623	12,954
Other liabilities	87	85	478	134
<b>Total</b>	<b>20,262</b>	<b>20,386</b>	<b>20,744</b>	<b>20,515</b>

<sup>1</sup> Short-term investments are classified as "Cash and bank balances" when they mature less than three months after the acquisition date and are exposed to only a minor risk of fluctuation in value.

For more information regarding financial risks see Note 22 for the Group.





Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– Consolidated notes	159
– Parent company financial statements	188
– <b>Parent company notes</b>	<b>192</b>
– Signatures	201
– Auditor's report	202
Other information	205

## P23 Financial risks

For an understanding of the risk exposure in the parent company, the following should be taken into account:

### Customer credit

The parent company's accounts receivable represent approximately 60–70% of the Group's accounts receivables, because the production units' accounts receivable in Sweden and Finland are transferred to the parent company after invoicing and are collected by the parent company. However, the risk of any bad debt losses remains with the invoicing company. Of the total provision within the Group for doubtful accounts receivable in 2024, SEK 0 million (0) was attributable to the parent company.

### Exchange rate exposure

All forward foreign exchange contracts for the Swedish operations are entered into by the parent company, while the exposure to payment flows in foreign currency is borne by all the Swedish and Finnish production units. Exposure for the parent company is thus lower than that of the forward contracts signed. This applies up to the invoicing date, because the parent company takes over the accounts receivable for the Swedish and Finnish production units. At the end of 2024, foreign exchange contracts not yet recognized in profit/loss for the parent company nominally totaled SEK 4,097 million (4,592), which will be recognized in profit/loss in 2025 and 2026.

### Interest rate risk

The Group's external borrowing is conducted primarily via the parent company and accounted for 100% (100) of the Group's total external borrowing on 31 December 2024. As a result, the parent company has the same exposure to changes in interest rates as the Group.

## P24 Additional disclosures for the cash flow statement

SEKm	2024	2023
<b>Interest paid and received and dividend</b>		
Dividends received	2,092	156
Interest received	597	495
Interest paid	–870	–658
<b>Total</b>	<b>1,819</b>	<b>–7</b>
<b>Adjustments for items not included in cash flow</b>		
Depreciation	1	–
Interest adjustment	–19	97
Pensions and other provisions	–12	23
Share-based payments	4	23
Unrealized exchange rate differences	8	–7
Capital result, sale of subsidiary	–	25
Impairment, subsidiary	–	58
Dividend, shares in subsidiaries	–	–81
<b>Total</b>	<b>18</b>	<b>138</b>
Cash and cash equivalents <sup>1</sup>		
The following are included in cash and cash equivalents:		
Short-term investments	–	200
Cash and bank balances	1,554	1,013
<b>Total</b>	<b>1,554</b>	<b>1,213</b>

<sup>1</sup> Short-term investments are classified as 'Cash and cash equivalents' when they mature less than three months after the acquisition date and are exposed to only a minor risk of fluctuation in value. Short-term investments consist of deposits to obtain higher interest income.

SEKm	2023	Cash flows	Changes not affecting cash flow	
			Changes in exchange rates	2024
Non-current interest-bearing liabilities	4,696	304	4	5,004
Current interest-bearing liabilities	2,536	–141	4	2,399
<b>Total</b>	<b>7,232</b>	<b>163</b>	<b>8</b>	<b>7,403</b>

SEKm	2022	Cash flows	Changes not affecting cash flow	
			Changes in exchange rates	2023
Non-current interest-bearing liabilities	2,796	1,903	–3	4,696
Current interest-bearing liabilities	2,227	309	–	2,536
<b>Total</b>	<b>5,023</b>	<b>2,212</b>	<b>–3</b>	<b>7,232</b>

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Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– Consolidated notes	159
– Parent company financial statements	188
– <b>Parent company notes</b>	<b>192</b>
– Signatures	201
– Auditor's report	202
Other information	205

## P25 Untaxed reserves

SEKm	2024	2023
<b>Tax allocation reserve</b>		
Carrying amount at start of year	1,300	2,070
Resolved	-70	-770
Provision	175	-
<b>Carrying amount at year-end</b>	<b>1,405</b>	<b>1,300</b>

## P26 Events after the end of the period

No significant events have occurred after the end of the period.

## P27 Pledged assets and contingent liabilities

SEKm	2024	2023
<b>Pledged assets for own liabilities and provisions</b>		
Pledged endowment insurance	81	66
<b>Total pledged assets</b>	<b>81</b>	<b>66</b>
<b>Contingent liabilities</b>		
Guarantee commitment, FPG/PRI	4	4
Other guarantees	99	99
Guarantees for Group companies	917	620
<b>Total contingent liabilities</b>	<b>1,020</b>	<b>723</b>

The parent company's guarantee commitments for Group companies include Billerud Skog & Industri AB's PRI liability of SEK 313 million (318).

There are no indications that any pledged securities or contingent liabilities will lead to any outflow of resources.

## P28 Related parties

The parent company has related-party relationships with its subsidiaries and joint arrangements (see Note P13), and associated companies (see note P14).

Board members, senior management and close family members to these persons, and companies that those persons have a significant influence over are considered as related parties.

### Summary of related party transactions

SEKm	Year	Sales of goods and services to related parties	Procurement of goods and services from related parties	Liabilities to related parties	Receivables from related parties
<b>Relationship</b>					
Subsidiaries	2024	471	99	12,623	13,592
Subsidiaries	2023	365	53	12,954	12,972
Associates and other related parties	2024	-	-	-	-
Associates and other related parties	2023	-	-	-	-

### Transactions with key individuals in executive positions

Salaries, remuneration and other benefits are accounted for in Notes 5 and 23 for the Group.

