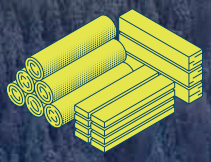
Annual Report
2024

HOLMEN

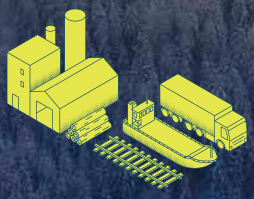
BEYOND NET ZERØ

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

2.1 Mtonnes CO_2
Net growth in our growing forest

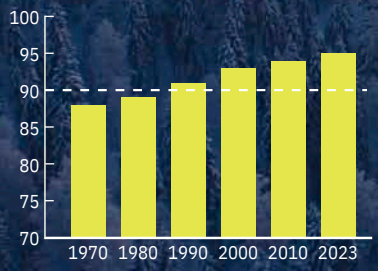


0.4 Mtonnes CO_2
Stored in our products

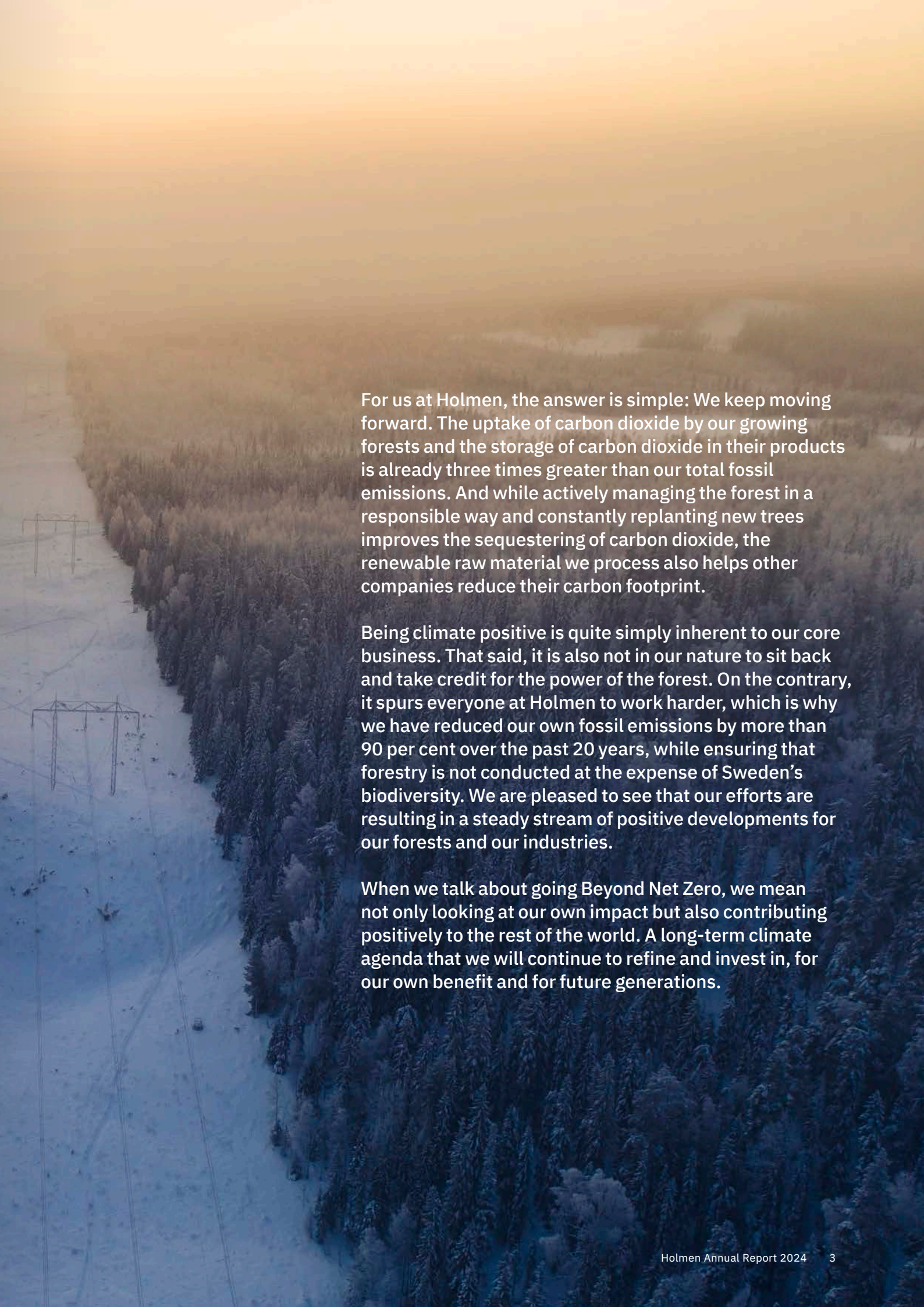


-0.8 Mtonnes CO_2e
Total emissions in our value chain

Biodiversity Intactness Index Sweden
90% threshold value for healthy ecosystems



Greenhouse gas emissions 2005–2024
from Holmen's production, Ktonnes CO_2e



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

Being climate positive is quite simply inherent to our core business. That said, it is also not in our nature to sit back and take credit for the power of the forest. On the contrary, it spurs everyone at Holmen to work harder, which is why we have reduced our own fossil emissions by more than 90 per cent over the past 20 years, while ensuring that forestry is not conducted at the expense of Sweden's biodiversity. We are pleased to see that our efforts are resulting in a steady stream of positive developments for our forests and our industries.

When we talk about going Beyond Net Zero, we mean not only looking at our own impact but also contributing positively to the rest of the world. A long-term climate agenda that we will continue to refine and invest in, for our own benefit and for future generations.

CONTENTS 2024

100% Holmen-produced

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

Holmen Aktiebolag (publ.), corporate identity number 556001-3301, hereby submits the annual report for the parent company and the Group for the financial year 2024-01-01–2024-12-31. The annual report comprises the administration report (pages 4, 8–11, 16–17, 42–59, 93–94 and 127) and the financial statements, together with the notes and supplementary information (pages 60–92). The statutory sustainability reporting in accordance with the Annual Accounts Act comprises pages 98–122. The Group's consolidated income statement and balance sheet and the parent company's income statement and balance sheet will be adopted at the Annual General Meeting.

Sustainability information is reported in accordance with the Global Reporting Initiative's GRI Standards 2021. The Sustainability Report comprises pages 98–126. The information is audited by a third party, see separate assurance report on page 126.

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

The cover is printed on Invercote Touch 330 gsm. **The insert** is printed on Holmen TRND, 2.0 – 80 gsm. **Layout**: Identity Works. **Production**: Gylling Produktion AB. **Photos**: Jonas Westling, Ulla-Carin Ekblom, Malin Lauterbach, Christian Ekstrand, Kollberg & Karlsson, Amanda Sveed and others. **Print**: Larsson Offsettryck AB.

HOLMEN GROWS HOUSES

We manage the forest actively and sustainably, while also using the raw material wisely and far-sightedly. The wood is refined into wood products for sustainable building, and we turn whatever is left over into paperboard of world-leading quality and innovative paper products. In addition, we use the water rushing down the rivers and the wind blowing over the treetops to produce renewable energy.

2024 IN FIGURES

Net sales
22 759 SEKm

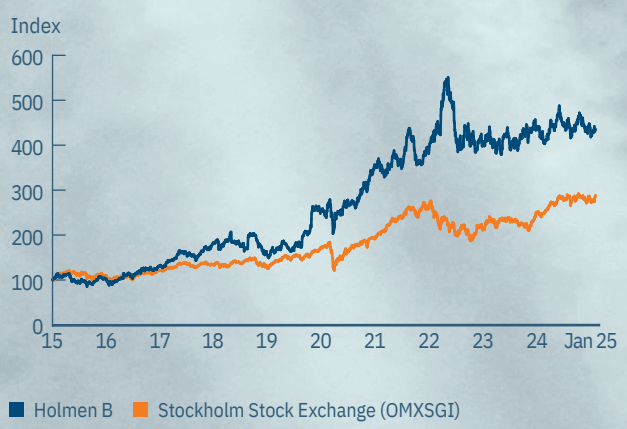
Cash flow*
3 728 SEKm

Operating profit
3 721 SEKm

No. of employees
3 498

**Before investments and changes in working capital*

Total shareholder return Holmen B and OMX Stockholm




»The more
we produce,
the greater our
contribution
to a better
climate.«

DEAR SHAREHOLDERS,

In 2024, central banks brought inflation under control and began to implement interest rate cuts across the board. However, this has not yet reignited consumption or new construction, and market conditions remained challenging while competition for forest raw material was high. Despite a weak market, our industrial operations generated a healthy return on capital of 16 per cent. Coupled with high earnings from the forest, we were able to maintain a good level of operating profit at SEK 3 721 million.

Holmen’s business is based on the forest and land we own. We have been successful in generating value from our assets, and the merger of the Board and Paper business areas in early 2024 further strengthened our competitiveness. Our business model now focuses on four distinct business lines: forestry, hydro and wind power, the woodworking industry, and process industry operations.

In light of the solid earnings and our strong financial position, the Board of Directors proposes that the ordinary dividend per share increases from SEK 8.5 to SEK 9, with the payment of an extra dividend of SEK 3.

Focus on global competitiveness

The EU’s ambitious plans to mitigate climate change and protect biodiversity have been challenged by weak markets and an increasingly protectionist world. It is clear that the transition to a more sustainable society risks being sidelined as competitiveness is prioritised over green investments. Whether the necessary climate transition has simply lost momentum or is shifting focus from regulation and bureaucracy to increasing the pace of innovation and European competitiveness remains to be seen. It is clear that a green industrial policy that eases the EU’s regulatory burden and reduces dependence on fossil fuels can create opportunities for a growing European bioeconomy.

Our sustainably managed forests capture and store carbon dioxide, and the renewable products we offer replace fossil alternatives, while our production of hydro power and wind power contributes to the transformation of Europe’s energy system. The more we produce, the greater our contribution to a better climate. With a large forest holding and the hydro power that is so critical for Sweden, well-invested industries and a strong balance sheet, Holmen is well positioned to contribute to the green transition.

Forest and energy are in-demand resources

The forest has the capacity to provide many benefits at the same time, making it a valuable resource not only for Holmen but for society as a whole. With the forest as a foundation, we grow trees for sustainable construction while also harnessing the energy that blows over the treetops and flows in the rivers. We then make renewable packaging, magazines and books from the forestry residues.

While the forest is a renewable resource, the supply of raw material is limited across much of the world. Even in a weak market, demand for forest raw material has remained high and Swedish wood prices have climbed by more than 50 per cent since 2021. High wood prices are good for us in our capacity as a forest owner, but the competition for raw material makes it challenging to supply our industrial facilities with wood at a competitive cost. Nevertheless, with our large forest holdings behind us, we have a secure supply of raw material for the long term, which makes us well placed to continue developing our industries, even in times of timber shortages.

Within Holmen, investments in fossil-free technology have drastically reduced fossil emissions from our plants and we are now largely fossil-free in our own production, while being a significant producer of renewable hydro and wind power. We have good potential to establish additional wind power on our land to support new green initiatives or the fossil-free electricity needs of emerging data centres.

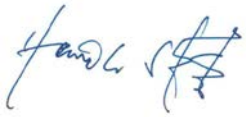
Renewable products with a low carbon footprint

The building sector is responsible for more than a third of Europe’s carbon emissions and making the manufacture of the dominant construction materials, cement and steel, sustainable is both expensive and difficult. Large-scale wood construction is an option that not only avoids fossil fuel emissions but also stores carbon in the building for a long time. Even with the weakness of the construction sector in recent years, we are seeing a growing interest in building in wood. With well-invested sawmills and expanded processing capacity, we are well positioned when construction picks up pace once more.

In the area of paperboard and paper, we have chosen to focus on niches where fresh fibre comes into its own. Since the merger into one business area, we have advanced our market positions, while increasing productivity and investing to enable the production of transport packaging. With well-invested production facilities and strong product offerings, we are favourably placed to continue developing our business and helping our customers reduce their carbon footprint without sacrificing competitiveness.

The uptake of carbon dioxide by our growing forests and the storage of carbon dioxide in their products is already three times greater than the fossil emissions in our value chain. As the world strives for net zero, we are already there. The best thing we can do for the climate is to help more customers replace fossil materials with renewables, and we will continue to do so. For our sake and for future generations.

Stockholm, 24 February 2025

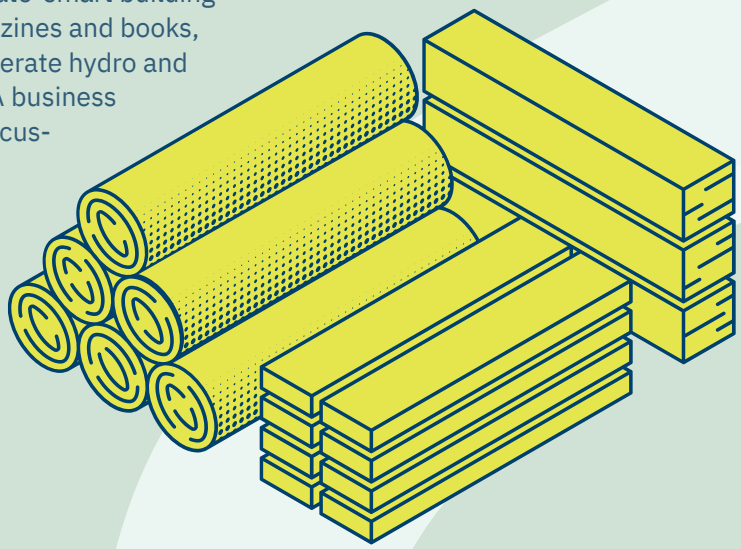


Henrik Sjölund, *President and CEO*

GROWING A SUSTAINABLE FUTURE

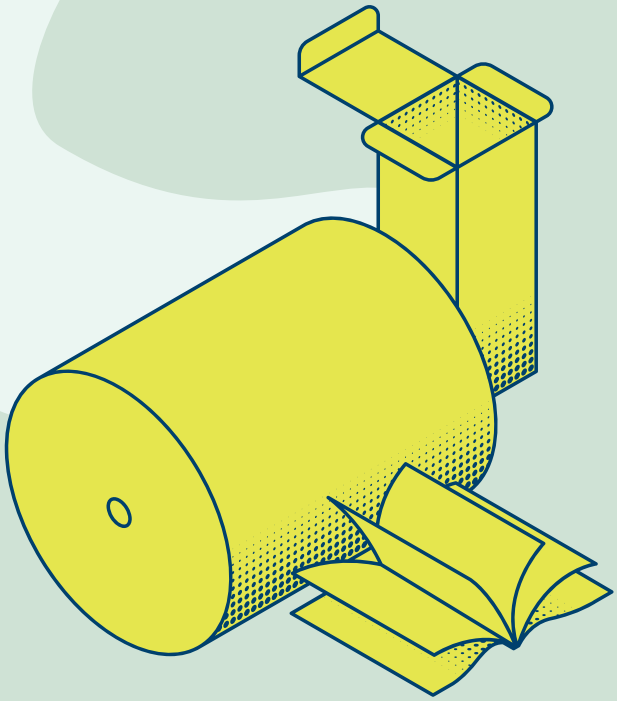
Our business concept is to own and add value to the forest

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



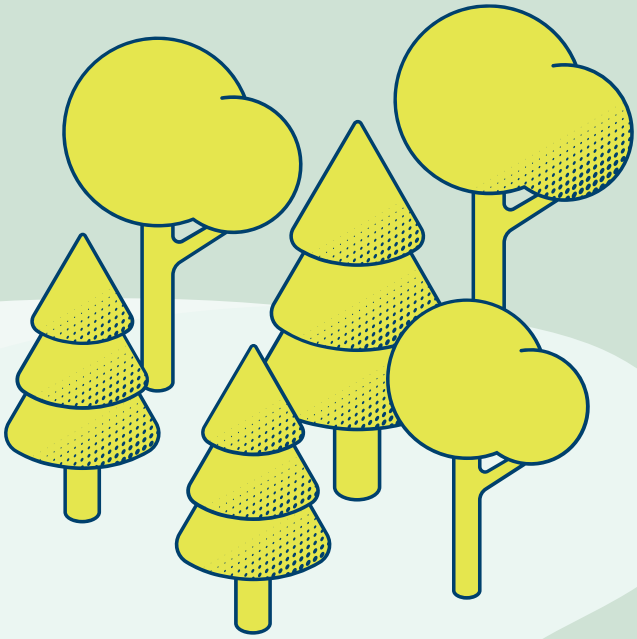
Wood Products

The Wood Products business will grow through products and solutions for sustainable building.