## P29 Information about the parent company

Billerud AB is a Swedish limited liability company with registered office in Stockholm. The shares of the parent company are registered with NAS-DAQ Stockholm AB. The address of the head office is Box 703, SE-169 27 Solna, Sweden.



Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– Consolidated notes	159
– Parent company financial statements	188
– Parent company notes	192
– <b>Signatures</b>	<b>201</b>
– Auditor's report	202
Other information	205

# Signatures

The undersigned affirm that the consolidated accounts and the annual accounts, respectively, have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, generally accepted accounting practices, as well as in accordance with the adopted standards for sustainability reporting (ESRS) and the specifications adopted pursuant to the Taxonomy Regulation (EU) 2020/852.

The Board of Directors and the CEO further affirm that the consolidated accounts give a true and fair view of the financial position and results for the Group and parent company.

The directors' report for the Group and the parent company, respectively, provides a true and fair view of the Group's and parent company's operations, financial position and performance, and describes material risks and uncertainties faced by the parent company and Group companies. The Annual and Sustainability Report and the consolidated

financial statements were approved for publication by the Board on 26 March 2025. The Annual Report also contains the Group's and parent company's statutory sustainability reporting in accordance with the Swedish Annual Accounts Act, Chapter 6, Section 11.

The consolidated statement of income and comprehensive income and consolidated balance sheet as well as the parent company's statement of comprehensive income and balance sheet will be subject to adoption by the Annual General Meeting of Shareholders on 20 May 2025.

Solna, 26 March 2025

Jan Svensson  
Chairman

Regi Aalstad  
Member

Magnus Nicolin  
Member

Florian Heiserer  
Member

Victoria Van Camp  
Member

Nicklas Johansson  
Member

Andreas Blaschke  
Member

Per Bertilsson  
Member

Ivar Vatne  
Chief Executive Officer

Our audit report was issued on 26 March 2025  
KPMG AB

Hök Olov Forsberg  
Authorized Public Accountant

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# Auditor's report

## To the general meeting of the shareholders of Billerud AB (publ), corp. id 556025-5001

### Translation of the Swedish original.

#### Report on the annual accounts and consolidated accounts

##### Opinions

We have audited the annual accounts and consolidated accounts of Billerud AB (publ) for the year 2024, except for the sustainability report on pages 45-152. The annual accounts and consolidated accounts of the company are included on pages 23-152 and 155-201 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and

present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the sustainability report on pages 45-152.

A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts, and the corporate governance statement is in accordance with the Annual Accounts Act.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has

been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

##### Basis of opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

##### Valuation of goodwill

See disclosure 9 in the annual accounts and consolidated accounts for detailed information and description of the matter.

##### Description of key audit matter

Per 31 December 2024, the carrying value of goodwill on the Group's consolidated balance sheet is SEK 2 241 million. The Group's goodwill is primarily attributable to the region Europe.

Goodwill should annually be subject to at least one impairment test. The assessment of the carrying value is inherently complex and based on the Group's forecasts regarding internal and external conditions and plans. An example of such an assessment is the forecast of future cash flows, which is based, amongst other things, on assumptions about future business developments and market conditions. Another important assumption to evaluate is which discount rate to use in order to correctly reflect market estimates for the time value of money as well as the specific risks that the business is facing.

There is a risk that incorrect assumptions are used when determining the fair value, which could have significant impact on the results and on the financial position.

##### Response in the audit

We have evaluated whether the goodwill impairment test was performed in accordance with the prescribed accounting method for discounted cash flows.

Moreover, we have together with internal valuation specialists, considered the reasonableness of the assumptions used by the Group in their future cash flow forecasts (such as predicted sales volume growth, EBITDA-margin developments, working capital and investments), as well as the discount rate used, through evaluation of the Group's written documentation and forecasts.

An important part of our work has also been to analyse the Group's sensitivity analysis of their own valuation to assess how reasonable changes in the assumptions may impact the values.

Furthermore, we have evaluated the disclosures about goodwill and the goodwill impairment test that are included in the group consolidated accounts.

#### Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-22, 45-152 and 205-215. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take

into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

[Download pdf to print](#)

Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– Consolidated notes	159
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– Auditor's report	202
Other information	205



Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– Consolidated notes	159
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– <b>Auditor's report</b>	<b>202</b>
Other information	205

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the

most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

### Report on other legal and regulatory requirements

#### Auditor's audit of the administration and the proposed appropriations of profit or loss

**Opinions**  
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Billerud AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

#### Basis of opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.





Introduction	2
Directors' report	23
<b>Financial statements, signatures and auditor's report</b>	<b>155</b>
– Consolidated financial statements	155
– Consolidated notes	159
– Parent company financial statements	188
– Parent company notes	192
– Signatures	201
– <b>Auditor's report</b>	<b>202</b>
Other information	205

[Download pdf to print](#)

**Auditor's responsibility**

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association..

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

**The auditor's examination of the Esef report  
Opinion**

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Billerud AB (publ) for year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

**Basis for opinion**

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Billerud AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment,

including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

**The auditor's opinion regarding the statutory sustainability report**

The Board of Directors is responsible for the sustainability report on pages 45-152, and that it is prepared in accordance with the Annual Accounts Act in accordance with the older wording that applied before 1 July 2024.

Our examination has been conducted in accordance with FAR's standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Billerud AB (publ) by the general meeting of the shareholders on the 21 May 2024. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2015.

Stockholm 26 March 2025  
KPMG AB

Hök Olov Forsberg  
Authorized Public Accountant



## Five-year summary and alternative performance measures (APM)

In addition to the financial measures defined in IFRS Accounting Standards, certain key figures, which qualify as alternative performance measures (APM) are presented to reflect the underlying business performance and enhance comparability from period to period. These alternative performance measures should not be considered as a substitute for measures in accordance with IFRS Accounting Standards.

### Summary income statement

SEKm	2024	2023	2022	2021	2020
Net sales	43,453	41,224	42,590	26,206	23,884
Other income and operating expenses (excluding depreciation, amortization and impairment)	-38,032	-37,910	-34,423	-22,305	-21,172
<b>EBITDA</b>	<b>5,421</b>	<b>3,314</b>	<b>8,167</b>	<b>3,901</b>	<b>2,712</b>
EBITDA, %	12	8	19	15	11
Depreciation, amortization and impairment of non-current assets	-2,860	-2,780	-2,480	-1,912	-1,938
<b>Operating profit</b>	<b>2,561</b>	<b>534</b>	<b>5,687</b>	<b>1,989</b>	<b>774</b>
Operating profit, %	6	1	13	8	3
Net financial items	-313	-349	186	-113	-95
<b>Profit before tax</b>	<b>2,248</b>	<b>185</b>	<b>5,873</b>	<b>1,876</b>	<b>679</b>
Tax	-501	299	-1,283	-391	-3
Profit from discontinued operations, net of tax	-	-	-	-	-16
<b>Net profit</b>	<b>1,747</b>	<b>484</b>	<b>4,590</b>	<b>1,485</b>	<b>660</b>

### Summary statement of cash flows

SEKm, 31 December	2024	2023	2022	2021	2020
Profit before tax	2,248	185	5,873	1,876	679
Adjustments for non-cash items	2,343	2,963	2,488	1,961	1,622
Tax paid	-428	-561	-453	-141	83
Cash flow from changes in working capital	-1,133	703	-1,079	196	-53
<b>Cash flow from operating activities</b>	<b>3,030</b>	<b>3,290</b>	<b>6,829</b>	<b>3,892</b>	<b>2,331</b>
Investments in tangible and intangible assets	-2,437	-3,177	-3,330	-1,526	-1,250
<b>Operating cash flow after investments in tangible and intangible assets</b>	<b>593</b>	<b>113</b>	<b>3,499</b>	<b>2,366</b>	<b>1,081</b>

### Reconciliation of non-cash items

SEKm	2024	2023	2022	2021	2020
Depreciation, amortization and impairment of non-current assets	2,860	2,780	2,480	1,912	1,938
Financial items	-42	196	114	18	-16
Disposal of non-current assets	342	-14	22	-	-2
Pensions and other provisions	-686	-233	-100	-30	-84
Unrealized result from emission rights	-85	17	-69	20	-5
Share of profit/loss in associates/impairment of investments	-41	194	19	-89	-89
Share based payments	4	23	22	7	6
Capital loss, sale of subsidiary	-	-	-	123	-
Revaluation of biological assets	-9	-	-	-	-132
Other	-	-	-	-	6
<b>Total non-cash items</b>	<b>2,343</b>	<b>2,963</b>	<b>2,488</b>	<b>1,961</b>	<b>1,622</b>

- Introduction 2
- Directors' report 23
- Financial statements, signatures and auditor's report 155
- Other information 205**
  - Five-year summary and alternative performance measures (APM) 205
  - Quarterly data 209
  - Key figures – definitions and purpose 211
  - Shareholder information 213
  - Addresses 214

[Download pdf to print](#)



Introduction	2
Directors' report	23
Financial statements, signatures and auditor's report	155
<b>Other information</b>	<b>205</b>
– Five-year summary and alternative performance measures (APM)	205
– Quarterly data	209
– Key figures – definitions and purpose	211
– Shareholder information	213
– Addresses	214

**Key figures**

	2024	2023	2022	2021	2020
<b>Margins</b>					
EBITDA margin, %	12	8	19	15	11
Adjusted EBITDA margin, %	12	9	19	16	11
Operating margin, %	6	1	13	8	3
Adjusted operating margin, %	5	2	13	8	3
Cash conversion, %	56	99	84	100	86
<b>Return (rolling 12 months)</b>					
Return on capital employed, % (ROCE)	8	2	18	8	3
Adjusted return on capital employed, % (adj. ROCE)	7	2	18	9	3
Return on equity, %	6	2	18	8	3
<b>Capital structure end of period</b>					
Capital employed, SEKm	34,327	32,872	33,834	24,008	24,667
Working capital, SEKm	4,356	3,684	5,140	2,017	2,292
Equity attributable to owners of the parent company, SEKm	28,979	26,945	29,254	20,041	19,294
Interest-bearing net debt, SEKm	5,347	5,927	4,581	3,968	5,373
Net debt/equity ratio	0.18	0.22	0.16	0.20	0.28
Interest-bearing net debt / EBITDA	1.0	1.8	0.6	1.0	2.0
Interest-bearing net debt / Adjusted EBITDA	1.0	1.6	0.6	1.0	2.0
<b>Key figures per share</b>					
Earnings per share, SEK	7.02	1.95	20.13	7.18	3.19
Adjusted earnings per share, SEK	6.24	3.06	20.36	8.03	3.17
Dividend (for the financial year) per share, SEK	3.50 <sup>1</sup>	2.00	7.50 <sup>2</sup>	4.30	4.30
<b>Other key figures</b>					
Working capital as percentage of net sales, %	10	12	11	9	11
Investments in tangible and intangible assets, SEKm	2,437	3,177	3,330	1,526	1,250
Average number of employees	5,872	6,134	5,525	4,370	4,468