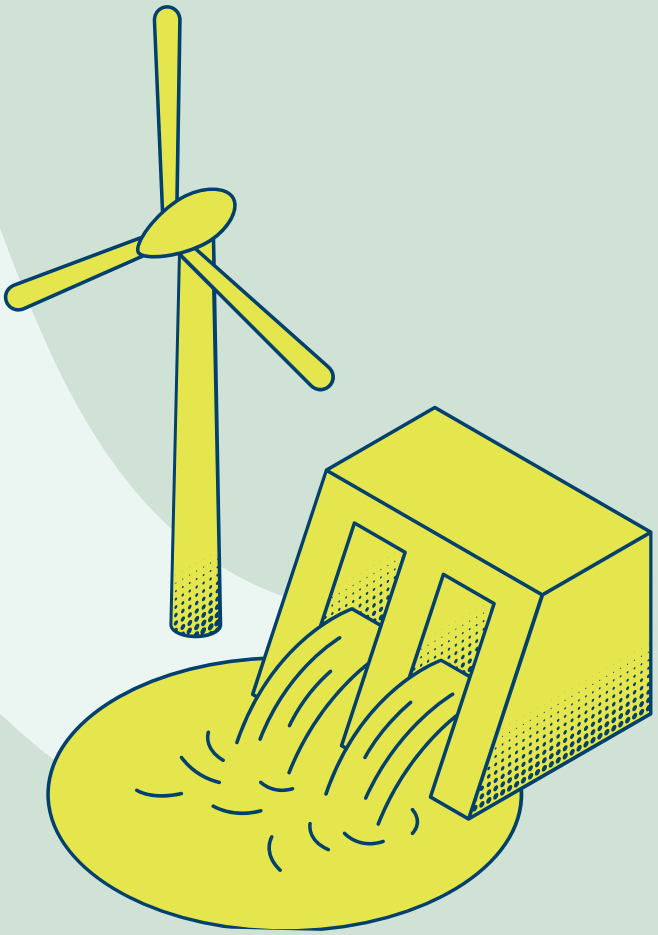
Board and Paper

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



Forest

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

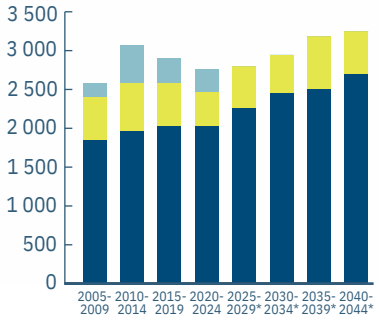


Renewable Energy

The Renewable Energy business will grow by establishing wind power on Holmen's own land.

WE AIM TO CREATE VALUE THAT STANDS THE TEST OF TIME – WHILE ALSO CONTRIBUTING TO A BETTER CLIMATE

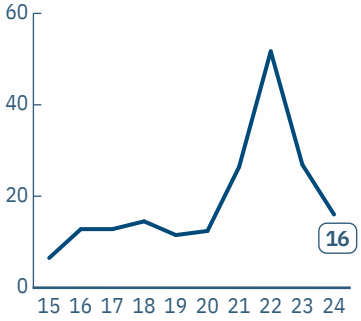
Annual harvest, '000 m³sub/year



Harvest Thinning
Storms and other events

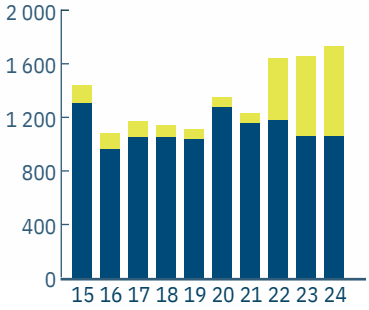
**Forecast*

Industry's return on capital employed, %*



**Excl. items affecting comparability*

Deliveries of hydro and wind power, GWh



Hydro power Wind power

Forest

The forest is sustainably managed to provide a good annual return and stable value growth. Growth and harvests will increase over time. In 2024, volumes amounted to 2.6 million m³sub, which is slightly lower than the current harvesting plan. The value of the Group's forest assets has increased by more than 40 per cent since 2019 to SEK 58 billion.

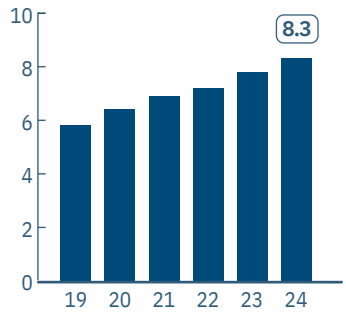
Industry

The industrial operations are run with a focus on long-term profitability. The target is for a sustained return of over 10 per cent on capital employed. Over the past 10 years, the return for the industrial side of the business has averaged out at 19 per cent, and in 2024 the figure was 16 per cent, driven by good profitability in the paper business.

Renewable Energy

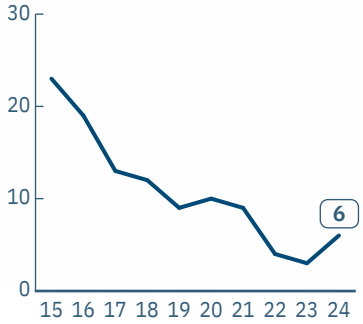
Deliveries of renewable energy will increase by complementing our existing hydro power with wind power on our own land. Holmen currently has two wholly owned wind farms that produced 510 GWh in 2024, and another wind farm under construction is expected to become operational in 2026.

Climate benefit, million tonnes CO_2e*

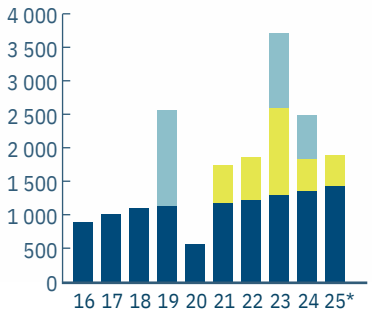


**Climate benefit for 2023 and 2024 has been calculated using a new model. For further information, see page 104.*

Net debt as % of equity



Dividend and share buy-back, SEKm



Ordinary dividend paid
Share buy-backs
Extra dividend paid
**Board proposal*

Climate benefit

Climate benefit will increase through higher growth in our forests and higher sales of renewable products that store carbon dioxide and replace fossil-based alternatives, while also reducing the fossil emissions along our value chain. The erection of new wind turbines and expansion of the wood products business have increased Holmen's climate benefit, which in 2024 came in at 8.3 million tonnes CO_2e, with all the business areas making a positive contribution.

Capital structure

Our financial position is to be strong in order to secure room for manoeuvre when making long-term commercial decisions. Net financial debt will not exceed 25 per cent of equity. Net financial debt in relation to equity has consistently been below 10 per cent over the past five years, and amounted to 6 per cent in 2024. Good cash flow has allowed for a higher dividend and share buy-backs, while retaining a strong financial position.

Dividend

Holmen will generate a good annual dividend for shareholders. The level is determined by the Group's profitability, investment plans and financial situation. The dividend is supplemented with share buy-backs where this is judged to create long-term value for shareholders. Alongside the gradual increase in the ordinary dividend, extra dividends and share buy-backs have also been implemented. The Board proposes that the 2025 AGM approve a dividend of SEK 9 per share and an extra dividend of SEK 3 per share.

THE VALUE OF OWNING FOREST

Forest land is a fantastic asset. It provides a renewable raw material that can be processed into the climate-smart products needed for a sustainable future. And at the same time, wind and hydro power can be produced without interfering on the forestry.

Forest products have a key role in reducing our dependence on fossil raw materials and demand will be in ever greater going forward. Active forestry improves the growth of trees and thus increases the amount of renewable raw material. Owning 1.3 million hectares of land gives Holmen big opportunities to create value over time.

The growth in the forest is the result of active and sustainable forest management, which begins with the seed – we raise our own seedlings and reforest all the areas that are harvested. Because the annual growth is greater than the harvest, the amount of wood in our forests is also increasing year on year. In 2024, Holmen's total volume of standing timber amounted to 127 million m^3 growing stock, solid over bark, which is 5 per cent higher than 10 years ago. In addition to harvesting the forest on our own land, we also purchase wood from private forest owners and other Swedish forest companies. Almost 15 000 private forest owners have chosen us as a forestry partner. The amount of forest we refine at our own production facilities is thus twice the volume that we harvest from our own forest, and all this wood is used for everything from timber for climate-smart construction to renewable packaging, magazines and books.

Revenue from our forest holdings

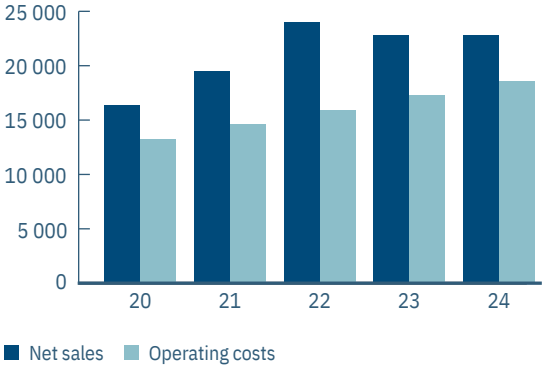
Owning forest naturally provides a chance to earn revenue when the forest is harvested. The best prices are achieved for the large logs that are turned into construction material. Holmen uses the narrower part of the tree and wood from thinning, along with residual wood chips from the sawmills, to manufacture paperboard and paper. Wood products used for houses and other structures add considerable value by storing carbon for a long period while at the same time replacing fossil emissions from the manufacture of concrete and steel. Paperboard and paper also contribute to a better climate when they replace fossil materials, are recycled and finally create benefit as bioenergy. In addition to logs and pulpwood, wood shavings, bark, treetops and branches have their own uses and are sold on for the production of district heating and so on. Nothing goes to waste.

Wind and hydro power. Holmen's renewable energy production is dominated by the plannable hydro power from our 21 wholly or partly owned power stations. Hydro power provides a reliable electricity supply and delivers major social benefits in the transition to more renewable energy sources.

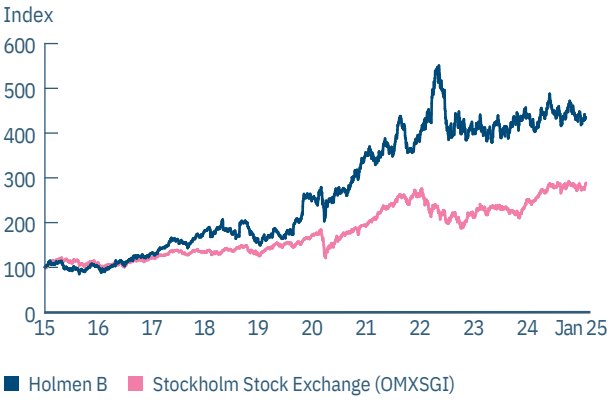
Owning forest land also gives us the option of developing wind power on our land. This is a great way to derive added value from our land, as higher energy production provides a good cash flow. Holmen currently has two wholly owned wind farms, with annual production of 0.6 TWh, contributing to the 1.9 TWh hydro and wind power supplied in total in a normal year. In 2023, we obtained permits for another two wind farms on our land. One of these, Blisterliden Wind Farm, is under construction in Västerbotten and is planned to be operational by 2026.

Other opportunities on our land. The availability of cheap and fossil-free electricity makes northern Sweden attractive for the establishment of data centres and other electricity-intensive industries. Where parts of our land holdings are located near centres of population, in southern and central Sweden, and in tourist areas close to the mountains, the potential exists to develop the land for housing and recreation. Extracting stone and gravel from our own land for use in projects such as road building is another possibility for landowners such as Holmen.

Net sales and operating costs, SEKm



Total shareholder return Holmen B and Stockholm Stock Exchange



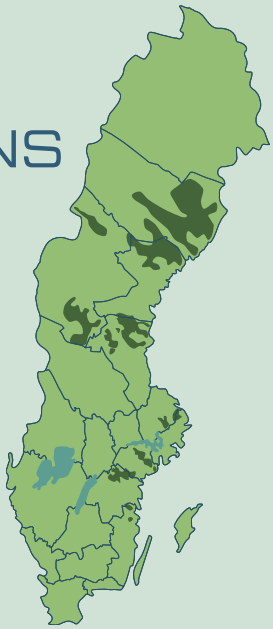
VALUE OF FOREST CONFIRMED BY HISTORICAL TRANSACTIONS

Holmen's land holdings cover 1.3 million hectares, of which a little over a million is productive forest land. The land holdings are split across around 4 300 forest properties from Småland in the south to Västerbotten in the north.

A large number of forest property transactions are carried out every year in Sweden. Holmen's forest assets are recognised at fair value based on the prices paid for forest properties in the areas in which our forest is located. As of 31 December 2024, the book value stands at SEK 57 843 (56 348) million, which averages out at SEK 55 (54) thousand per hectare of productive forest land.

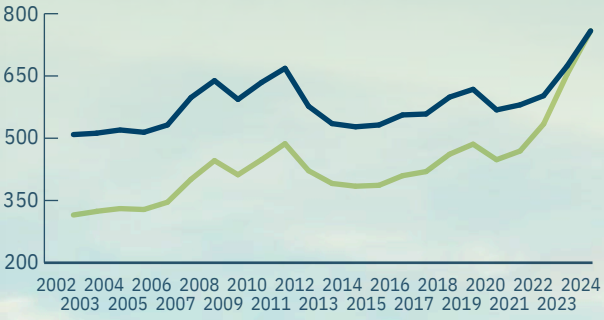
The value varies across the country, with forest properties in southern Sweden being valued much higher per hectare as a result of a greater volume of standing timber, higher wood producing capacity, a shorter harvesting cycle and greater demand for forest land.

For more information about Holmen's valuation of forest land and biological assets, see pages 78–81.

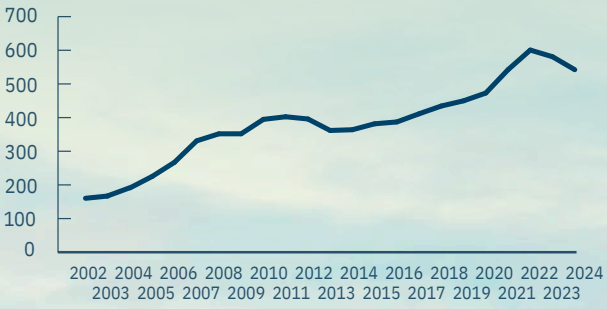


Holmen owns 1.3 million hectares of forest and land in Sweden, equivalent to almost two million football pitches.

Holmen's wood prices, SEK/m³sub



Price of forest properties, SEK/m³ growing stock, solid over bark



Source: Ludvig & Co based on transactions they have brokered themselves.

FOCUS ON CLIMATE AND BIODIVERSITY

Our world is governed to a large extent by the EU's high ambitions to limit global warming and protect biodiversity. Since energy accounts for almost three quarters of global greenhouse gas emissions, the energy issue is closely tied up with our opportunities to curb climate change.

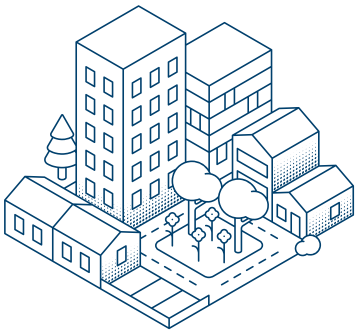
The transition to a fossil-free society demands more renewable material, which means that the earth's surface needs to be managed more efficiently and to a greater extent. If we are to successfully transition to a fossil-free society, we simply must break our dependence on fossil resources and make sure that more carbon atoms remain in the ground. Only then can we meet the needs of today's growing population without compromising the ability of future generations to do the same.

The forest has the capacity to provide many benefits at the same time, making it a valuable resource not only for Holmen but for society as a whole. Utilising the resources offered by growing forests enables the phasing out of fossil-based alternatives, but it also comes with great responsibility. Forests have to be sustainably managed, with healthy ecosystems and rich biodiversity, in order to provide the renewable raw material needed for the transition.

We contribute renewable products and green electricity

Holmen has been managing forests since the 17th century and the trees we plant today will grow for almost 100 years before they are ready to be harvested. And an awful lot can happen in that time. The forest could be hit by drought, fires, storms and pests. Active management increases the resilience of the trees even as knowledge of how to create healthy ecosystems and thriving forests constantly grows. With a production cycle in the forest of almost a century, change does not happen overnight, but several indicators clearly show positive developments. International studies also show that the status of biodiversity in Sweden has improved over the last 50 years, currently putting it well above the European average.

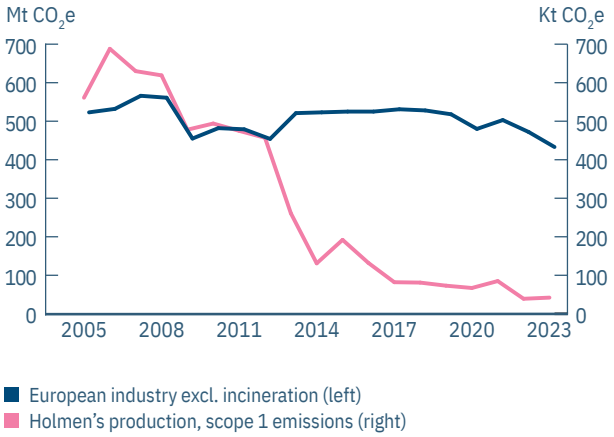
The forest has a key role to play in the climate transition and demand for both logs and pulpwood is expected to increase. But while the forest is a renewable resource, the supply of this raw material is limited across much of the world. With demand for forest raw material expected to grow, global timber supplies are coming under increased pressure. As one of Sweden's biggest forest owners, we are largely able to supply our Swedish production units with renewable raw material from our own sources, which boosts our competitiveness while also promoting the development of our industrial facilities.



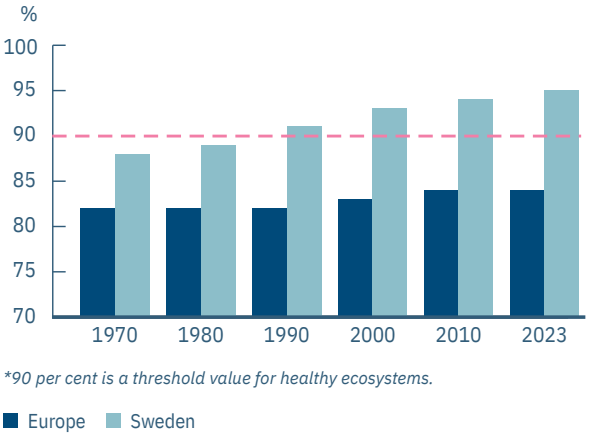
At a time when the whole world needs to transition away from fossil materials and energy sources, electricity use is also expected to increase, creating substantial demand for more fossil-free electricity. Much of the energy transition has already been achieved within Holmen and we have drastically reduced the fossil emissions from our industrial sites – not least in comparison with European industry as a whole. In combining forestry and electricity production on our land, we are also taking responsibility for our electricity consumption, while playing our part in the energy transition that society so badly needs.