1 Board of Directors' proposal.

2 Of which an ordinary dividend of SEK 5.50 per share and an extra dividend of SEK 2.00 per share.

**Items affecting comparability<sup>3</sup>**

SEKm	2024	2023	2022	2021	2020
Restructuring (Operating expenses)	–	–	–	–	36
Revaluation of biological assets (Change in value of biological assets)	–	–	–	–	–132
UPM compensation (Raw materials and consumables)	–	–	–	–	160
Capital loss from the sale of Beetham (Operating expenses)	–	–	–	123	–
Acquisition costs, Verso (Operating expenses)	–	–	–	135	–
Impairment of shares in associated company (Profit/loss from participations and impairment in associated companies)	–	52	–	–	–
Total capital result from divestment of Managed Packaging (Other operating income)	–	–23	–	–	–
Restructuring cost (Employee benefits expense)	–58	106	–	–	–
Pension settlement gain US (Other operating income)	–389	–	–	–	–
US Transformation costs (Other external costs)	278	–	–	–	–
Capital gain, divested assets at Wisconsin WQC (Other operating income)	–70	–	–	–	–
Revaluation of biological assets in associated companies (Profit/loss from participations and impairment in associated companies)	–15	164	52	–81	–73
<b>Items affecting comparability</b>	<b>–254</b>	<b>299</b>	<b>52</b>	<b>177</b>	<b>–9</b>

**EBITDA, SEKm and EBITDA margin, %**

	2024	2023	2022	2021	2020
Operating profit	2,561	534	5,687	1,989	774
Depreciation, amortizations and impairment of non-current assets	2,860	2,780	2,480	1,912	1,938
<b>EBITDA, SEKm</b>	<b>5,421</b>	<b>3,314</b>	<b>8,167</b>	<b>3,901</b>	<b>2,712</b>
Net sales	43,453	41,224	42,590	26,206	23,884
<b>EBITDA margin, %</b>	<b>12</b>	<b>8</b>	<b>19</b>	<b>15</b>	<b>11</b>

**Adjusted EBITDA, SEKm and adjusted EBITDA margin, %**

	2024	2023	2022	2021	2020
EBITDA	5,421	3,314	8,167	3,901	2,712
Items affecting comparability <sup>3</sup>	–254	299	52	177	–9
<b>Adjusted EBITDA, SEKm</b>	<b>5,167</b>	<b>3,613</b>	<b>8,219</b>	<b>4,078</b>	<b>2,703</b>
Net sales	43,453	41,224	42,590	26,206	23,884
<b>Adjusted EBITDA margin, %</b>	<b>12</b>	<b>9</b>	<b>19</b>	<b>16</b>	<b>11</b>

Download pdf to print



Introduction	2
Directors' report	23
Financial statements, signatures and auditor's report	155
<b>Other information</b>	<b>205</b>
– Five-year summary and alternative performance measures (APM)	205
– Quarterly data	209
– Key figures – definitions and purpose	211
– Shareholder information	213
– Addresses	214

**Operating margin, %**

	2024	2023	2022	2021	2020
Operating profit	2,561	534	5,687	1,989	744
Net sales	43,453	41,224	42,590	26,206	23,884
<b>Operating margin, %</b>	<b>6</b>	<b>1</b>	<b>13</b>	<b>8</b>	<b>3</b>

**Adjusted operating profit, SEKm and adjusted operating margin, %**

	2024	2023	2022	2021	2020
Operating profit	2,561	534	5,687	1,989	774
Items affecting comparability <sup>3</sup>	-254	299	52	177	-9
<b>Adjusted operating profit, SEKm</b>	<b>2,307</b>	<b>833</b>	<b>5,739</b>	<b>2,166</b>	<b>765</b>
Net sales	43,453	41,224	42,590	26,206	23,884
<b>Adjusted operating margin, %</b>	<b>5</b>	<b>2</b>	<b>13</b>	<b>8</b>	<b>3</b>

**Cash conversion, %**

	2024	2023	2022	2021	2020
Cash flow from operating activities	3,030	3,290	6,829	3,892	2,331
EBITDA, SEKm	5,421	3,314	8,167	3,901	2,712
<b>Cash conversion, %</b>	<b>56</b>	<b>99</b>	<b>84</b>	<b>100</b>	<b>86</b>

**Return on capital employed, %**

	2024	2023	2022	2021	2020
Operating profit	2,561	534	5,687	1,989	774
Average capital employed over 12 months <sup>4</sup>	33,759	34,287	31,722	24,463	25,116
<b>Return on capital employed, %</b>	<b>8</b>	<b>2</b>	<b>18</b>	<b>8</b>	<b>3</b>

**Adjusted return on capital employed, %**

SEKm	2024	2023	2022	2021	2020
Adjusted operating profit	2,307	833	5,739	2,166	765
Average capital employed over 12 months <sup>4</sup>	33,759	34,287	31,722	24,463	25,116
<b>Adjusted return on capital employed, %</b>	<b>7</b>	<b>2</b>	<b>18</b>	<b>9</b>	<b>3</b>

**Return on equity, %**

	2024	2023	2022	2021	2020
Net profit attributed to owners of the parent company	1,747	484	4,590	1,485	660
Average shareholders' equity attributed to owners of the parent company <sup>4</sup>	27,552	28,053	25,520	19,558	19,152
<b>Return on equity, %</b>	<b>6</b>	<b>2</b>	<b>18</b>	<b>8</b>	<b>3</b>

**Net debt/equity ratio, multiple**

SEKm	2024	2023	2022	2021	2020
Interest-bearing net debt	5,347	5,927	4,581	3,968	5,373
Total equity	28,979	26,945	29,254	20,041	19,294
<b>Net debt/equity ratio, multiple</b>	<b>0.18</b>	<b>0.22</b>	<b>0.16</b>	<b>0.20</b>	<b>0.28</b>

**Interest-bearing net debt / EBITDA, multiple**

	2024	2023	2022	2021	2020
Interest-bearing net debt	5,347	5,927	4,581	3,968	5,373
EBITDA	5,421	3,314	8,167	3,901	2,712
<b>Interest-bearing net debt / EBITDA, multiple</b>	<b>1.0</b>	<b>1.8</b>	<b>0.6</b>	<b>1.0</b>	<b>2.0</b>

**Interest-bearing net debt / Adjusted EBITDA, multiple**

	2024	2023	2022	2021	2020
Interest-bearing net debt	5,347	5,927	4,581	3,968	5,373
Adjusted EBITDA	5,167	3,613	8,219	4,078	2,703
<b>Interest-bearing net debt / Adjusted EBITDA, multiple</b>	<b>1.0</b>	<b>1.6</b>	<b>0.6</b>	<b>1.0</b>	<b>2.0</b>

**Adjusted earnings per share**

SEK	2024	2023	2022	2021	2020
Profit attributed to owners of the parent company, SEKm	1,747	484	4,590	1,485	660
Items affecting comparability, attributed to owners of the parent company <sup>3</sup> , SEKm	-195	277	52	177	-5
<b>Adjusted profit attributed to owners of the parent company, SEKm</b>	<b>1,552</b>	<b>761</b>	<b>4,642</b>	<b>1,662</b>	<b>655</b>
Weighted number of outstanding shares, thousands	248,649	248,488	228,014	206,858	206,816
<b>Adjusted earnings per share, SEK</b>	<b>6.24</b>	<b>3.06</b>	<b>20.36</b>	<b>8.03</b>	<b>3.17</b>

**Working capital as percentage of net sales, %**

	2024	2023	2022	2021	2020
Average working capital for the period	4,197	5,080	4,568	2,357	2,516
Annualized net sales	43,453	41,224	42,590	26,206	23,884
<b>Working capital as percentage of net sales, %</b>	<b>10</b>	<b>12</b>	<b>11</b>	<b>9</b>	<b>11</b>

<sup>3</sup> Revenue = -, Cost = +

<sup>4</sup> Average for the five latest quarters.

Download pdf to print



Introduction	2
Directors' report	23
Financial statements, signatures and auditor's report	155
<b>Other information</b>	<b>205</b>
– Five-year summary and alternative performance measures (APM)	205
– Quarterly data	209
– Key figures – definitions and purpose	211
– Shareholder information	213
– Addresses	214

**Capital employed**

<b>SEKm, 31 December</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Total assets	50,229	47,926	51,415	37,978	36,360
Accounts payable	-5,159	-5,352	-6,702	-3,809	-3,129
Other liabilities	-871	-566	-772	-465	-333
Accrued expenses and deferred income	-2,634	-2,220	-2,700	-1,955	-1,356
Tax liabilities	-43	-126	-393	-12	-29
Provisions	-272	-521	-514	-194	-185
Deferred tax liabilities	-3,708	-3,965	-4,452	-3,962	-3,609
Non-current receivables (interest-bearing)	-654	-	-2	-15	-16
Cash and cash equivalents	-2,561	-2,304	-2,046	-3,558	-3,036
<b>Capital employed</b>	<b>34,327</b>	<b>32,872</b>	<b>33,834</b>	<b>24,008</b>	<b>24,667</b>

**Working capital**

<b>SEKm, 31 December</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Inventories	6,755	6,137	7,305	3,836	3,629
Accounts receivable	4,762	3,804	5,006	3,047	2,350
Other current receivables and current intangible assets	829	1,190	2,066	827	713
Prepaid expenses and accrued income	554	577	858	534	389
Accounts payable	-5,159	-5,352	-6,702	-3,809	-3,129
Other current liabilities	-751	-452	-693	-463	-304
Accrued expenses and deferred income	-2,634	-2,220	-2,700	-1,955	-1,356
<b>Working capital</b>	<b>4,356</b>	<b>3,684</b>	<b>5,140</b>	<b>2,017</b>	<b>2,292</b>

**Interest-bearing net debt**

<b>SEKm, 31 December</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Provisions for pensions	596	653	1,196	816	836
Interest-bearing non-current liabilities	5,004	4,696	2,796	4,655	6,435
Non-current lease liabilities	345	178	234	169	170
Current interest-bearing liabilities	2,399	2,536	2,227	1,790	889
Current lease liability	218	168	177	111	95
Non-current receivables (interest-bearing)	-654	-	-3	-15	-16
Cash and cash equivalents	-2,561	-2,304	-2,046	-3,558	-3,036
<b>Interest-bearing net debt</b>	<b>5,347</b>	<b>5,927</b>	<b>4,581</b>	<b>3,968</b>	<b>5,373</b>

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## Quarterly data

Billerud's packaging material business is governed in two main operating segments based on the region in which the products are manufactured: Region Europe and Region North America.

Other includes Procurement & Wood Supply in Europe, Scandifibre Logistics AB, Managed Packaging, Consolidated

Waterpower Company, rental operations, dormant companies, idle assets, income from the sale of businesses, items affecting comparability and costs due to increased investments in the production structure.

Other also includes Group-wide functions, Group eliminations (including IFRS

16) and profit/loss from participation in associated companies. Currency hedging etc. includes results from hedging of the Group's net currency flows and revaluation of accounts receivables as well as payments from customers. The two last mentioned are presented separately as currency hedging, etc. The part of the currency exposure that relates to

changes in exchange rates when invoicing and purchasing are included in the respective region's profit/loss.