Holmen's sustainably managed forests capture and store carbon dioxide, and the renewable products we offer replace fossil alternatives, while our production of hydro power and wind power contributes to the transformation of Europe's energy system. The more we produce, the greater our contribution to the green transition.

Greenhouse gas emissions 2005–2023



Biodiversity Intactness Index 1970–2023*



*90 per cent is a threshold value for healthy ecosystems.

WE REDUCE OUR CUSTOMERS' FOSSIL FOOTPRINT

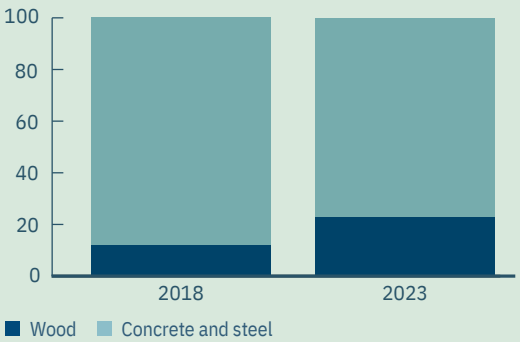
Holmen gives quality-conscious customers all over the world access to products from the Swedish forest, and the best thing we can do for the climate is to help more customers replace fossil alternatives with renewables. It is here too that Holmen's contribution to the green transition becomes most tangible – when our products reduce the need for fossil materials and raw materials, so that coal, oil and gas can stay in the ground.

Wood products for sustainable building

Building in wood offers many advantages. The manufacture of wood products is energy-efficient and the carbon dioxide absorbed by the growing trees continues to be stored in the buildings for a long time. Despite the weakness of the construction sector in recent years, wood construction has made positive advances in Sweden and interest in sustainable building in wood is steadily growing.

According to a study by Prognoscentret, the share of timber frames in newbuilds grew from 12 per cent to 23 per cent in Sweden between 2018 and 2023. The greatest increase was seen in public buildings, including schools and care facilities, with the proportion of timber frames reaching 40 per cent in this category in 2023.

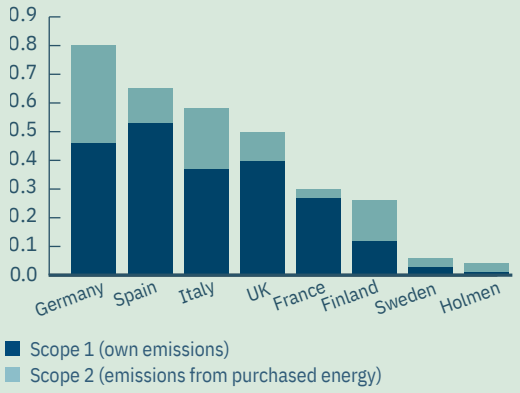
Use of timber frames is increasing in Sweden, %



Climate-smart fibre products

With renewable raw material, fossil-free electricity and resource-efficient production, we are able to offer products with a low carbon footprint. Holmen began planning for the transition from fossil energy use in our industries back in the early 2000s, and today we have switched to using mainly fossil-free electricity and renewable energy from biofuels in our production. This is also a major reason why our paperboard and paper products have a low carbon footprint compared to those of many of our competitors.

Products with low footprint, tonnes CO_2e/tonne product



Wind power creates opportunities for more green electricity

Holmen's hydro power is a valuable resource that generates renewable electricity at a low cost, and can be channelled to periods of peak energy demand. As a major landowner, Holmen also has considerable opportunities to generate more renewable electricity by building wind power at a competitive cost.

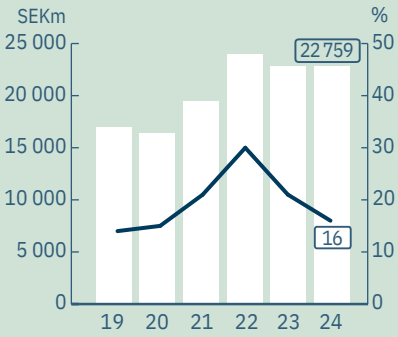
Holmen's entire land holdings, totalling 1.3 million hectares, have been analysed, and 260 areas appear to have potential for wind power. Of these, 160 areas are judged suitable sites for wind power. Holmen currently has around 30 projects in various stages of development, from in-depth analysis to handling the permit application.

Analysis of Holmen's land holdings

	No. of areas	Total area, hectares
Analysed areas with potential for wind power	**260**	**380 000**
Of which, areas judged suitable for wind power	**160**	**260 000**
Of which, priority areas	**30**	**80 000**

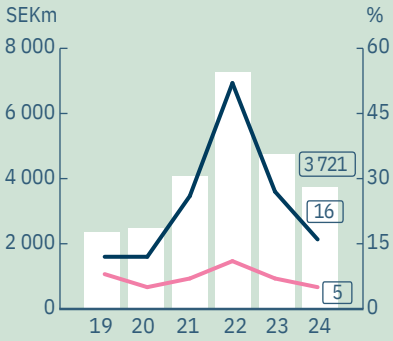
PROFITS HOLD UP IN 2024

Net sales and operating margin



Net sales
Operating margin*
Excl. items affecting comparability

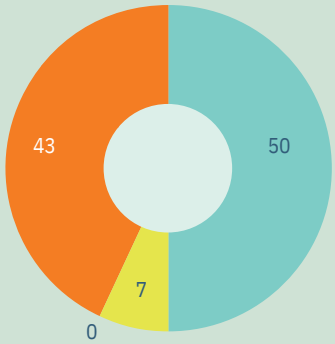
Operating profit/loss and return



Operating profit*
Industry's return on capital employed*
Return on equity**

Excl. items affecting comparability
**Excl. forest revaluation 2019*

Operating profit*
Business area, %

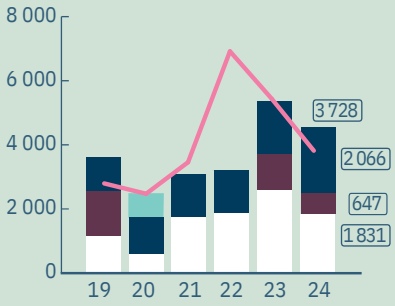


Total: 3 721 SEKm

Forest	1 947 SEKm
Renewable Energy	265 SEKm
Wood Products	2 SEKm
Board and Paper	1 702 SEKm

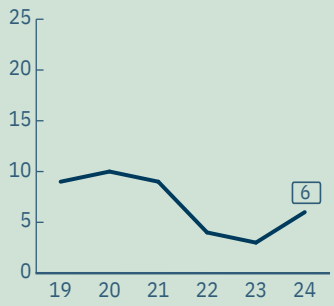
Excl. Group-wide

Cash flow, SEKm

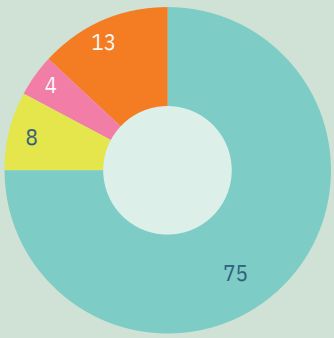


Dividend
Share buy-back
Investments
Acquisitions
Cash flow before investments and changes in working capital

Net debt as % of equity



Capital employed*
Business area, %



Forest
Renewable Energy
Wood Products
Board and Paper

Excl. Group-wide

In 2024, central banks brought inflation under control and interest rates have been cut across the board, but this has not yet reignited consumption and new construction. Despite challenging market conditions, we were able to maintain a good profit level of SEK 3 721 million, thanks to our integrated business model.

Business area	Comments	Outlook
Forest	Competition was high in the wood market and the supply of forest raw material has been insufficient to meet the growing demand from the forest industry and the energy sector. Wood prices climbed further in 2024, raising the operating profit from Forest to SEK 1 947 million. The value of Holmen's forest properties, based on transaction prices, rose by SEK 1.5 billion to SEK 58 billion.	Demand for logs remains high even with a weak construction sector. Despite production constraints at Nordic mills, competition for pulpwood is favourable due to a combination of closed Russian borders, pulp mill expansion and increased use of biofuels by heating plants. Our position in the wood market, with good control over raw materials and the entire value chain, ensures the long-term security of our raw material supplies and gives us good opportunities to continue developing our industries. At the same time, it is becoming increasingly clear that forests have an important role to play in the transition to a fossil-free world.
Renewable Energy	Energy remains expensive in Europe due to high fossil fuel prices. Nevertheless, electricity prices in northern Sweden were 30 per cent lower than the average for the past twenty years, partly due to unusually high water flows. The low electricity prices contributed to a decrease in operating profit to SEK 265 million. In 2024, Renewable Energy's average sales price was 30 per cent higher than the market price in northern Sweden, as it was possible to steer production towards times when it was needed most.	With renewable electricity in high demand, we continue to direct hydro power generation towards times of peak usage and offer services to stabilise the electricity grid. We are also focusing on the development of permits for new wind power, targeting projects with good wind conditions and a low cost of connection to the electricity grid.
Wood Products	The wood products market of 2024 was still marked by the weakness of the construction sector, while supply was limited due to global raw material shortages. Operating profit for Wood Products remained low in 2024, at SEK 2 million. Selling prices rose and revenue from wood chips and biofuel increased, but this was offset by rising costs for logs.	There is great interest in building with wood because of its positive climate footprint, but the construction market is weak, with low rates of newbuild projects. With well-invested sawmills and greater processing capacity, we nevertheless see good opportunities to develop the wood products business in pace with the increasing demand for sustainable building materials.
Board and Paper	Demand for consumer paperboard in Europe improved in 2024 but remained below normal, while demand for paper was on a par with the previous year. Paperboard prices were broadly stable, but paper prices fell back from their very high level in 2023. Despite rising raw material costs, Board and Paper delivered an operating profit of SEK 1 702 million thanks to production efficiencies, increased deliveries and higher revenue from ancilliary services.	The market for consumer paperboard improved in 2024 after the destocking of 2023, but consumption in Europe is still lower than it has been historically. The structural decline in demand for paper continues. Prices are currently driven mainly by the trend in production costs for producers on the continent who are dependent on recycled fibre and fossil energy. Given our strong market positions in selected niches, and our well-invested production facilities, we see good opportunities to create ample added value.

Key figures	2024	2023
Net sales, SEKm	**22 759**	22 795
Operating profit/loss, SEKm	**3 721**	4 755
Profit for the year, SEKm	**2 861**	3 697
Diluted earnings per share, SEK	**18.0**	23.0
Ordinary dividend per share, SEK	**9.0***	8.5
Extra dividend per share, SEK	**3.0***	3.0
Industry's return on capital employed, %	**16**	27
Cash flow before investments and changes in working capital, SEKm	**3 728**	5 311
Cash flow from investments, SEKm**	**2 066**	1 653
Equity, SEKm	**57 370**	56 923
Net financial debt, SEKm	**3 397**	1 869
Net debt as % of equity	**6**	3
Average no. of employees (FTE)	**3 498**	3 546

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

Holmen's financial position remains strong, even after dividends, share buy-backs and investments. The Group's net financial debt at year end amounted to SEK 3 397 million, corresponding to 6 per cent of equity. With a strong financial position, we are well equipped for the transition to a fossil-free world.

SUSTAINABLE FORESTRY

The forest is a stable source of revenue for Holmen and the strategy is to increase the revenue from and future value of the forest holdings through active and sustainable forestry with high growth. Forests also provide significant climate benefits by sequestering carbon dioxide and supplying industry with renewable raw materials.

Holmen's nurseries produce 45 million seedlings each year

Holmen focuses on achieving high and profitable growth, while also ensuring that all naturally occurring species can thrive in the forest landscape. Holmen's land holdings cover 1.3 million hectares, of which a little over a million is productive forest land. As one of Sweden's biggest forest owners, we have a strong position in the wood market and are largely able to supply our Swedish production units with renewable raw material from our own sources, which boosts our competitiveness while also promoting the development of our industrial facilities.

We grow houses

In our forests, we grow houses. By this we mean that we manage the forest in a way that generates as much timber as possible. As the trees grow, they absorb carbon dioxide, which remains stored in the wood products that are used to build homes. Using the renewable forest raw material in place of fossil alternatives doubles the climate benefit. In addition, the larger the area managed, the more carbon dioxide is captured. Forest that is not actively managed delivers nowhere near the same long-term climate gains, since the carbon released from old trees and plants as they die and rot down to a large extent cancels out the absorption capacity of the younger trees. It also removes the option for wood raw material to replace products with a greater climate impact.

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

The forest ecocycle

The forest is ready for harvesting when growth tails of, along with the tree's capacity to absorb and store carbon dioxide. After harvesting, all the land is reforested, with at least two seedlings planted for every tree harvested. The most important silviculture measures come in the years immediately after harvest, when the soil is prepared and the land is reforested using seedlings and seeds that are specifically tailored to the location. The forest is cleaned and thinned in order to select trees with the best potential for continuing their growth. 10–30 years before the forest is harvested, it can be fertilised to further boost growth.

45 million seedlings. Holmen's two nurseries – one in Gideå and one in Friggesund – produce 45 million spruce and pine seedlings each year, the majority of which are planted on our own land. Selected seeds and organic fertiliser produce healthy and vigorous seedlings that are given a special coating of wax or sand to protect against insect attack. Holmen is also involved in the development of improved seedlings that will grow better, produce higher quality timber and be more disease resistant.

Long-term planning. With a production cycle of almost a century in the forest, long-termism is more than just a buzzword for us. Planning is the foundation of active forestry, and every 10 years we conduct an inventory of our entire forest holdings in order to calculate sustainable harvesting levels and ensure a growing volume of standing timber over time. The assets of our forests are also detailed in local ecological landscape plans, which describe how the forests are to be managed over the long term in order to preserve existing natural assets and to create new ones. Holmen invests a little over SEK 200 million a year in future growth through silviculture and fertilisation. Holmen's forestry is certified and all the wood is traceable.

Research and development

Given the major contribution that the forest makes to both the climate and the Swedish economy, management of the forest is of great national, regional and local significance. It is in our interest and equally in the interest of society for us to manage our forests actively and sustainably and for us to make wise use of the raw material. Holmen and other industry peers have therefore joined forces to make politicians, authorities and the general public more aware of how vital the forest is for the climate, and the importance of forestry for a growing bioeconomy.

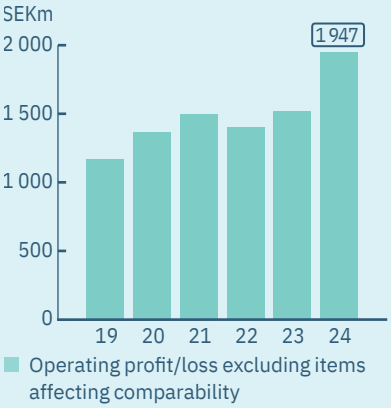
Although we have built up extensive knowledge of how to manage our forests, we are convinced that the way to advance and refine our methods is through research and collaboration. Therefore there are a hundred or so research projects conducted on our land, both independently and in partnership with research organisations, universities and other stakeholders.

Holmen's Knowledge Forests. To raise awareness of our forestry and forest research, we have established four Knowledge Forests. The forests are selected for their specific biological conditions and are used to explore, gather and pass on knowledge. This is also our way of showing how sustainable forestry can promote growth while at the same time increasing biodiversity in the forest.

Key figures

	2024	2023
Net sales, SEKm	**9 318**	7 996
Of which from own forest, SEKm	**1 990**	1 768
Operating profit/loss, SEKm	**1 947**	1 523
Investments, SEKm	**229**	222
Book value, forest assets, SEKm	**57 843**	56 348
Average no. of employees (FTE)	**477**	459
Deliveries, own forest, '000 m³sub	**2 643**	2 702

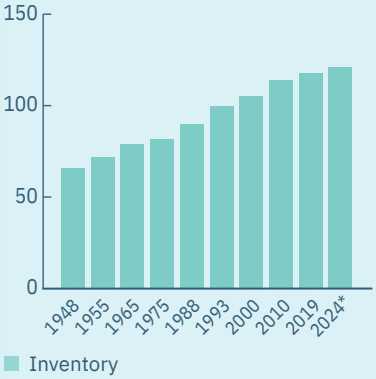
Operating profit



Comment on results

Competition was high in the wood market and the supply of forest raw material has been insufficient to meet the growing demand from the forest industry and the energy sector. Wood prices climbed further in 2024, raising the operating profit from Forest to SEK 1 947 million. The value of Holmen's forest properties is recognized based on transaction prices and rose by SEK 1.5 billion to SEK 58 billion.

Volume of standing timber, m³ growing stock, solid over bark per hectare of productive forest land



** Estimate*

Holmen's forests 2024

Total land acreage	1 303 000 ha
Total forest land acreage*	1 160 000 ha
– of which nature conservation areas	211 000 ha
Productive forest land**	1 045 000 ha

Total volume of standing timber on productive forest land ..... **127 million m³ growing stock, solid over bark**

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

***Forest land that can produce 1 m³ growing stock, solid over bark per hectare and year (on average during the growth period of the forest stand) according to Holmen's stand catalogue.*

HIGH DEMAND FOR FOREST RAW MATERIAL

The forest has a key role to play in the climate transition and demand for both logs and pulpwood is expected to increase. But while the forest is a renewable resource, the supply of this raw material is limited across much of the world, and the global supply of timber is becoming increasingly strained.

In recent years, the forest raw material supply has been unable to keep up with the growing demand from the forest industry and the energy sector. Fierce competition for the raw material has pushed up Swedish wood prices by 50 per cent since 2021.

There are several factors behind the global timber shortage. Canada has been hit by major bark beetle infestations, which has severely cut the annual harvest. The province of British Columbia has seen harvests halve in the past ten years, from over 70 million m^3 in 2014 to around 35 million m^3 in 2023. Canada has also been badly hit by forest fires. In Europe, spruce bark beetle infestations have forced large swathes of Central Europe to increase logging operations to deal with affected trees. In the long term, this is expected to lead to lower volumes. The war in Ukraine has also affected the supply of wood raw material on the European market, since EU sanctions have stopped wood imports from Russia.

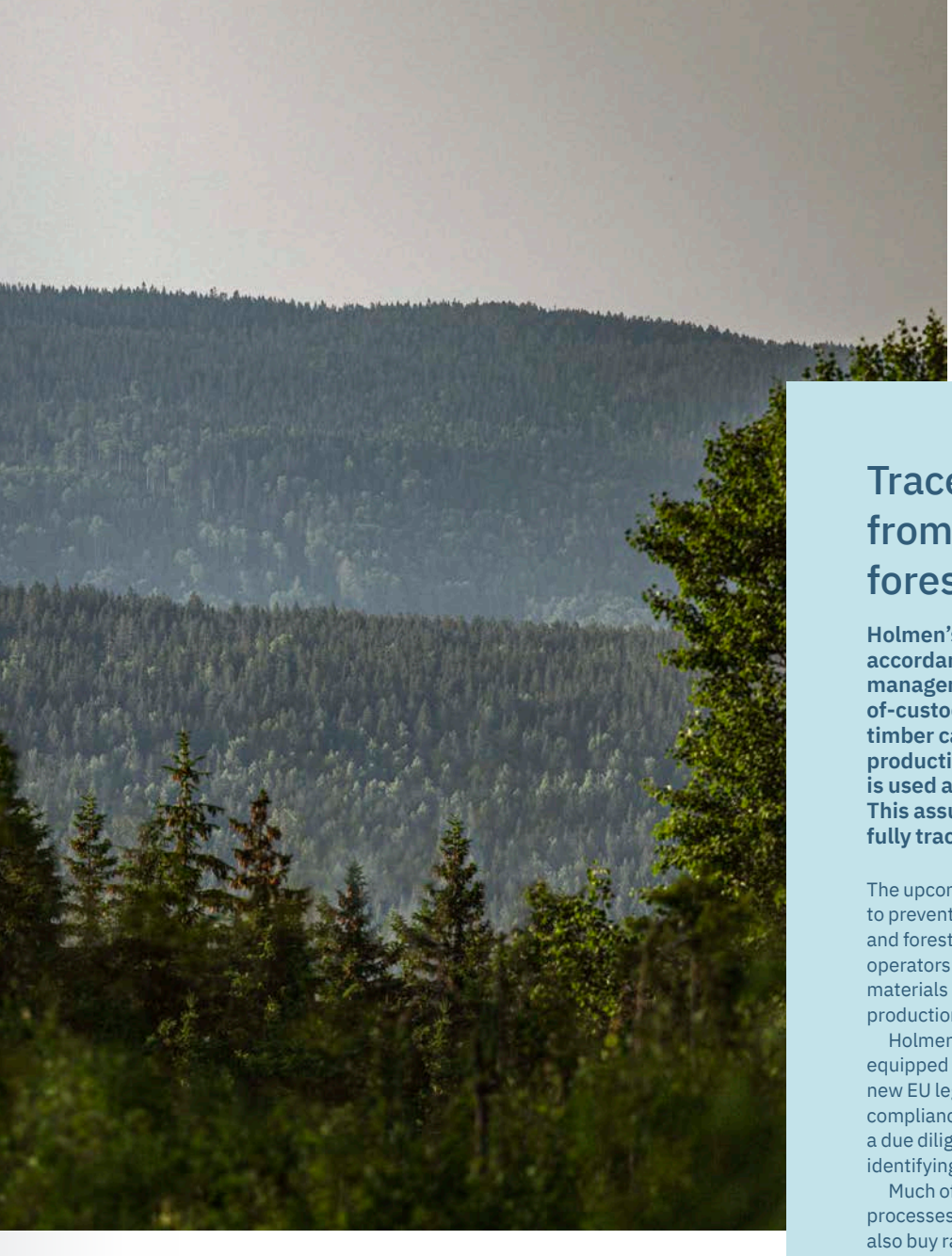
Sweden is a forestry nation

In Sweden, we have managed our forests for generations and forestry is deeply rooted in our culture. This is perhaps not surprising, given that only 3 per cent of Sweden's surface area is built up, while almost 70 per cent is forest. Despite our small size, Sweden is one of the world's largest producers of wood products and fibre products, much of which are exported. Sweden is the world's third largest exporter of softwood timber products and the sixth largest producer.

Over the years, we have developed long-term, rational management of our forests and we have a well-developed forest industry. Over the past 100 years, the amount of forest in Sweden has doubled, while harvests have increased. With many other major forestry nations suffering significant supply issues, the knock-on effect is to increase the global importance of products from Swedish forests.

Own forest gives control over raw material

Holmen's large forest holdings and close partnerships with 15 000 private forest owners creates considerable economies of scale, giving us a strong position in the wood market. Alongside extensive timber trading, we provide our industrial sites with raw material that is distributed via efficient logistics solutions. With growing capacity to produce wood products near our forest holdings, we can also process an ever-increasing proportion of our forest at our own industrial sites. Our substantial forest holdings ensure the long-term security of our raw material supplies and provide a solid foundation for the continued development of our industries.



Traceable raw material from sustainably managed forests

Holmen's forestry operations are certified in accordance with the ISO 14001 environmental management system and our forestry has chain-of-custody certification, which means that all timber can be traced back to its origin. Holmen's production facilities at which wood raw material is used also have chain-of-custody certification. This assures customers that our products are fully traceable to sustainably managed forests.

The upcoming EU Deforestation Regulation (EUDR) aims to prevent trade in goods that contribute to deforestation and forest degradation worldwide. Under the EUDR, all operators must be able to confirm the origin of raw materials and that no deforestation has occurred during production.

Holmen's processes and traceability systems are well equipped to meet the three core requirements of the new EU legislation: deforestation-free production, compliance with national legislation and the issuance of a due diligence statement, i.e. our processes for identifying and managing risks in our value chain.

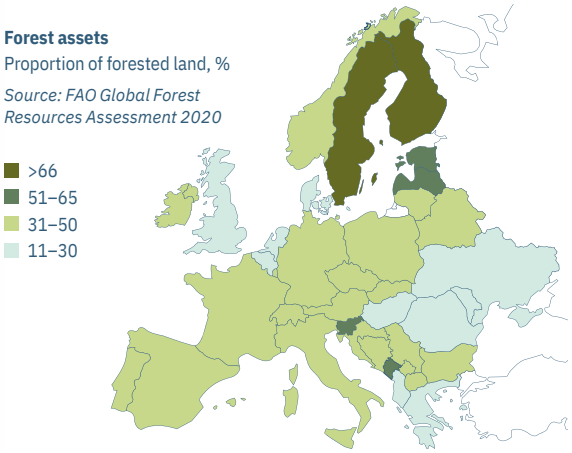
Much of the forest raw material that Holmen processes comes from our own forest holdings, but we also buy raw material from private forest owners. In fact, the amount of forest we process at our own facilities is twice the amount harvested from our forests. Holmen has long-standing procedures for tracing all timber purchased in Sweden, and we do not buy timber from forests that:

- Are key habitats in Sweden according to the Swedish Forest Agency's definition and methodology.
- Are protected for nature conservation reasons.
- Are primary forests, that is to say layered natural forests of differing age with ample presence of old, large trees and ample dead wood in various stages of decomposition.
- Have been harvested illegally.
- Originate from genetically modified trees.
- Grow in areas in which human rights are actively impeded.
- Have high conservation value.

Taken all together, we thus have robust systems in place to ensure that our products fulfil the most stringent traceability requirements. This provides our customers with a dependable and transparent supply chain, from forest to end product.

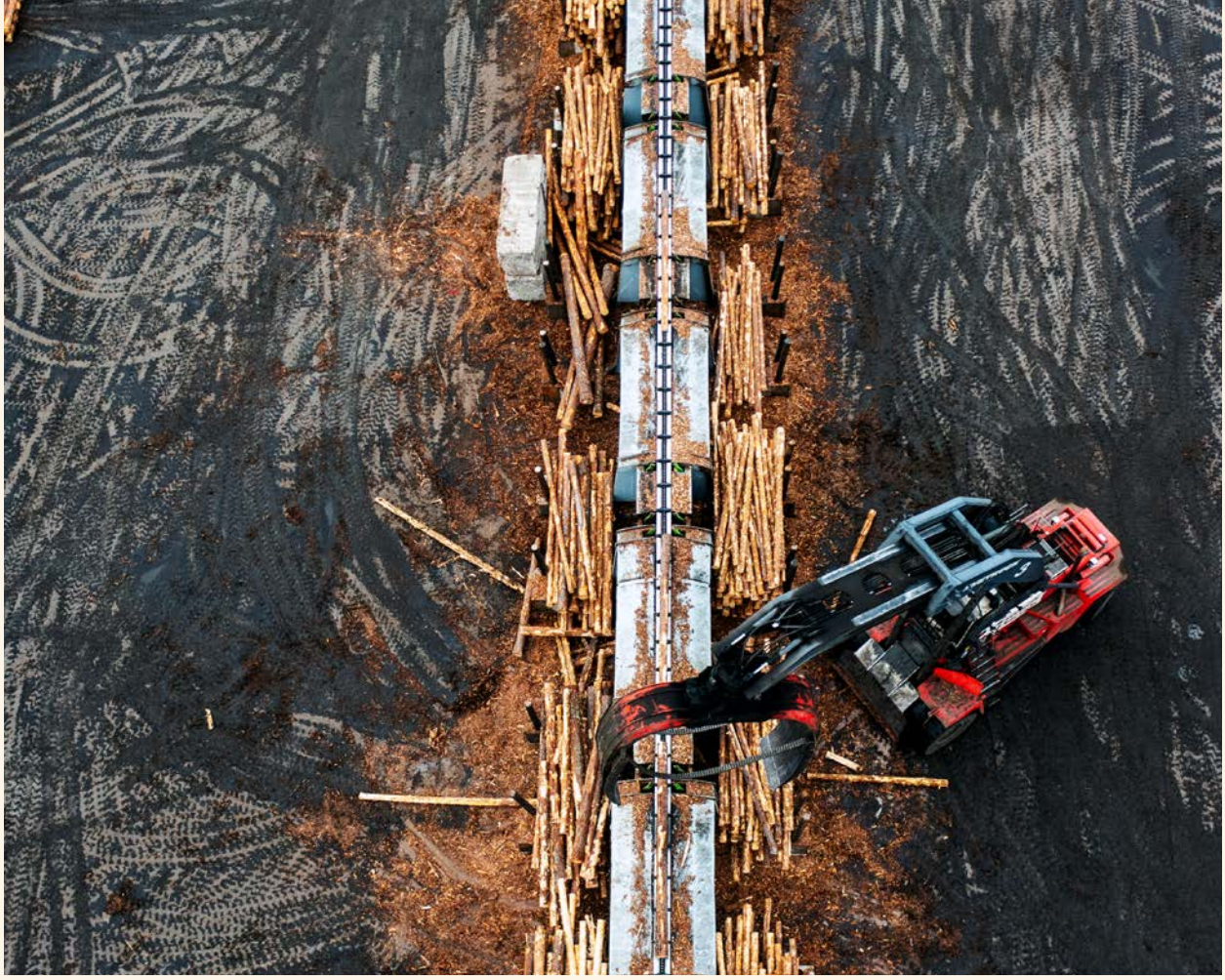
Forest assets
Proportion of forested land, %

Source: FAO Global Forest Resources Assessment 2020



50%

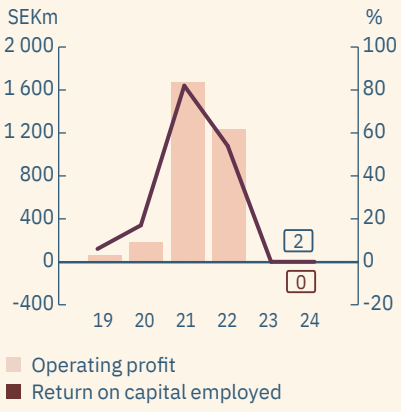
How much Swedish wood prices have risen since 2021



Key figures

	2024	2023
Net sales, SEKm	**3 896**	4 075
Operating profit/loss, SEKm	**2**	6
Investments, SEKm	**364**	391
Capital employed, SEKm	**2 375**	2 139
Average no. of employees (FTE)	**770**	773
Deliveries, '000 m³	**1 348**	1 498

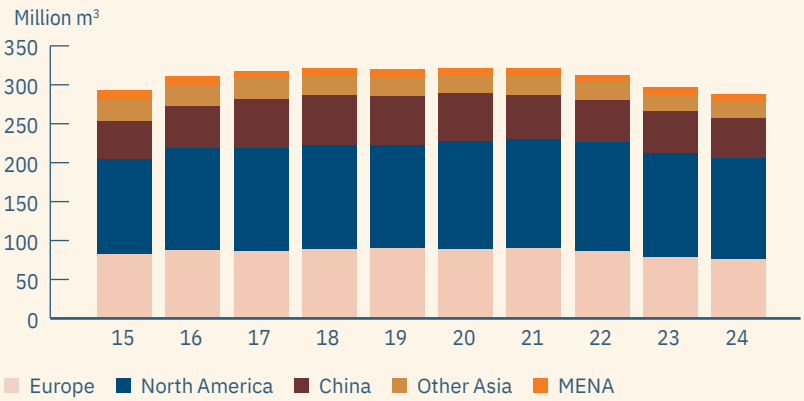
Operating profit/loss and return



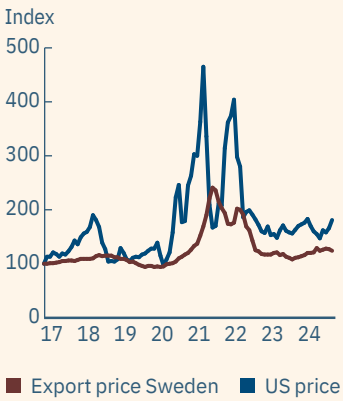
Comment on results

The wood products market of 2024 was still marked by the weakness of the construction sector, while supply was limited due to global raw material shortages. Operating profit for Wood Products remained low in 2024, at SEK 2 million. Selling prices rose and revenue from wood chips and biofuel increased, but was offset by rising costs for logs.

Consumption of wood products



Price development



BUILDING THE FUTURE IN WOOD

Wood is the only renewable construction material

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

Holmen's sawmills play a key role in our circular business. This is where the wood is split and the processing of the forest we have harvested begins. The raw material comes from responsibly managed forests, and the business is being developed by increasing the value added and making better use of the wood raw material in combination with large-scale production.

Our wood products become houses and other buildings. They are used for façades, roof trusses, floors, walls, doors and window frames, as well as for furniture and decking. Products as basic as planks and boards create great value, not least for the climate. As demand has increased, sales of residual products from the sawmills in the form of wood chips and biomass fuels have also become more important factors.

Sustainable building

Wood is a fantastic material. It is strong, versatile, lightweight and the only renewable building material that can be used in load-bearing structures. As a natural part of the ecocycle, they store carbon for their entire lifetime and when the time comes to demolish a wooden building, the material can be reused, recycled or used for energy production to heat other buildings. Building in wood is therefore significantly better for the climate than building in concrete and steel, since the manufacture of these materials requires large amounts of energy and generates considerable emissions of fossil carbon dioxide. In contrast to steel and concrete, the manufacture of wood products is highly energy-efficient, a key consideration in a world facing energy shortages. In addition, the whole chain from manufacture to transport is more energy-efficient and cost-effective, since wood weighs less. Wood products thus create benefit for the climate on multiple fronts.

Holmen offers everything from joinery timber and refined products for builders' merchants to advanced construction components. Through Martinsons, we are also able to offer the planning and construction of complete timber frames for everything from sports halls and schools to warehouses, apartment buildings and offices.

Added value in large-scale production

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

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

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

Investment in capacity and adding value. Iggesund Sawmill has carried out extensive development projects in recent years, with investments in a new drying plant, timber sorting and a new planing mill creating the scope to increase the sawmill's capacity by 20 per cent. This modernisation also means that lower grade pine for joinery can be replaced by construction timber in both spruce and pine. The final phase of the expansion is to install a new resaw that will provide a better saw yield, greater productivity and an improved product mix.

Climate change driving demand

With the building sector accounting for a third of carbon emissions in Europe, property developers, architects and construction companies have high ambitions to reduce the carbon footprint of buildings. As a building material, wood is benefitting from the ongoing green transition, in a trend that is expected to boost demand for wood products, particularly if concrete and steel start carrying their true cost to the climate. There is considerable potential for growth, not least for medium-sized buildings such as schools, warehouses and apartment blocks.

While building in wood is nothing new, there has been a surge of interest in large-scale wood construction in recent years. Demand for engineered wood products, especially CLT and glulam beams, is growing and with rising interest in wood construction, we see great opportunities to further develop the business as the market continues to recover.

Timber frames capture market share

With the climate challenge high on the agenda, timber frames continue to take market share from steel and concrete structures. In fact, the proportion of timber frames has almost doubled over a five-year period, according to statistics from the independent market research company Prognoscentret.

Sweden has seen the proportion of timber-framed buildings grow in most project categories in recent years. Between 2018 and 2023, the total market share of timber frames rose from 12 to 23 per cent. The success of timber frames can probably be attributed to a generally higher level of maturity in the market, where greater knowledge and acceptance at the client level has made wood construction solutions an increasingly common choice.

The steady increase has been relatively even across different segments of the construction sector, although some areas in particular stand out. The trend has been strongest for public-sector buildings in health, education and social care, areas in which as much as 40 per cent of all new buildings are built with a timber frame. One explanation for the high demand for wooden buildings from public-sector clients is likely to be the sharper focus on climate change and the flexibility of the material, which allows for future remodelling.