### Quarterly net sales per region and for the Group

SEKm	2024					2023				
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
Region Europe	28,342	7,431	6,980	7,011	6,920	27,114	6,388	6,765	6,495	7,466
Region North America	12,122	3,175	3,138	3,046	2,763	11,511	2,706	2,839	2,655	3,311
Other	2,971	826	701	759	685	2,948	586	738	827	797
Currency hedging, etc.	18	36	-21	-52	55	-349	-114	-132	-24	-79
<b>Total Group</b>	<b>43,453</b>	<b>11,468</b>	<b>10,798</b>	<b>10,764</b>	<b>10,423</b>	<b>41,224</b>	<b>9,566</b>	<b>10,210</b>	<b>9,953</b>	<b>11,495</b>

### Quarterly EBITDA per region and for the Group

SEKm	2024					2023				
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
Region Europe	3,408	888	1,106	630	784	2,753	700	902	116	1,035
Region North America	2,191	606	575	563	447	1,618	306	467	205	640
Other	-196	286	-105	-257	-120	-708	-362	-125	-108	-113
Currency hedging, etc.	18	36	-21	-52	55	-349	-114	-132	-25	-78
<b>Total Group</b>	<b>5,421</b>	<b>1,816</b>	<b>1,555</b>	<b>884</b>	<b>1,166</b>	<b>3,314</b>	<b>530</b>	<b>1,112</b>	<b>188</b>	<b>1,484</b>

### Quarterly EBITDA margin per region and for the Group

%	2024					2023				
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
Region Europe	12	12	16	9	11	10	11	13	2	14
Region North America	18	19	18	18	16	14	11	16	8	19
<b>Group</b>	<b>12</b>	<b>16</b>	<b>14</b>	<b>8</b>	<b>11</b>	<b>8</b>	<b>6</b>	<b>11</b>	<b>2</b>	<b>13</b>

[Download pdf to print](#)



Introduction	2
Directors' report	23
Financial statements, signatures and auditor's report	155
<b>Other information</b>	<b>205</b>
– Five-year summary and alternative performance measures (APM)	205
– <b>Quarterly data</b>	<b>209</b>
– Key figures – definitions and purpose	211
– Shareholder information	213
– Addresses	214

**Adjusted quarterly EBITDA, excluding planned maintenance shutdowns, per region and for the Group**

	2024					2023				
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
<b>SEKm</b>										
Region Europe	4,155	977	1,368	1,026	784	3,636	887	1,195	519	1,035
Region North America	2,416	626	661	682	447	1,770	375	550	205	640
Other	-450	-87	-105	-138	-120	-409	-118	-70	-108	-113
Currency hedging, etc.	18	36	-21	-52	55	-349	-114	-132	-25	-78
<b>Total Group</b>	<b>6,139</b>	<b>1,552</b>	<b>1,903</b>	<b>1,518</b>	<b>1,166</b>	<b>4,648</b>	<b>1,030</b>	<b>1,543</b>	<b>591</b>	<b>1,484</b>
Costs for maintenance shutdowns	-972	-109	-348	-515	-	-1,035	-256	-376	-403	-
Items affecting comparability	254	373	-	-119	-	-299	-244	-55	-	-
<b>EBITDA</b>	<b>5,421</b>	<b>1,816</b>	<b>1,555</b>	<b>884</b>	<b>1,166</b>	<b>3,314</b>	<b>530</b>	<b>1,112</b>	<b>188</b>	<b>1,484</b>

**Adjusted quarterly EBITDA margin, excluding planned maintenance shutdowns, per region and for the Group**

	2024					2023				
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
<b>%</b>										
Region Europe	15	13	20	15	11	13	14	18	8	14
Region North America	20	20	21	22	16	15	14	19	8	19
<b>Group</b>	<b>14</b>	<b>14</b>	<b>18</b>	<b>14</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>15</b>	<b>6</b>	<b>13</b>

**Quarterly operating profit/loss per region and for the Group**

	2024					2023				
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
<b>SEKm</b>										
Region Europe	1,511	408	629	161	313	925	216	452	-332	589
Region North America	1,442	406	387	376	273	808	97	262	6	443
Other	-410	241	-144	-314	-193	-850	-390	-167	-146	-147
Currency hedging, etc.	18	36	-21	-52	55	-349	-114	-132	-24	-79
<b>Total Group</b>	<b>2,561</b>	<b>1,091</b>	<b>851</b>	<b>171</b>	<b>448</b>	<b>534</b>	<b>-191</b>	<b>415</b>	<b>-496</b>	<b>806</b>

**Quarterly operating margin per region and for the Group**

	2024					2023				
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
<b>%</b>										
Region Europe	5	5	9	2	5	3	3	7	-5	8
Region North America	12	13	12	12	10	7	4	9	0	13
<b>Group</b>	<b>6</b>	<b>10</b>	<b>8</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>-2</b>	<b>4</b>	<b>-5</b>	<b>7</b>

**Quarterly sales volumes per region and for the Group**

	2024					2023				
	Full year	Q4	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
<b>ktons</b>										
Region Europe	2,752	706	662	675	709	2,697	668	683	638	708
Region North America	902	234	236	220	212	839	204	207	193	235
<b>Total Group</b>	<b>3,654</b>	<b>940</b>	<b>898</b>	<b>895</b>	<b>921</b>	<b>3,536</b>	<b>872</b>	<b>890</b>	<b>831</b>	<b>943</b>

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## Key figures – definitions and purpose

### Result

#### EBITDA

Operating profit before depreciation, amortization and impairment on non-current intangible, tangible assets and right of use assets. EBITDA is a central measure of operating performance, to assess the performance over time.

#### Adjusted EBITDA

Operating profit before depreciation, amortization and impairment on non-current intangible, tangible assets and right of use assets adjusted for items affecting comparability. Adjusted EBITDA is relevant for assessing performance excluding items affecting comparability.

#### Adjusted operating profit

Operating profit adjusted for items affecting comparability. The measure is used for assessing performance excluding items affecting comparability.

#### Adjusted earnings

Profit for the period, attributable to owners of the parent, adjusted for items affecting comparability after tax.