Larger industrial projects continue to use a high proportion of non-wood framing materials, but among smaller projects, which are more numerous, wood is clearly making inroads. Between 2022 and 2024, the proportion of industrial projects with timber frames increased from 23 to 34 per cent. More and more developers are also choosing to build office buildings with timber frames because of the positive effects of the material, including pleasant indoor environments, shorter production times and reduced transport due to the low weight of wood.

With so many benefits to building with wood, creating sustainable, attractive solutions that more and more people value ensures a bright future for wood construction.

23%
↑
12%

How much the total market share of timber frames rose between 2018 and 2023

Glulam extension for Arlanda

After check-in and security control in Terminal 5 at Stockholm Arlanda Airport, travellers arrive at the airport's new marketplace, with its shops, restaurants and cafés. Through Martinsons, Holmen supplied and assembled the glulam frame for the extension, which is a statement of Swedish design and engineering prowess.

The architecture and retail provision of the new marketplace in Terminal 5 have a Nordic flavour, while the airy spaces also offer views of the aircraft taking off and landing. The architect's vision for the extension of almost 3 000 square metres presented many technical challenges, not least due to the unique V-shaped columns and the slight curvature of the whole building.

The ambition to combine sustainability, aesthetics and functionality made the project an excellent fit for what Martinsons offers. As part of Holmen, Martinsons is able to provide value-adding expertise at all stages, from responsible forestry and production of glulam and CLT to project planning, project management and final assembly. In addition to the delivery and assembly of the glulam frame, which was manufactured at Bygdsiljum Sawmill, the commission also included the design of the structure and construction documents. The terminal extension was completed in 2023, with construction of the restaurants and cafés continuing in 2024. The new marketplace is expected to be fully finished by early 2025.

DRONES ENSURE SAFER WORK ENVIRONMENT

Conducting inventories of log piles can be both hazardous and difficult. Holmen's sawmills are therefore using drones as a way to improve the safety and accuracy of the measurements.

A height-measuring drone flies over the timber storage at sawmill and takes hundreds of images, which are then processed into a final image using specific software. The image is then marked with the log piles to be measured and the grades to which they belong. The software tool calculates the volume of the log piles and generates a report that forms the basis of a transparent inventory result.

The previous manual process was both high-risk and time-consuming. The technological advances that come with drone use have contributed to several efficiency gains. Instead of the nine hours that a traditional inventory of the timber storage takes, the drone images are taken in just over 15 minutes. The new inventory method brings numerous advantages, not least from a safety perspective. There is no need for people to be moving amongst conveyors, timber trucks and forklifts, and the method minimises downtime in production as the inventory can continue without interrupting log handling.

We believe in nature, we believe in technology, and we believe in the opportunities that exist at the intersection of the two. Bringing nature and technology together allows us to make progress that benefits people, the environment and society. In this case, we save time, obtain more accurate data and create a safer work environment for our employees.

WORLD-LEADING PAPERBOARD AND PAPER PRODUCTS

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

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

A common denominator for our paperboard and paper products is that they are much appreciated by conscious customers with high ambitions, thanks to their excellent product characteristics and low climate footprint. We exclusively use chain-of-custody certified forest raw material and have a total of four production facilities in Sweden and the UK.

Fresh fibre offers multiple benefits

The multi-layered structure, with different fibre types in different layers, dictates the high performance of our paperboard, while the fresh fibre offers several product advantages. Higher strength and a neutral effect on smell and taste in contact with food are just a few of the properties that add clear value to our paperboard. Our paper products have high bulk, making them thick yet light, which means that the customer gets more paper with the same feel at no extra cost. A lighter paper also enables lower distribution costs. In contrast to recycled fibre-based alternatives, fresh fibre produces a naturally high brightness that elevates the way text and images are experienced.

As Holmen's fibre products are made from a renewable, recyclable and biodegradable material, they also promote the circular economy and the phasing out of fossil-based materials.

Our products and customers

Holmen's paperboard and paper products can be divided into two main segments – packaging and graphical applications. Our customers are primarily converters, wholesalers, brand owners, publishers and printers. We take a long-term approach to creating profitable product solutions that meet customer needs, and the growing interest in our climate-smart products reflects our strategy to help our customers achieve a more sustainable business.

Packaging. The packaging segment includes both consumer packaging and transport packaging. Holmen's paperboard products for consumer packaging are marketed under three brands: Invercote, Incada and Inverform. The quality, strength and design properties of the paperboard mean that we can create world-leading products for brand owners with high ambitions. With a renewable raw material, fossil-free electricity and resource-efficient production, we are also able to offer resource-efficient packaging paper for corrugated board solutions that allow customers to reduce their carbon footprint.

Graphical applications. The graphical segment includes everything from books and magazines to advertising and notebooks. The paperboard is used in areas such as book covers and gift cards, while Holmen's book paper is the leading product for paperback books in Europe. Publishers appreciate our papers because they offer bright and even surface properties that enhance the reading experience, while also helping customers to improve the efficiency of both production and logistics. Holmen's lightweight paper gives customers the opportunity to go up in format or print run without additional costs.

Circular production process

Holmen's production facilities hold chain-of-custody certification and all the wood raw material comes from sustainably managed forests. Two of our production facilities, the paperboard mill in Iggesund and the paper mill in Braviken, are integrated with neighbouring sawmills, which means that all parts of the tree are processed directly on site in a circular production process. Wood chips from the sawmills are used as a raw material in pulp production, while bark and wood shavings are used for biofuel. The circle is closed when the excess heat from the mills is utilised in the drying processes of the sawmills, making them energy efficient units. The strategic logistical locations of our three Swedish mills ensure short transport distances for the wood, plus they are all close to ports with good capacity.

Holmen's two paperboard mills were awarded EcoVadis Platinum in 2024 for their successful sustainability work, and the two paper mills received the same high rating in 2023. This accolade puts the mills in the top one per cent of more than 150 000 companies worldwide that are assessed on environmental, ethical and social responsibility criteria.

Sustainability driving demand

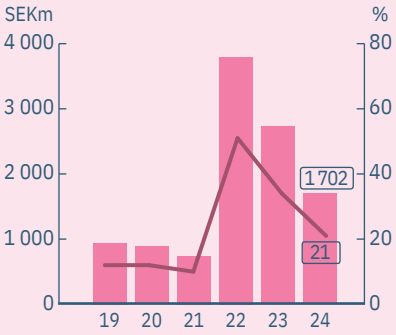
Reducing climate and environmental impact and avoiding plastic packaging are strong drivers for increasing the use of wood fibre-based products such as paperboard and paper. Demand for paperboard and paper is largely being driven by economic and demographic growth, but also by changing consumer behaviours and increased digitalisation. The packaging market is growing but with strong competition, while the graphical paper market has been experiencing an underlying structural decline over the course of several years. Demand for paper varies across the segments, with the book market remaining stable, while other graphical segments such as magazine paper have weakened.

With local wood raw material from our own forests and a sound energy situation, Holmen is in a strong position to further develop our offering.

Key figures

	2024	2023
Net sales, SEKm	**15 238**	14 965
Operating profit/loss, SEKm	**1 702**	2 730
Investments, SEKm	**949**	1 011
Capital employed, SEKm	**8 019**	7 625
Average no. of employees (FTE)	**2 083**	2 148
Deliveries, '000 tonnes	**1 424**	1 343

Operating profit/loss and return

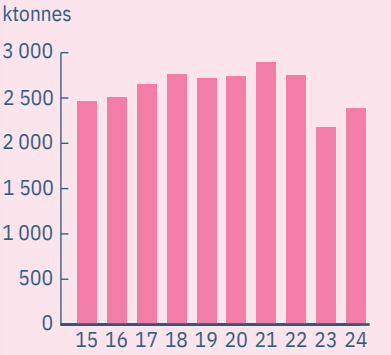


Operating profit/loss excluding items affecting comparability
Return on capital employed, excluding items affecting comparability

Comment on results

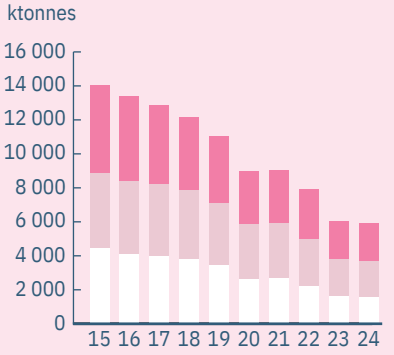
Demand for consumer paperboard in Europe improved in 2024 but remained below normal, while demand for paper was on a par with the previous year. Paperboard prices were broadly stable, but paper prices fell back from their very high level in 2023. Despite rising raw material costs, Board and Paper delivered an operating profit of SEK 1 702 million thanks to production efficiencies, increased deliveries and higher revenue from ancilliary services.

European demand for SBB and FBB



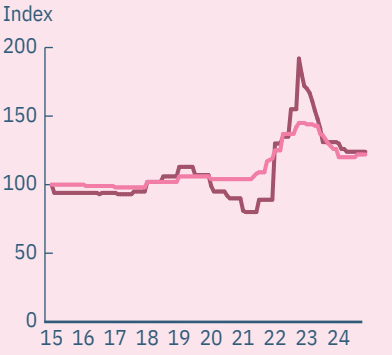
SBB and FBB

European demand for mechanical printing paper



Uncoated magazine and book
Coated magazine
Newsprint

Price development



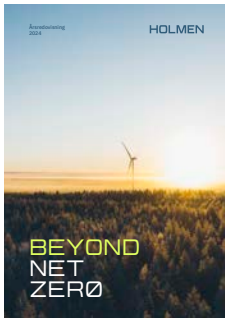
FBB
Uncoated magazine

INVERCOTE TOUCH – PAPERBOARD WITH A MATT, RAW, UNCOATED SURFACE

Modern packaging can be subject to much greater demands than simply being 'packaging'. It is also expected to convey a feeling that builds the product's brand. We developed Invercote Touch for those customers who wanted to enhance their offering with a more natural, uncoated paperboard product with no glossy finish.

Invercote Touch is designed for premium packaging and high-end graphic design that delivers a tactile sense of the raw material. The paperboard is made without any coatings in order to increase the natural feel. And like all products produced by Holmen, it is based entirely on fresh fibre from sustainably managed forests. In common with our other paperboard products, Invercote Touch is built up in several layers, using specific fibre compositions for each layer to optimise performance. The fibre is selected by shape and length, and treated in different ways to tailor the paperboard structure to the intended use. The outer layers of Invercote Touch are predominantly hardwood fibre to provide a smooth surface with good printability, while the middle layer is softwood fibre for strength and flexibility. The combination makes the paperboard ideal for printing while having excellent converting properties.

Invercote Touch is suitable for a range of end uses, such as packaging premium products like cosmetics, perfume, chocolate, pharmaceuticals and electronics.



The cover of Holmen's 2024 Annual Report is printed on the new Invercote Touch paperboard product.

It has good brightness and is a hygienic product with no taste or odour. All the materials used in the manufacture of our Invercote products are approved for food contact, making the paperboard suitable for packaging food and other sensitive goods. The paperboard is also perfectly suited to high-end brochures and graphics, such as the cover of an annual report, for example.

Creating value from residual products

Holmen grows houses, but not all forest can become wood products for sustainable building. Planks and boards have corners, while trees are round, and the trees that are thinned out to allow others to grow large are often too small or of too poor quality to become construction material.

Producing paperboard and paper requires large amounts of raw material. Forest raw material comes from sustainably managed forests and for every tree we harvest, we plant at least two new ones. The wood fibre we use is left over from the production of construction materials and other wood products. Or from residual products in forestry.

Efficient production

But we need more than just fresh fibre – we also use a lot of energy and water in our production. The water is reused several times over, and before being returned to the sea, it goes through a multi-stage purification process. The paper production makes intensive use of electricity and most of the fossil-free electricity used is purchased externally, while our paperboard mills are largely self-sufficient in renewable heat and electricity.

Holmen's efficient use of resources, access to green electricity and smart energy recovery systems also ensure low carbon emissions from our production. Using paper and paperboard from Holmen will most likely enable our customers to reduce the carbon footprint of their purchased material.

Recycled paper grows in the forest

Many people who draw a distinction between paper and recycled paper forget that both actually come from the same fibre. When wood fibre is used for the first time, it is called fresh fibre, but when the paper or board is recycled, it is called recycled fibre. Holmen has a circular business and works to ensure that our products can be reused and recycled as much as possible. Making products from recycled fibre requires a lot of energy, and a wood fibre can only be used so many times. Each time the fibre is recycled, it gets shorter and weaker, and eventually it becomes exhausted. The recycled paper system therefore needs a constant supply of fresh fibre in order to continue functioning.

PM52

is the paper machine with the lowest climate footprint in the market

New packaging product and higher capacity for book paper

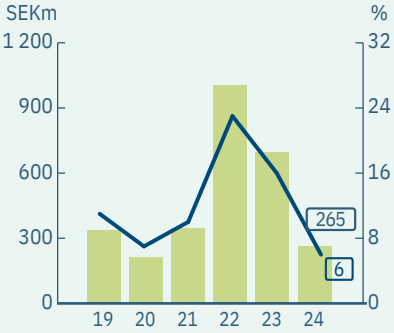
In 2024, we rebuilt the PM52 paper machine at Braviken Paper Mill to be able to produce a stronger packaging paper and to smoothly switch between graphical paper and packaging paper. The rebuild also expands our book paper capacity and 2025 will see us launch a new product concept with a fresh fibre-based kraftliner and fluting for transport packaging.

Our kraftliner combines low grammage with a low carbon footprint and great printability, as well as being approved for food contact. In choosing our kraftliner, customers get a lighter product with the lowest climate footprint on the market.

Key figures

	2024	2023
Net sales, SEKm	**642**	1 070
Operating profit/loss, SEKm	**265**	697
Investments, SEKm	**559**	59
Capital employed, SEKm	**4 588**	4 283
Average no. of employees (FTE)	**34**	29
Deliveries of hydro and wind power, GWh	**1 728**	1 658

Operating profit/loss and return



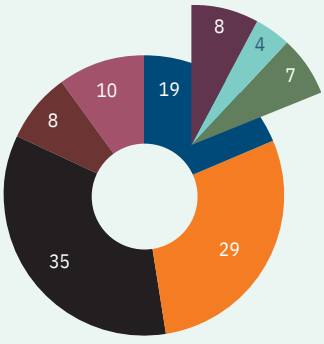
Operating profit/loss excluding items affecting comparability

Return on capital employed, excluding items affecting comparability

Comment on results

Energy remains expensive in Europe due to high fossil fuel prices. Nevertheless, electricity prices in northern Sweden were 30 per cent lower than the average for the past twenty years, partly due to unusually high water flows. The low electricity prices contributed to a decrease in operating profit to SEK 265 million. In 2024, Renewable Energy's average sales price was 30 per cent higher than the market price in northern Sweden, as it was possible to steer production towards times when it was needed most.

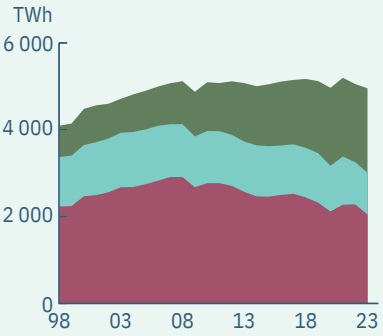
European energy consumption, %



Electricity
Fossil gas
Oil
Coal
Other
Fossil fuels
Nuclear power
Renewables

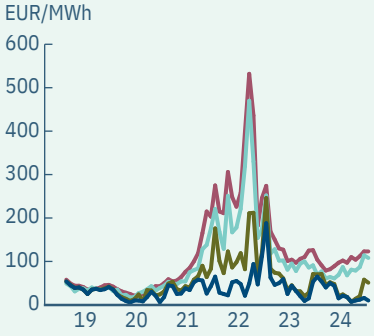
Source: Our World in Data

European electricity consumption



Fossil fuels
Nuclear power
Renewables

Price development



SE2 (Sundsvall)
SE3 (Stockholm)
Germany
Gas power

GREEN ENERGY FROM OUR LAND

Holmen's production of renewable hydro and wind power contributes towards a sustainable electricity supply in Sweden and enables a growing green industry that is dependent on more fossil-free electricity. The business will grow through the construction of wind power on Holmen's own land.

Holmen has 21 wholly or partly owned hydro power stations and two of its own wind farms

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

Strength in own energy assets

Holmen supplied 1.7 TWh renewable electricity from hydro and wind power in 2024. Together with the renewable electrical energy that is produced at the Group's mills, our production of hydro and wind power equates to around 60 per cent of Holmen's overall energy use.

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

Another benefit of hydro power is service life. A hydro power station can deliver electricity for a very long time. The investment required is relatively small, and the operating and maintenance costs are low since the plants are almost entirely automated. The climate impact of the operation is also marginal, with minimal emissions. Overall, hydro power brings major benefits to society as part of the move towards a fossil-free electricity system.

Wind power creates opportunities

Wind power is currently one of the fastest growing energy sources in the EU and the third largest method of generating electricity in Sweden. Recent years have seen enormous technical advances in wind power. Higher towers with longer rotor blades and larger generators have dramatically reduced the cost of wind power per kilowatt hour produced, making it now the cheapest way of producing new renewable electricity in Sweden. Wind power also works well with our forestry, as it requires relatively little space and the roads that are laid for the wind farms can be used to improve access for the general public, forestry activities and transport in the local area.

Investing in increased production. Blåbergsliden Wind Farm outside Skellefteå opened in 2022, and in the same year Holmen acquired the remaining shares in Varsvik Wind Farm in Uppland. These investments boosted our renewable electricity production and marked a significant step in the development of Holmen's renewable energy business.

As a major landowner, Holmen has excellent opportunities to build wind power at a competitive cost, and we have several projects in different phases of development. In addition to Varsvik and Blåbergsliden, Blisterliden Wind Farm is under construction in Västerbotten and is planned to be operational by 2026. Blisterliden comprises 14 wind turbines with a total height of 250 metres. This investment will increase Holmen's annual production of renewable energy from water and wind by around 20 per cent.

Energy market in a state of flux

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

The energy market in Europe is undergoing major restructuring, and to meet climate targets, the continent will need to largely transition away from fossil-based energy use. With increasing electrification of both industry and transport, it is clear that electricity consumption is set to rise, creating additional demand for more renewable electricity.

Building wind power on our own land has many advantages

Major landowner
Surveying and analysing our extensive land holdings enables us to identify areas with favourable wind conditions and choose the locations that make the most economic sense over time, taking account of the area's unique circumstances.

Good local knowledge
As a landowner, we are fully familiar with the areas we investigate. It is important for us to have good relations with both local residents and the businesses that may be affected by our activities.

Cheaper building
Developing and operating wind farms in-house instead of using intermediaries allows us to do so more cost-effectively. As we are also a major electricity consumer, access to cheap and fossil-free electricity is important for our industrial production.

Long-term responsibility
As a forest owner, everything we do has a long-term perspective, and that goes for our wind power too. We take responsibility along the whole journey, from planning to future operation.

GREEN ELECTRICITY ESSENTIAL FOR EUROPE'S TRANSITION

Over the past 50 years, the world's energy consumption has tripled, and this increased demand has almost exclusively been met using fossil fuels. Global population growth and increased prosperity have come at a high price. To reduce greenhouse gas emissions, fossil fuels need to stay underground, rather than being extracted.

Since energy use accounts for almost three quarters of global greenhouse gas emissions, energy production is closely tied to climate change. How we manage the energy transition will also affect the world's ability to tackle climate change. To wean ourselves off fossil energy, much of the current fossil-based energy production will need to undergo a green transition, while at the same time securing a stable and cost-effective energy supply. On top of this, transport and industrial processes will need to be electrified and made more energy-efficient, as will the construction and heating of buildings. Achieving this transition will require major investment and a long-term strategy for the energy system of the future.

Sweden at the forefront

Roughly half of electricity production in Europe is fossil-free, but electricity only accounts for a fifth of total energy consumption and almost all other energy use is fossil-based. Europe is being ambitious in driving the climate transition and is beginning to pave the way for new green industry. Although this trend has slowed due to subdued demand and a weaker economy, electricity use is expected to increase dramatically due to the electrification of everything from transport to industry.

Thanks to its early and widespread adoption of hydro power, coupled with nuclear and wind power, Sweden's electricity production is practically fossil free, with the lowest carbon intensity in Europe. With a fossil-free energy system and opportunities to increase renewable electricity production, Sweden is also well placed to lead the development of a new generation of fossil-free industrial processes.

Holmen's role in the Swedish electricity system

Much of the energy transition has already been achieved within Holmen and we have drastically reduced our fossil emissions. In combining forestry and electricity production on our land, we are also taking responsibility for our electricity consumption, while playing our part in the energy transition that society so badly needs.

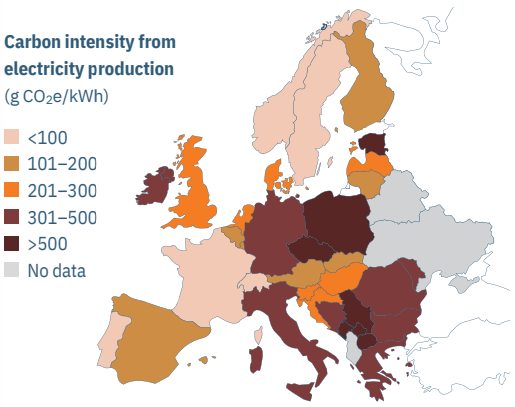
There is a major shortfall in green electricity in Europe, and as Swedish industries transition and vehicle fleets are electrified, a serious increase in the supply of fossil-free electricity will also be needed in Sweden. Holmen's hydro power is a valuable resource that generates renewable electricity at a low cost, and can be channelled to periods of peak energy demand. As a major landowner, Holmen also has unique opportunities to find favourable locations for establishing wind power capacity on our land.

Large-scale investment in different power sources and expanded capacity in the electricity grid are needed to meet the growing demand for fossil-free energy. Investments are also being made in increased flexibility and power output. Holmen has a significant role to play in the development of the Swedish energy system, not least through establishing wind power on our own land, and we have several projects in various phases of development. Our hydro power is also becoming increasingly important in a more weather-dependent electricity system that needs to be supplemented with controllable sources and flexibility in electricity consumption. Holmen already has a central role in this, through our hydro power, but also – as one of Sweden's largest consumers of electricity – by adapting our consumption to support the electricity system.

Our hydro power stabilises the electricity grid

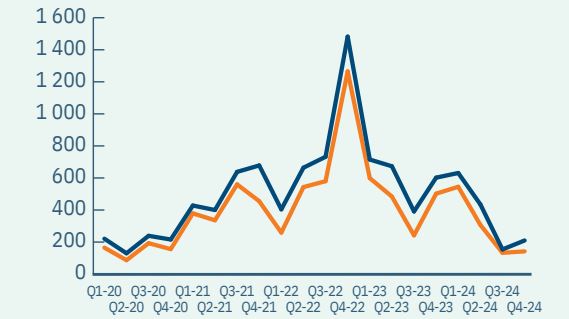
Large-scale hydro power acts as an ancillary service by stabilising the frequency in the grid. In contrast to sun and wind, water can be stored in lakes and reservoirs and when demand builds up in the system, the water can be released through the turbines, creating motion and thus energy that a generator converts into electricity. Conversely, water can be held in the reservoir when other sources are generating electricity.

There has always been a need for a stable electricity grid, but stabilising ancillary services have become more critical as the proportion of weather-dependent energy sources has increased. Thanks to hydro power, we therefore have electricity when we need it, while also supporting the stable and secure expansion of other renewable energy sources.



Carbon intensity concerns emissions of greenhouse gases from electricity production, adopting a lifecycle perspective that includes emissions from production and the fuels used, as well as the construction and demolition of the power stations. Source: electricitymaps.com

Selling price*, SEK/MWh



**Excluding hedging.*

WE GROW HOUSES, WE GROW CHANGE

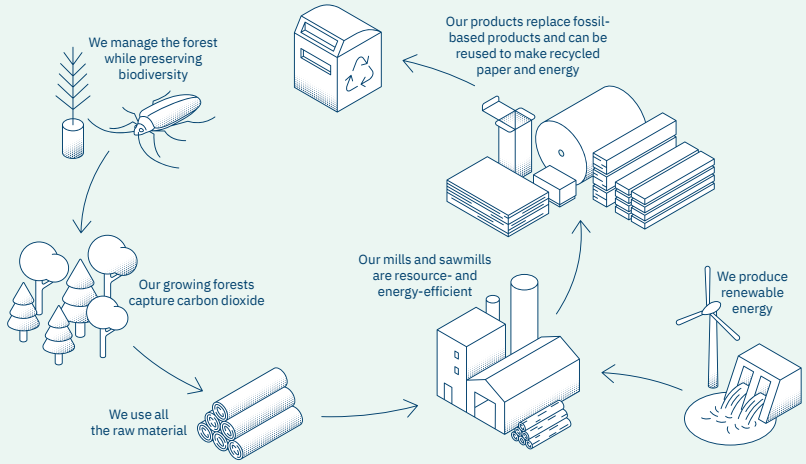
The transition to a fossil-free society demands more renewable material, which means that the earth's surface needs to be managed more efficiently and to a greater extent. But the transition also means we need to manage our resources more efficiently and use them more wisely. Holmen's business is based on the power of the forests, rivers and winds, with a firm focus on how we can use technology and engineering to create the products the world needs.

Holmen grows houses. This means that we manage the forest in a future-smart way for the benefit of the wood. And we use the residual parts of the tree to make world-leading paperboard and innovative paper products. We also produce energy from wind and water on our land. Our growing forests sequester carbon and our products replace fossil materials and energy sources. When we grow houses, we are also growing change.

As a Swedish forestry company, we are well placed to help with solutions to some of the world's major challenges for the future. Not least climate change. And we can do so with nature as our foundation. At the same time, there is no denying that our activities leave a mark on nature. We have a responsibility for the tracks we leave behind and for the biodiversity of our landscapes. Holmen's future depends on keeping the land and ecosystems viable. It is therefore equally in our interest and in the interest of society for us to manage the forest actively and sustainably, and for us to use the raw material in a wise and far-sighted way.

We let the forest grow and give

The trees growing, the water rushing down the rivers and the wind blowing over the treetops – this is the core of Holmen, a business built on the forest ecocycle and the renewable products we can create from it. Wooden housing, books, magazines and renewable consumer packaging are examples of end products from our forest. Through our active and sustainable forestry, we ensure that we have more forest producing the optimum raw material. We then maximise the use of the raw material from the forest. In fact, we do it so well that nothing is left over. The most valuable parts of the wood are used to make wood products for climate-smart construction. The narrower parts of the tree, wood from thinning and chips from the sawmills are turned into paperboard and paper in our mills. The bark and wood shavings are put to use in producing bioenergy. We generate renewable energy from the water and wind on our land. And so it goes on. We plant new seedlings and manage the growing forest responsibly, creating productive forests that generate more raw material for us to process.



Together we are circular

Our business model is circular. The forest ecocycle gives us our wood. The wood is refined and made into products which our customers can then refine further in their turn. As the lifecycle draws to a close, the products can be recovered and come back to life in a new form, or be put to use as bioenergy. Over the years, we have improved our capacity to create value in every part of our operations. No part of the trees we harvest goes to waste. When deciding what to make out of the different parts of the tree, greatest value added is the key criterion and the resulting residual products are used in other processes. We see this as good business practice and responsible resource management.

The use of renewable raw materials is a prerequisite for a circular economy. But if the circular society is to become a reality and fossil raw materials phased out, we will need more renewable products, and even better ones. This is why we are working with our customers and suppliers to develop products and processes that can increase our contribution to the green transition.

The power of customer choice

We do the most good for the climate jointly with our customers when they choose our renewable products and energy sources, instead of fossil-based alternatives. We give quality-conscious customers across the world access to products from the Swedish forests. Our customers, partners and, not least, the users of our products are all part of a circular business and their choice of renewable products from the forest, from wind and from water makes a positive difference. The best thing we can do for the climate is to help more customers to replace fossil sources with renewables.

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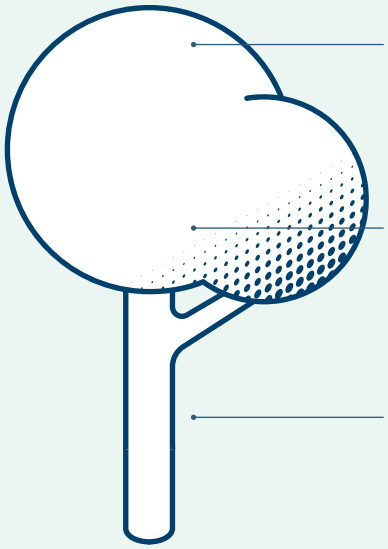
For more information on Holmen's contribution to a circular economy, **see page 109**.

WE MAKE USE OF THE WHOLE TREE

We manage the forest to produce as much wood as possible and we saw as many planks and boards as we possibly can from the trees we harvest. But not everything can be turned into construction materials. This is because tree trunks are round and planks have corners, and because trees also have branches, tops, knots and bark.

Holmen's two nurseries produce almost 45 million seedlings each year, the majority of which are planted on the Group's land. After nearly a century, as the tree's growth slows and its capacity to absorb and store carbon dioxide falls, the forest is mature enough to be harvested. Environmental and chain-of-custody certification enables us to ensure that the raw material for our products always comes from sustainably managed forests.

Half of the harvest consists of large logs that are used to produce construction material used for houses and interiors, for example. The narrower part of the tree and wood from thinning represent just under half of the harvest and are used with residual products from the sawmills in the form of wood chips to manufacture paperboard and paper. The remainder comprises branches, tops and bark, which are used to produce bioenergy.



The harvest

5%

Branches, tops, bark and wood shavings become renewable bioenergy which can be used to produce electricity, heating and biofuels.

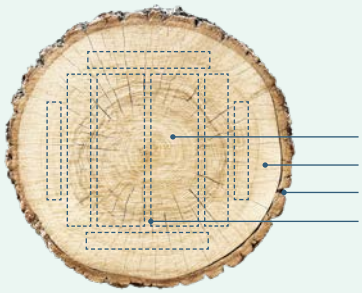
45%

The narrower parts of the tree and wood from thinning are ground or digested down into pulp, which is used to produce paper and paperboard.

50%

The large logs that make up half of the harvest go to sawmills, where they become building materials in the form of construction timber and joinery products.

About half of these logs in turn become wood products, while residual products such as wood chips and wood shavings are used to produce pulp and bioenergy.



The tree trunk

Wood – Planks and boards
Wood chips – Pulp for paper
Bark – Bioenergy
Wood shavings – Bioenergy

Materiality assessment shows our impact on the world around us

Sustainability is about balancing several perspectives – economic, environmental and social – and succeeding in doing so over time. For Holmen, successful business and a sustainable future go hand in hand. We contribute towards the transition to a sustainable and circular society and focus our work on the areas where our operations have the greatest opportunity to make a difference.

In 2024, we updated our materiality assessment. In analysing our own operations and mapping the impact of our value chain, we have identified five areas where our impact is deemed to be of material significance.

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For more information on Holmen's materiality assessment, **see page 98**.

1 **Our climate benefit increases as the business grows**

2 **Our forestry fosters biodiversity**

3 **We develop the business within the framework of environmental permits and certifications**

4 **Our employees develop and thrive**

5 **We build long-term relationships based on responsible business conduct**

In the following sections, we explain how we are working to reduce our footprint and increase our positive contribution to the transition to a sustainable future.

HOW WE CONTRIBUTE TO THE CLIMATE

»Our climate benefit increases as the business grows«

The forest delivers the most benefit when it is put to use. With this at the heart of Holmen's business, our goal is to increase our contribution to the climate transition throughout our value chain, mainly by increasing the positive impact that our business has, but also by reducing our negative footprint.

In 2024, Holmen created a climate benefit of 8.3 million tonnes CO_2e, which can be viewed in relation to Sweden's total emissions of 45 million tonnes in 2023.

Over the years, Holmen has developed long-term and rational management of its forest holdings, which has contributed towards a growing volume of standing timber and increased harvests. A growing volume of standing timber captures and stores carbon dioxide and after harvest, the forest raw material continues to create lasting benefit by storing carbon dioxide in products with a long lifetime and replacing fossil-based products with a larger carbon footprint.

Growing forests capture carbon dioxide

Young trees have the greatest capacity to bind carbon dioxide. When the trees become old, growth slows, and when they finally die and decay, the stored carbon dioxide returns to the atmosphere. Active forestry, in which the trees are harvested when growth declines and the land is then reforested, sees us increasing forest growth and uptake capacity over time. In 2024, it is calculated that the increase in the volume of standing timber in Holmen's forests has absorbed 2.1 million tonnes of carbon dioxide, net after harvest.

Once harvested, the raw material from the forests continues to bind carbon dioxide even in its processed form. In products with a long service life such as wood products, the carbon is stored for a long time once the products have been turned into buildings and homes, while short-lived products made of paperboard and paper store carbon over a shorter period of time. In 2024, sales of our products contributed to an increase in global carbon sequestration of 0.4 million tonnes.

Products with a low carbon footprint

Holmen's strategy assumes that the world must make the transition to using energy and materials sustainably to limit global warming. With renewable raw material, fossil-free electricity and resource-efficient production, we are able to offer our customers products with a low carbon footprint, thus helping the world to avoid fossil emissions.

The building sector is responsible for more than a third of Europe's carbon emissions and making the manufacture of the dominant construction materials cement and steel sustainable is both expensive and difficult. Wood is a renewable alternative that, in contrast to cement and steel, is also energy-efficient to produce, not to mention storing carbon in the buildings.

In addition, reducing the climate and environmental impact is a strong driver for increasing the use of wood fibre-based products such as paperboard and paper. Replacing fossil-based materials such as plastics with bio-based alternatives reduces the carbon footprint while minimising the amount of plastic waste that can end up in nature. The energy market in Europe is undergoing a major restructuring, with huge demand for more fossil-free electricity as industries transition and vehicle fleets are electrified. With our own production of renewable energy from hydro, wind and biomass sources, Holmen takes responsibility for its own electricity consumption while also furthering Europe's green transition.

We have cut our emissions by over 90 per cent

We began planning for the transition away from using fossil energy in our industries back in the early 2000s, and in 2005 we set the target of reducing the use of fossil fuels in our production mills by 90 per cent by 2020. Focusing on fossil-free electricity and renewable energy from biofuels, as well as making energy efficiency improvements and investments in fossil-free technologies, has enabled us to reduce our fossil emissions by 91 per cent since 2005. This already puts Holmen's emissions at the low levels that the UN's Intergovernmental Panel on Climate Change (IPCC) has stated our industry should be at by 2045 in order to achieve the Paris Agreement's 1.5 degree target. The majority of our remaining emissions are generated from purchases of input products and transport to and from our industrial sites. We are therefore now focusing on cutting emissions in these areas. Holmen's emissions targets have also been certified by the UN-associated organisation the Science Based Targets initiative (SBTi).