#### Adjusted key figures

Adjusted key figures on EBITDA, operating profit, return on capital employed and earnings per share, provide a better understanding of the underlying business performance and enhance comparability from period to period, when the effect of items affecting comparability are adjusted for. Items affect-

ing comparability can include additional project costs for major projects, major restructuring/write-downs/revaluations, litigations, specific impact due to strategic decisions, and significant earnings effects from acquisitions and disposals.

#### Margins

##### EBITDA, %

EBITDA as a percentage of net sales. The measure is used in review as well as for benchmarking with peer companies.

##### Adjusted EBITDA, %

Adjusted EBITDA as a percentage of net sales. The measure is used for assessing profitability excluding items affecting comparability.

##### Operating margin, %

Operating profit as a percentage of net sales. Operating margin shows the percentage of revenue remaining as operating profit after deducting operating expenses. The measure is used in performance monitoring as well as for benchmarking with peer companies.

##### Adjusted operating margin, %

Adjusted operating profit as a percentage of net sales. The measure is used for assessing performance excluding items affecting comparability.

#### Return

##### Return on equity, %

Profit calculated over 12 months, attributable to owners of the parent company, as a percentage of average shareholders' equity calculated per quarter,

attributable to owners of the parent company. 12 months is calculated by adding accumulated amounts for the current years plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The measure represents total profitability compared to the equity invested by the parent company's shareholders.

##### Return on capital employed (ROCE)

Operating profit calculated over 12 months as a percentage of average capital employed calculated per quarter for the last 5 quarters. 12 months is calculated by adding accumulated amounts for the current years plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The return on capital employed is a measure that shows how effectively total net operating assets total are used in order to generate return in the operating business. The measure takes capital invested in the operating activities into account and is used for business performance monitoring and benchmarking with peer companies.

##### Adjusted return on capital employed (ROCE)

Adjusted operating profit calculated over 12 months as a percentage of average capital employed calculated per quarter for the last 5 quarters. 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's

accumulated amounts for the periods exceeding 12 months from the balance sheet date. The measure is used for assessing the return on net operating assets excluding items affecting comparability.

#### Capital structure

##### Capital employed

Total assets less accounts payable, other liabilities, accrued expenses and deferred income, tax liabilities, provisions, deferred tax liabilities, non-current receivables (interest-bearing) and cash and cash equivalents. Capital employed is used to quantify the net total assets used in the operating business, and is used as a component in measuring operating profitability.

##### Equity

Equity at the end of the period.

##### Interest-bearing net debt

The sum of provisions for pensions, interest-bearing liabilities and leasing liabilities less non-current interest-bearing receivables and cash and cash equivalents. The measure is used to quantify the debt financing, taking the amount of financial assets into account. The measure is used as a component in measuring financial risk.

##### Interest-bearing net debt/EBITDA

Interest-bearing net debt at the end of the period divided by EBITDA for the last 12 months. 12 months is calculated by adding accumulated amounts for the current year plus full previous year,

minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The measure shows the size of the interest-bearing net debt compared to the repayment capacity. A higher (lower) ratio indicates a higher (lower) risk.

##### Interest-bearing net debt/adjusted EBITDA

Interest bearing net debt at the end of the period divided by adjusted EBITDA for the last 12 months. 12 months is calculated by adding accumulated amounts for the current year plus full previous year, minus prior year's accumulated amounts for periods exceeding 12 months from the balance sheet date. The measure is used for assessing the repayment capacity excluding items affecting comparability.

##### Net debt/equity ratio

Interest-bearing net debt divided by equity. The ratio shows the mix between interest-bearing net debt and equity financing. A higher ratio means higher financial leverage and may have positive effects on return on equity, but imply a higher financial risk.

##### Working capital

Inventories, accounts receivable, other current receivables, current intangible assets (emission rights) and prepaid expenses and accrued income less accounts payable, other current liabilities and accrued expenses and deferred income. The measure shows the amount of current net assets that is

Introduction 2

Directors' report 23

Financial statements,  
signatures and auditor's report 155

### Other information 205

– Five-year summary and alternative  
performance measures (APM) 205

– Quarterly data 209

– **Key figures – definitions and purpose** 211

– Shareholder information 213

– Addresses 214

[Download pdf to print](#)



Introduction	2
Directors' report	23
Financial statements, signatures and auditor's report	155
<b>Other information</b>	<b>205</b>
– Five-year summary and alternative performance measures (APM)	205
– Quarterly data	209
– <b>Key figures – definitions and purpose</b>	<b>211</b>
– Shareholder information	213
– Addresses	214

tied up in the business. Together with non-current assets, working capital constitutes the operating capital employed to generate operating returns.

#### **Working capital as percentage of net sales**

Average working capital is calculated by using the average of all quarterly periods during the financial year, divided by annualized net sales. Annual net sales are calculated by dividing the net sales for the most recent interim period from the beginning of the financial year by the number of months in this interim period and multiplying by twelve. The measure shows how effectively the working capital is used. A lower percentage means less capital is tied up to generate a given amount of revenue, and an increased ability to internally finance growth and return to shareholders.

#### **Cash flow Operating cash flow after investments in tangible and intangible assets**

Cash flow from the operating activities, including investments in tangible and non-current intangible assets. The measure shows cash flow generated in the operating business, which provides the amount of cash flows available to repay debt, acquire and invest in other businesses and pay dividends to the shareholders.

#### **Cash conversion, %**

Cash flow from operating activities divided by EBITDA. This measure is used for assessing the generation of cash of the operating profit before depreciation, amortization and impairment.

#### **Data per share<sup>1</sup>**

##### **Cash flow from operating activities per share**

Cash flow from operating activities divided by the average number of shares on the market during the period.

##### **Diluted earnings per share**

Profit for the period, attributable to owners of the parent company, divided by the average number of shares in the market after estimated participation in the incentive programs.