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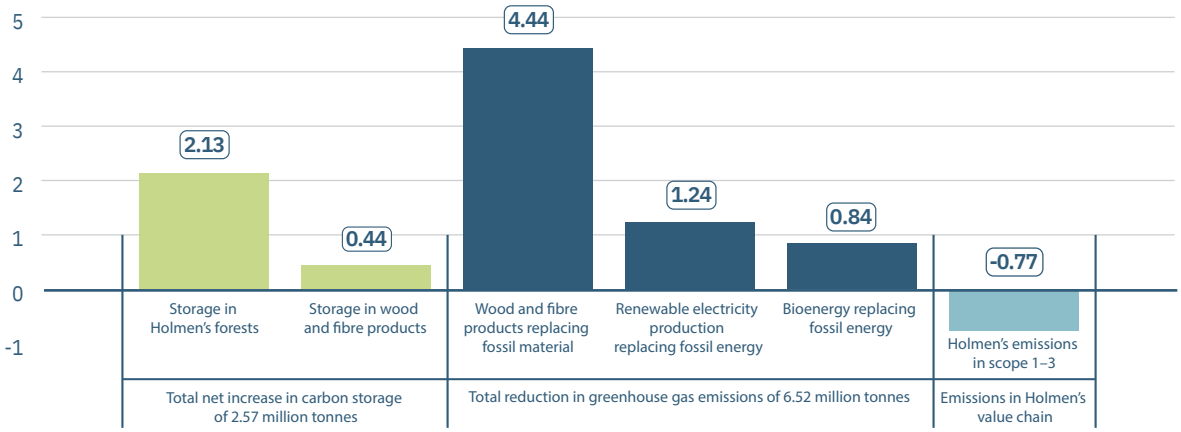
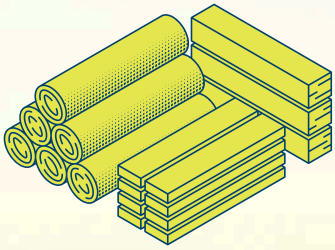
For more information on Holmen's work for a better climate, **see page 101**.

Active forestry creates climate benefits on multiple levels, million tonnes CO_2e

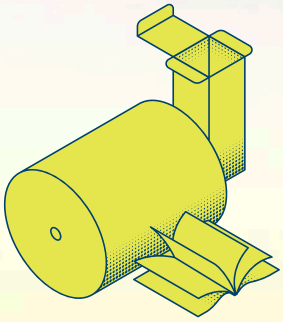


Holmen's overall climate benefit in 2024 is calculated in line with Skogforsk report number 1187–2024. This is to align reporting with the upcoming ISO standard ISO 13391, which is a framework for value chain calculations for wood and wood-based products.

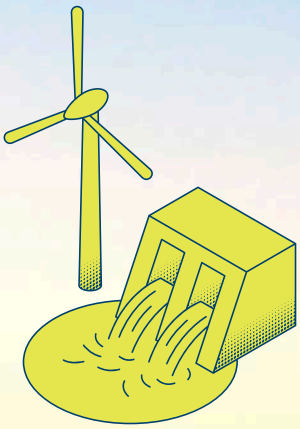
Products that reduce global emissions



0.4 million tonnes of CO_2 stored in our wood and fibre products

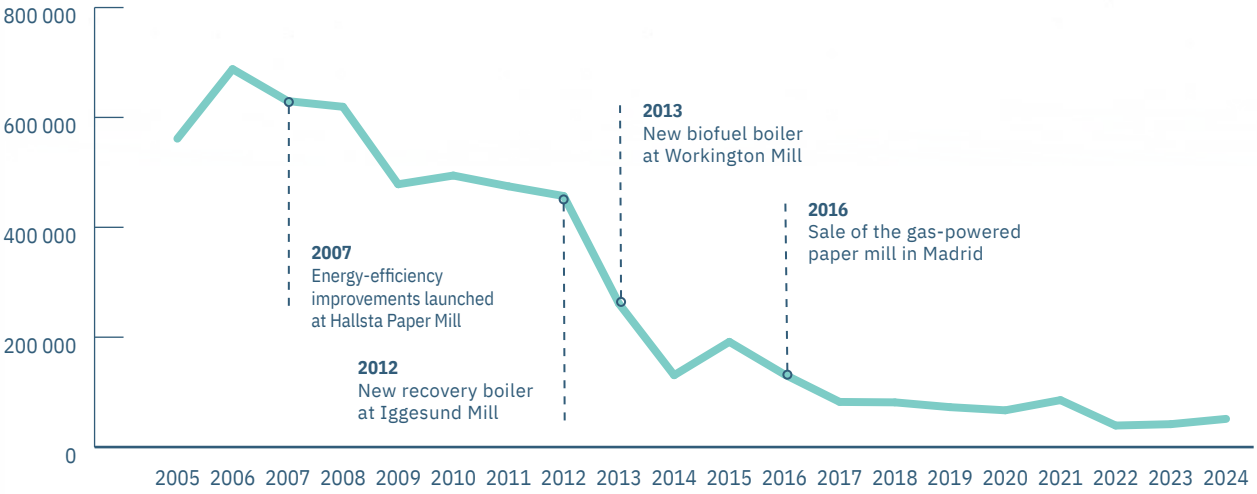


4.4 million tonnes of CO_2e avoided thanks to our wood and fibre products



2.1 million tonnes of CO_2e emissions avoided through our renewable energy production

Greenhouse gas emissions from our production 2005–2024, tonnes CO_2e



HOW WE CREATE THRIVING FORESTS

»Our forestry fosters biodiversity«

Holmen's nature conservation strategy combines active forestry with protecting the diversity of habitats and species. The aim is to ensure the long-term survival of native plants and animals in the forest landscape.

The trees we plant today will grow for almost a century before they can be harvested, and an awful lot can happen in that time. The forest could be hit by drought, fires, storms and pests. Forest management can also affect ecosystems and forest species that depend on different habitats for their survival, for example if it leaves too low a proportion of dead or old trees. Each year, we invest around SEK 200 million in caring for our forests and constantly work to improve everything from seedlings to nature conservation through research, development and education – all to ensure good growth and healthy ecosystems for future generations.

Planning is the foundation of active and sustainable forestry. Every 10 years, we conduct an inventory of our entire forest holdings in order to calculate sustainable harvesting levels and ensure a growing volume of standing timber over time. Planning takes account of expected climate change and we carry out ongoing climate risk analyses and adaptation plans. The assets of our forests are also detailed in local ecological landscape plans, which describe how the forests are to be managed over the long term in order to preserve existing natural assets and to create new ones. In total, a little over 20 per cent of Holmen's forest area is used for different types of environmental purposes. This includes voluntary set-aside productive forest land, forested non-productive forest land which is protected by law, and environmental conservation in the managed forest.

Holmen's nature conservation work is founded on three elements: environmental considerations in managed forests, conservation management and voluntary set-asides.

1. Environmental considerations in managed forests

As an integral part of our active forest management, we give extensive consideration to both natural and cultural assets and implement various measures to preserve and enhance biodiversity. High stumps and dead wood are saved to provide habitats for wood-living insects and fungi. Buffer zones along watercourses are preserved to protect aquatic species and improve water quality. During harvesting, buffer zones are also left with trees and bushes intact to protect biodiversity. Large trees, both living and dead, are left as important nesting sites for birds and insects.

2. Conservation management

As a natural part of forestry, we also carry out actions to develop or strengthen nature conservation, including burning forests and removing invasive spruce trees to benefit broadleaves. Burning is carried out under controlled conditions to create fire-damaged timber, an important habitat for many threatened species. Holmen also works to restore wetlands and create richly varied forest landscapes. Every year, Holmen carries out habitat management on approximately 400 hectares to improve biodiversity and help create healthy, resilient ecosystems.

3. Voluntary set-asides

Holmen's forest holdings include both formally protected forests and voluntary set-asides. In formally protected areas, such as nature reserves, natural processes are allowed to continue unhindered, benefitting species that require untouched forest. Holmen has also identified more than 9 000 areas that are voluntarily set aside or managed for purposes other than wood production, as they have high or unique conservation value.

FIVE BIODIVERSITY INDICATORS

Historically, biodiversity has not been a priority issue for Swedish forestry, but there has been a shift in focus over the past 30 years. Development has been rapid and we are constantly learning more about how we can preserve biodiversity while increasing forest growth. Forest biodiversity is affected by multiple factors. In order to monitor developments and evaluate implemented measures, Holmen has identified five indicators that show the health of selected key forest habitats.

1. Area of old forest
2. Area of old forest with specific indications of nature conservation value (SIN)
3. Volume of dead wood per hectare
4. Volume of broadleaves per hectare
5. Volume of large broadleaves per hectare

The indicators represent different types of habitats which together provide a broad picture of the conditions for biodiversity on Holmen's land. With a production cycle in the forests of almost a hundred years, change does not happen overnight, but statistics from independent inventories show that positive progress has been made over the past 30 years.

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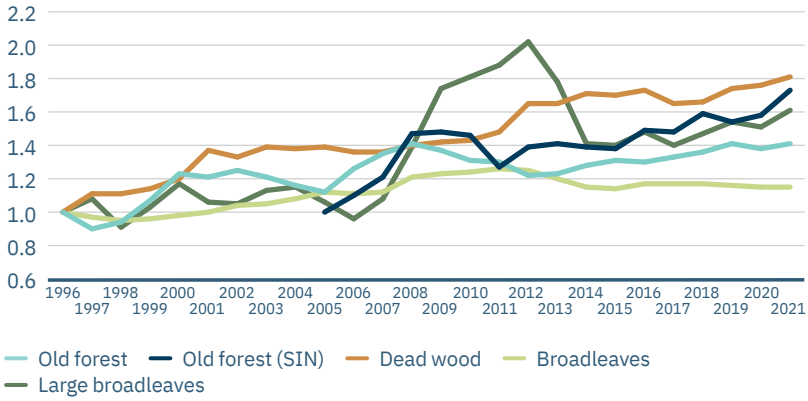
For more information on Holmen's work to promote biodiversity, **see page 107**.

Positive progress for key forest habitats



Source: SLU National Forest Inventory

Old forest is important for several reasons. Old trees host birds, insects, mosses and lichens, while also being valuable indicators of healthy conditions in the soil and on the forest floor, which is good for ground vegetation and fungi.

Old forest with specific indications of nature conservation value shows not just the age of the forest, but also whether it has special qualities that provide better conditions for more sensitive species, for example whether an area has very old and large trees, dead wood and trees of varied ages.

Dead wood is important for biodiversity in the forest, providing a habitat and food source for birds, insects, fungi, mosses and lichens. It is estimated that around 20 per cent of all forest species depend on dead wood.

Broadleaves large and small are important for birds and rare insect species, for both food and nesting. A number of mosses and lichens only grow on a single species of deciduous tree – be it aspen, birch or more specialist species such as elm, beech, oak and maple – and then usually only on old and large trees.

Sweden's forests offer good conditions for biodiversity

The Biodiversity Intactness Index from the Natural History Museum in the UK models human impact on the natural environment and estimates how high a proportion of the original number of species and habitats still remain. The desirable level of biodiversity in an area is at least 90 per cent, which can be seen as a threshold value that biodiversity in an area must exceed.

Together with Finland, Sweden is the most forested country in Europe, with almost 70 per cent forest land and a well-developed forest industry. According to the Biodiversity Intactness Index, conditions in Sweden are also good for functioning ecosystems, with an index of just over 95 per cent. This can be compared with the global average of 77 per cent, significantly lower than the 90 per cent considered to be sustainable. The index also shows that conditions for biodiversity in Sweden have improved in the past 50 years.

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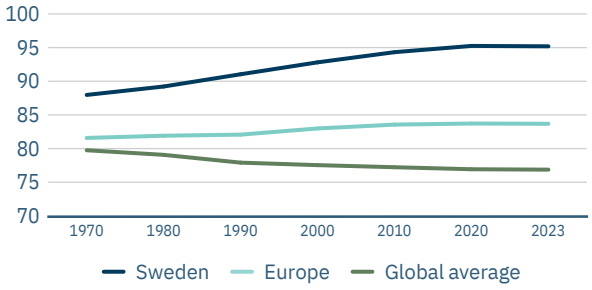
For more information on the Biodiversity Intactness Index, **see page 135**.

Biodiversity Intactness Index trends 1970–2023



The Biodiversity Intactness Index, based on the world's largest database of changes in ecological communities in response to human pressures, is used to track biodiversity in different regions. Sources: Natural History Museum, Global Forest Watch.

ENVIRONMENTAL WORK DEFINED BY CONTINUOUS IMPROVEMENT

»We develop the business within the framework of environmental permits and certifications«

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

With Holmen's operations generating emissions to air and water, our environmental work focuses on managing our impact on people and the environment. Industrial production is contingent on environmental permits that specify authorised emission levels of various substances. The total environmental impact of the operations is regulated in the individual permit process under the Swedish Environmental Code, and via the Industrial Emissions Ordinance, which states that best available techniques (BAT) must be used. The comprehensive permit processes are based on the assumption that the impact of the activities must be acceptable for people and the environment in terms of both ongoing and discontinued operations. At the same time, the permit process ensures a balance between economic viability and the environment.

Resource-efficient production

Holmen's production is developed within the framework of our certified environmental and energy management systems. Environmental and energy considerations are an integral factor in the planning of both production and investments. Operations are characterised by resource-efficient use of renewable raw material and energy, and by protecting the environment, applying the precautionary principle.

Our environmental work entails measures for continuous improvement within the framework of our management systems. Over the years, we have effectively reduced our use of chemicals and other inputs, and we recover and reuse the waste that arises.

Alongside the renewable forest raw material, water and electricity are also key raw materials in our production. The way we manage these resources is therefore a crucial aspect of our environmental work.

More efficient water use

Holmen's industries use surface water from lakes and watercourses to transport and wash fibres in the mills and also for cooling and steam production. Water availability at Holmen's production facilities is good and, as our paperboard and paper mills are located on the coast, our water use does not affect any other operations. The same water is generally used multiple times, and different combinations of mechanical, biological and chemical processes treat the water in several steps before it is returned to the natural ecocycle.

As always, it is important to economise on resources and make the best use of them. The amount of water used in our production has steadily decreased over the years due to increasingly efficient processes and equipment. With such good availability of water at our pulp mills, there is currently an opportunity to increase water use in order to improve the efficiency of the pulp washing. This could then reduce the need for chemicals in bleaching.

Increased production of renewable electricity

While Holmen uses large amounts of energy at our paper and paperboard mills, the vast majority of the energy we use is fossil-free. Through investments in fossil-free technology and the establishment of wind power, we have increased our renewable electricity production by over 40 per cent in the past 20 years.

The mills produce electricity in the form of back-pressure power, which is generated together with the steam used in the mills. Holmen also supplied over 1.7 TWh of electricity from hydro and wind power in 2024. Together with the electricity generated by our production facilities, this equates to 60 per cent of our total electricity consumption. We also have the opportunity to increase our production of renewable electricity by establishing more wind power on our own land.

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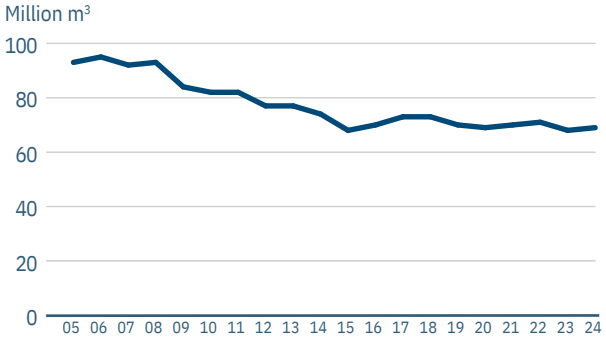
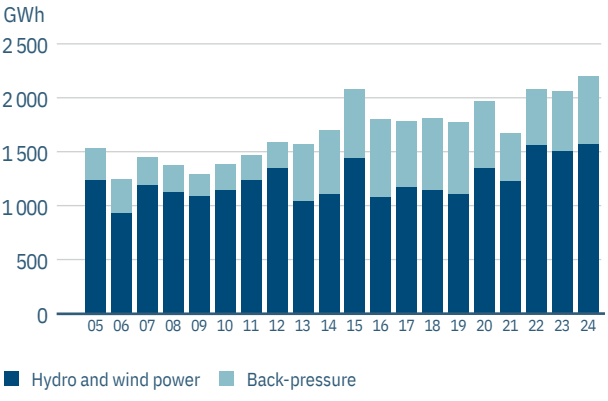
For more information on Holmen's environmental work, **see page 105**.

Holmen's water use 2005–2024



Holmen's renewable electricity production 2005–2024



SWEDEN HAS GOOD CONDITIONS FOR INDUSTRIAL PRODUCTION

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

Good access to water

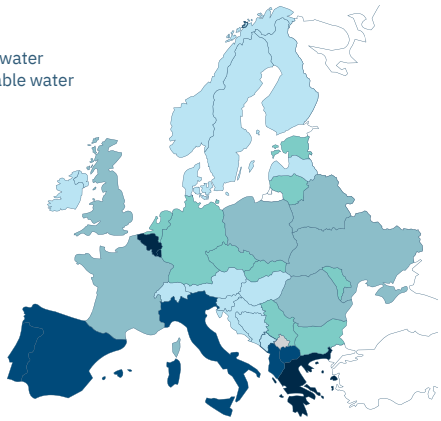
Access to clean water is crucial for human health and well-being and demand for everything from drinking water to water for industrial use and irrigation is growing. Aquatic pollutants fell in Europe between 1990 and 2010, but more than 50 per cent of the reported surface water has still failed to attain good ecological status. In contrast to Southern Europe in particular, the availability of surface water in Sweden is good and amounts of precipitation are high as a rule, resulting in significant water flow in the rivers throughout the year.

Water stress measures the total demand for water relative to the renewable water resources available. Source: Aqueduct, World Resources Institute

Water stress

The total demand for water relative to the renewable water resources available.