##### **Diluted equity per share**

Equity at the end of the period, attributable to owners of the parent company, divided by the number of shares on the market at the end of the period plus the effect of estimated participation in the incentive programs.

##### **(Basic) Earnings per share**

Profit attributable to owners of the parent company, divided by the average number of outstanding ordinary shares in the market.

#### **Equity per share**

Equity at the end of the period, attributable to owners of the parent company, divided by the number of shares on the market at the end of the period.

#### **Adjusted earnings per share**

Profit attributable to owners of the parent company adjusted for items affecting comparability after tax, divided by the average number of outstanding ordinary shares in the market. The measure is used for assessing earnings per share excluding items affecting comparability.

#### **EV/EBITDA**

Market capitalization plus interest-bearing net debt, divided by operating profit before depreciation, amortization and impairment losses (EBITDA).

#### **P/E ratio**

Share price at year-end divided by earnings per share.

<sup>1</sup> For number of shares, see section The share and the shareholders.



# Shareholder information, key dates and contact persons

## Annual General Meeting

The Annual General Meeting of Billerud will be held on Tuesday 20 May 2025 at 15:00 CET at 7A Posthuset, Vasagatan 28, Stockholm. Notice of the Annual General Meeting will during April 2025 be published and available on the company's website [www.billerud.com](http://www.billerud.com).

Shareholders wishing to attend the Annual General Meeting must be registered in the shareholders' register maintained by Euroclear AB as of 12 May 2025 and must notify the company of their participation not later than 14 May 2025.

To be able to participate at the meeting, shareholders whose shares are registered in the name of a nominee must request that their own names are temporarily registered in the shareholders' register kept by Euroclear. This procedure, referred to as voting right registration, must be completed by 14 May 2025, which means that shareholders must inform the nominee well before this date.

Notification of attendance can be made by telephone +46 8 402 90 62, via <https://anmalan.vpc.se/euroclearproxy> or by post to Billerud AB, Årsstämman, c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden.

In addition to physical participation, shareholders have the opportunity of postal voting in advance. Postal voting is done by using a postal voting form, which will be available on Billerud's website. The completed and signed form must be received by Euroclear Sweden AB no later than 14 May 2025.

## Financial information

All financial information, including this Annual and Sustainability Report for 2024, is available in both Swedish and English on Billerud's website [www.billerud.com](http://www.billerud.com).

## Interim reports

Q1 report 2025	29 April 2025
Q2 report 2025	18 July 2025
Q3 report 2025	23 October 2025

## Contact persons



Lena Schattauer  
Director Investor Relations  
Tel: +46 8 553 335 00  
E-mail: [ir@billerud.com](mailto:ir@billerud.com)



Ulrika Wedberg  
Executive Vice President  
Sustainability & Public Affairs  
Tel: +46 553 335 00  
E-mail: [sustainability@billerud.com](mailto:sustainability@billerud.com)

- Introduction 2
- Directors' report 23
- Financial statements, signatures and auditor's report 155
- Other information 205**
  - Five-year summary and alternative performance measures (APM) 205
  - Quarterly data 209
  - Key figures – definitions and purpose 211
  - **Shareholder information 213**
  - Addresses 214

Download pdf to print





Introduction	2
Directors' report	23
Financial statements, signatures and auditor's report	155
<b>Other information</b>	<b>205</b>
– Five-year summary and alternative performance measures (APM)	205
– Quarterly data	209
– Key figures – definitions and purpose	211
– Shareholder information	213
– <b>Addresses</b>	<b>214</b>

## Addresses

### **Billerud AB**

Postal address: Box 703, SE-169 27  
Solna, Sweden

Street address: Evenemangsgatan 17,  
Solna

Tel: +46 8 553 335 00

www.billerud.com

### **Billerud Frövi/Rockhammar**

SE-718 80 Frövi

Sweden

Tel: +46 581 377 00

### **Billerud Gruvön**

Storjohanns väg 4

SE-664 33 Grums

Sweden

Tel: +46 555 410 00

### **Billerud Gävle**

SE-801 81 Gävle

Sweden

Tel: +46 26 15 10 00

### **Billerud Finland Pietarsaari**

PL 13

FI-68601 Pietarsaari

Finland

Tel: +358 6 241 380 00

### **Billerud Karlsborg**

SE-952 83 Karlsborgsverken

Sweden

Tel: +46 923 660 00

### **Billerud Skog**

SE-801 81 Gävle

Sweden

Tel: +46 21 15 10 00

### **Billerud Skärblacka**

SE-617 10 Skärblacka

Sweden

Tel: +46 11 24 53 00

### **Billerud Americas Corporation**

8540 Gander Creek Drive

Miamisburg, Ohio 45342

USA

Tel: +1 877 855 7243

### **Wisconsin Rapids**

600 4th Avenue North

Wisconsin Rapids, WI 54495

USA

Tel: +1 715 422 3111

### **Escanaba Mill**

7100 County 426 M.5 Rd

Escanaba, MI 49829

USA

Tel: +1 906 786 1660

### **Quinnesec Mill**

W6791 US Highway 2

Quinnesec, MI 49876

USA

Tel: +1 906 779 3200

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The Billerud Annual and Sustainability Report 2024 was produced in collaboration with Narva Communications.

Photos: Billerud's image bank, Kristoffer Wahlström, Olga Pankova/Getty images, Alamy.



#### About Billerud

Billerud makes high performance packaging materials for a low carbon society. We are a global leader in paper and packaging materials made from cellulose fibers, and we are passionately committed to sustainability, quality and cus-

tomer value. We serve customers in more than 100 countries through nine production units in Sweden, USA and Finland, and have around 5,800 employees in over 19 countries. Billerud is listed on the Nasdaq Stockholm.