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



Clean air

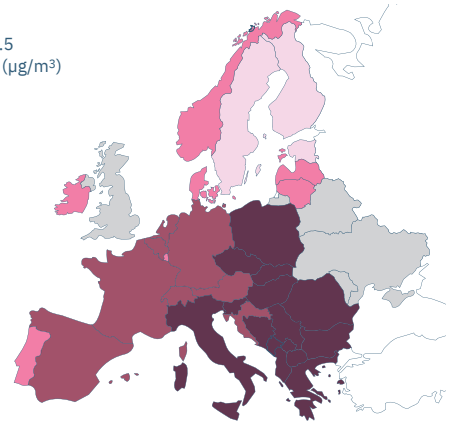
Like clean water, clean air is vital for human life. Pollution in the form of small airborne particles can cause or exacerbate many chronic diseases. The air in Europe's urban areas is cleaner today than it was half a century ago, when the EU introduced stricter air quality standards. However, large parts of Europe still have levels above the WHO recommendation of 5 micrograms per cubic metre of air (µg/m³). In 2022, the median concentration of particulate matter in Sweden was 5 µg/m³.

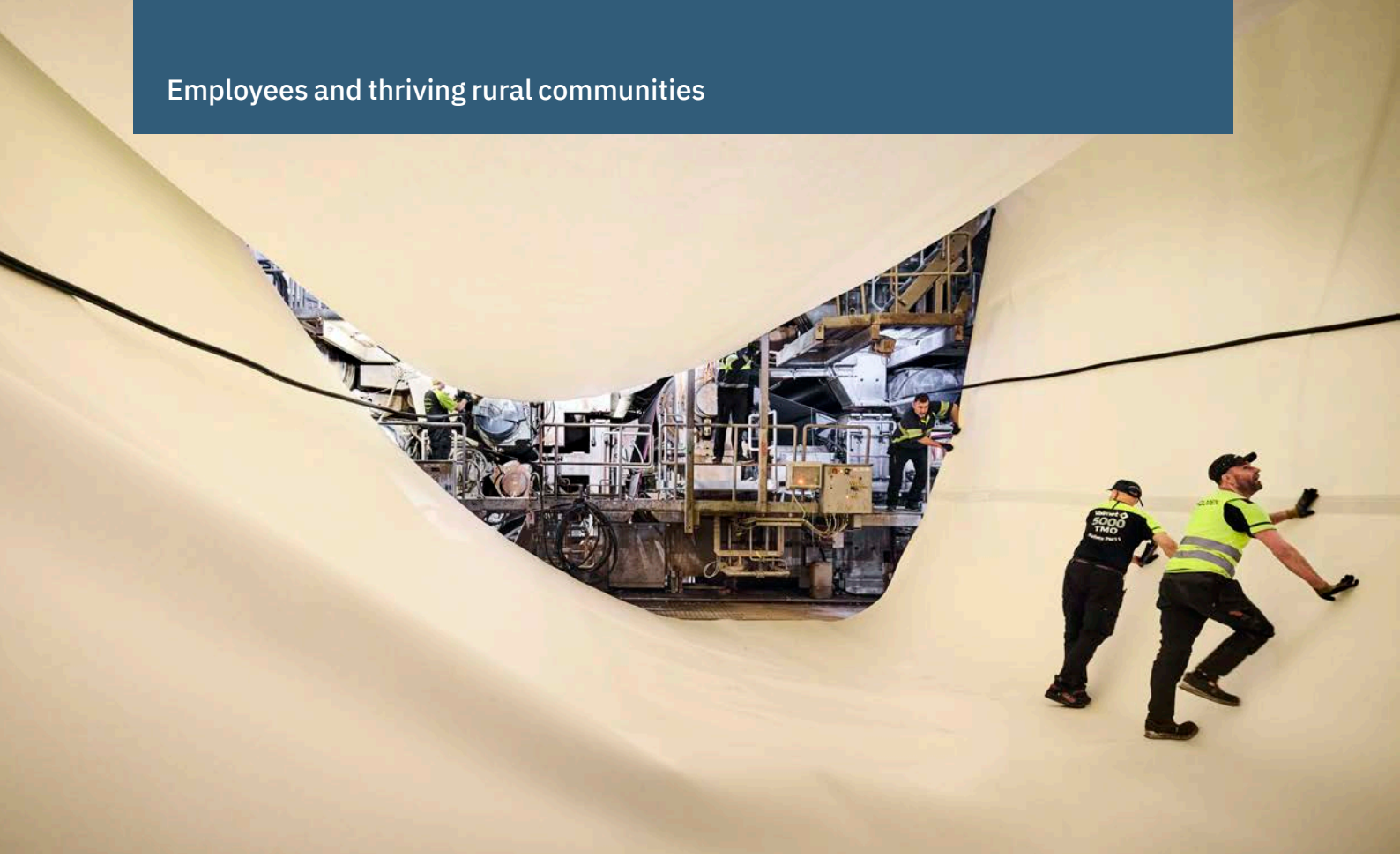
Annual average concentration of fine particles (less than 2.5 micrometres in diameter) measured at urban background stations, average 2022. Source: European Environment Agency (EEA)

Air pollution

Particles less than 2.5 micrometres per m³ (µg/m³)

- <6
- 6–9
- 10–13
- >13
- No data





WE GROW TOGETHER

»Our employees develop and thrive«

We are committed to our employees and our local communities. Because we know that when people and communities grow, we can grow too.

Today's Holmen is the result of countless decisions, large and small, made in line with our values: courage, commitment and responsibility. A team effort where we put long-term values ahead of short-term profit and dare to swim against the tide when it makes sense to do so. We like being the small big company and would rather be best at the things we choose to focus on than the biggest in the business and fairly good at lots of things.

Active participation gives responsibility to the individual

Holmen has a philosophy of management by objectives and decentralised organisation that sets great store by the active participation of employees. Applying our management model, the strategy, business plans and performance expectations are communicated across the organisation. Based on this, our employees propose targets that will lead to the expectations being met. This helps us to make the most of the skills, potential and drive of every individual, team and unit.

Holmen has a learning culture where everyone has the opportunity to feel a sense of commitment and responsibility for the areas in which they work and their objectives. The management by objectives model is our way of making sure that everyone working at Holmen feels that they are focusing on the right things and joins in with implementing our strategy.

Employees with courage, commitment and responsibility

Holmen's values are clearly front and centre. Our three values: courage, commitment and responsibility develop us as individuals, build further on our strong culture and make Holmen better. Every day, they must support and develop the behaviours, priorities, decisions and the way we run the business. They guide us in our approach to each other, in relations with customers and in our work day to day. The values are also integrated in our processes and tools, including our management by objectives model, and as a basis for our internal leadership and management programmes.

Forever learning. Holmen is to be an attractive employer that continuously develops our employees by giving them stimulating duties and new challenges. It goes without saying that we actively pursue a healthy culture and a safe work environment for our employees and the contractors who work for us.

Because we know that growth is greatest when development is part of day-to-day work, our employees are expected to take on considerable responsibility, but they are also encouraged and supported by committed and knowledgeable colleagues and managers. Based on our current and future skills needs, we are working on employee development at all levels. Holmen offers Group-wide leadership programmes and programmes for new and more experienced managers, and for specialists.

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

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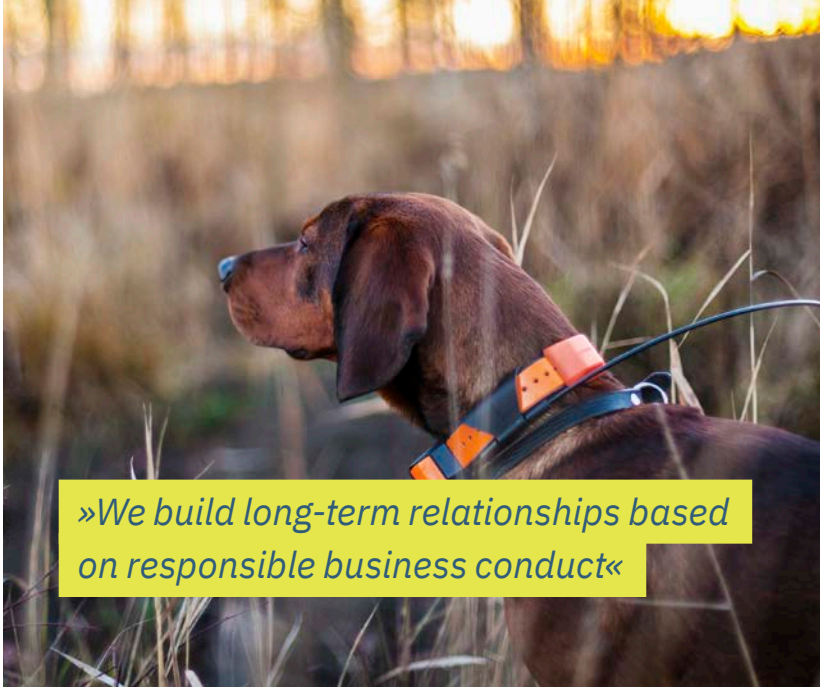
For more information on Holmen's employees, **see page 111**.

Strong relationships in thriving rural communities

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



Holmen is one of Sweden's largest forest owners, with a land holding of 1.3 million hectares from Småland in the south to Västerbotten in the north. We manage our own forests, but also work with private forest owners and other companies in the Swedish forest industry. Almost 15 000 private forest owners have chosen us as a forestry partner.

In total, the Swedish forest industry employs 140 000 people and in several regions the local forest industry accounts for 20 per cent or more of industrial employment. It is important for us to have good relations with forest owners, local residents and other businesses that may be affected by our activities. As well as our own workforce of around 3 500 employees, we create employment for local contractors and companies across the country. We work extensively with local forestry contractors to plant, clear and harvest trees and we employ around a thousand seasonal workers in our forests every year. As a major employer in several locations, Holmen also cooperates with other local companies and associations to promote social and economic development.

Because we develop in harmony with our local communities, we make every effort to be good neighbours and engage in community organisations and tourism. For example, we work with sporting and cultural organisations in the communities in which we operate. Forestry also makes the forests easily accessible for outdoor recreation under Sweden's Right of Public Access. Our forest roads enable people to access the countryside, to pick mushrooms and berries on our land, and also open up excellent opportunities for hunting and fishing.

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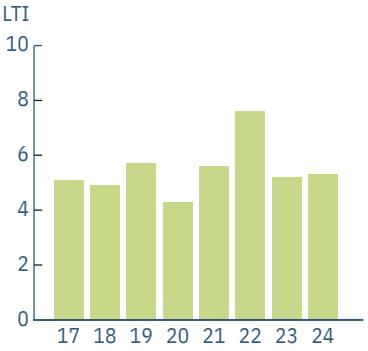
For more information on workers in Holmen's value chain, **see page 113**, and for affected communities, **see page 115**.

A zero vision for discrimination and harassment

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

Work-related accidents

with more than 8 hours of absence (LTI) per million hours worked.



A zero vision for accidents

It goes without saying that we actively pursue a healthy culture and an accident-free workplace for our employees and the contractors who work with us. We conduct Group-wide, systematic work on health and safety in line with ISO 45001. As always, the precautionary principle is paramount. The number of work-related accidents per million hours worked rose from 5.2 in 2023 to 5.3 in 2024. We continue to take a long-term approach focused on our vision of zero accidents.

Employees who recommend Holmen

Holmen is to be an attractive employer where employees recommend Holmen as a workplace. The most recent employee surveys put Holmen's employee Net Promotor Score (eNPS) at 26. This is a strong result as the benchmark for 250 companies in different industries is 16.

CORPORATE GOVERNANCE REPORT

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

Shareholders

Holmen AB had 50 139 shareholders at year-end 2024. Swedish private individuals accounted for the largest category of owners with 47 555 shareholders.

The largest shareholder at year-end, with 62.7 per cent of the votes and 35.0 per cent of the capital, was L E Lundbergföretagen, which means that a Group relationship exists between L E Lundbergföretagen AB (corporate ID number 556056-8817), whose registered office is in Stockholm, and Holmen. The second-largest shareholder by votes was the Kempe Foundations and their holdings of Holmen shares amounted to 17.6 per cent of the votes and 7.6 per cent of the capital at the same date. No other individual shareholder controlled as much as 10 per cent of the votes. Employees have no holdings of Holmen shares via a pension fund or similar system.

At the 2024 Annual General Meeting (AGM), the Board's authorisation to acquire up to 10 per cent of the company's shares was renewed. On 26 April 2024, the Board of Directors decided to exercise the buy-back authority in order to ensure the future delivery of shares to participants in Holmen's long-term share savings programme. On 15 August 2024, the Board decided to use the buy-back authority to adjust the Group's capital structure. In 2024, 1 554 163 shares were repurchased for SEK 647 million, corresponding to an average price of SEK 416/share. The buy-backs amount to 0.9 per cent of the total number of shares. The company already owned 2.1 per cent of its own shares, meaning that at 31 December 2024 Holmen held 3.0 per cent of the total number of shares.

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

General meeting of shareholders

The notice convening the AGM is announced and posted on holmen.com no earlier than six and no later than four weeks before the meeting. That a notice has been issued is also advertised in a nation-wide newspaper. It was announced on 18 September 2024 that the 2025 AGM would take place on 31 March 2025. Shareholders or proxies are entitled to vote in accordance with the full number of shares owned or represented.

Nomination committee

The AGM resolved that the nomination committee should consist of the Chairman of the Board and one representative from each of the three shareholders in the company that control the most votes at 31 August each year. The composition of the nomination committee for the 2024 and 2025 AGMs is shown in the table on page 47.

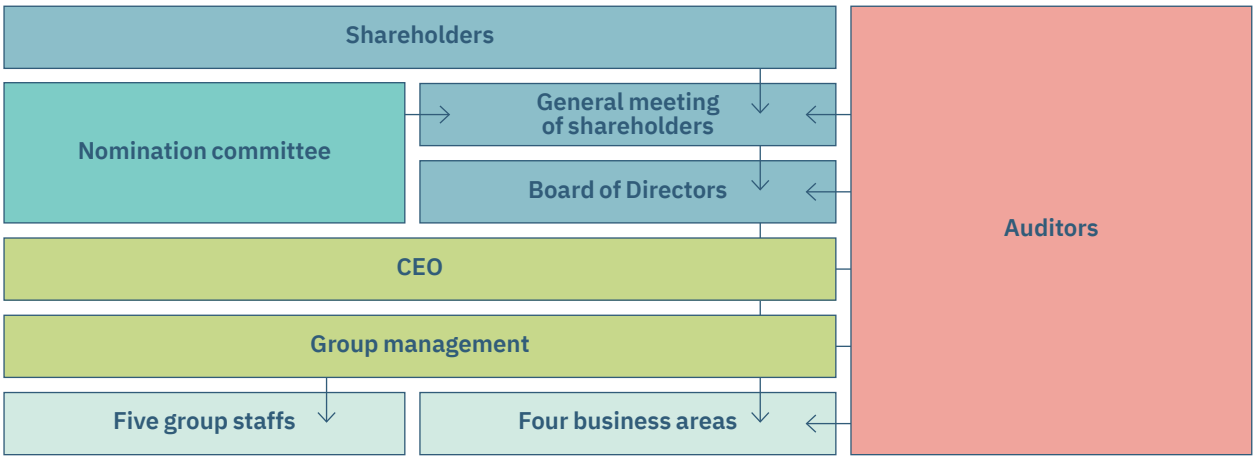
The nomination committee's mandate is to submit proposals for the election of Board members and the Board Chairman, for Board fees and auditor fees, and for the election of auditors.

↓ 2024 Annual General Meeting

The notice convening the meeting, the agenda and the minutes of the 2024 AGM are available at holmen.com. The Board of Directors attended the meeting. The AGM approved the income statement and balance sheet, decided on the appropriation of profits and granted the departing Board discharge from liability. The following Board members were re-elected: Fredrik Lundberg, Alice Kempe, Lars Josefsson, Louise Lindh, Ulf Lundahl, Fredrik Persson, Henrik Sjölund, Henriette Zeuchner and Carina Åkerström. Fredrik Lundberg was re-elected Chairman of the Board. The general meeting of shareholders also decided on Board fees, auditors and auditors' fees, the approval of the remuneration report, the adoption of a new share savings programme for Group management and to authorise the Board to acquire treasury shares. Fredrik Lundberg, John Erikmats, SEB, and Natasha Obradovic, Handelsbanken, checked and approved the minutes of the meeting.

↓ Board meetings

The Board held twelve meetings in 2024, four of which were in connection with the company's publication of its quarterly reports. One meeting was held in connection with the company's AGM. One meeting was dedicated to reviews of strategic issues and the Group budget for 2025. The Board also paid special attention to financial and accounting issues, and the monitoring of the energy market and the fibre market. In addition, the Board spent time on sustainability matters and reporting, study visits to major customers of the paper and board business and major investment matters. On one occasion the company's auditor reported directly to the Board on the audit of the accounts and internal control.



The nomination committee applies rule 4.1 of the Swedish Corporate Governance Code (the Code) as a diversity policy when putting forward proposed Board members, which means the composition of the Board should reflect the company's business operations, phase of development and other circumstances, and should be diverse and wide-ranging in terms of the expertise, experience and background of the members elected by general meetings. An even gender distribution is sought. Further information about the work of the nomination committee will be provided at the 2025 AGM.

For the 2025 AGM, the nomination committee proposes that the Board consist of nine members elected by the AGM. The nomination committee proposes the re-election of the current Board members Fredrik Lundberg (who is also proposed for re-election as Chairman of the Board), Alice Kempe, Louise Lindh, Ulf Lundahl, Fredrik Persson, Henrik Sjölund, Henriette Zeuchner, Carina Åkerström and the election of Stefan Widing. Lars Josefsson has declined re-election.

Composition of the Board

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

The 2024 AGM decided to re-elect Fredrik Lundberg, Lars Josefsson, Alice Kempe, Louise Lindh, Ulf Lundahl, Fredrik Persson, Henrik Sjölund, Henriette Zeuchner and Carina Åkerström to the Board. Fredrik Lundberg was re-elected Chairman of the Board. At the statutory first meeting of the new Board in 2024, Henrik Andersson, Senior Vice President Legal Affairs, was appointed Board secretary.

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

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

The Board's activities

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

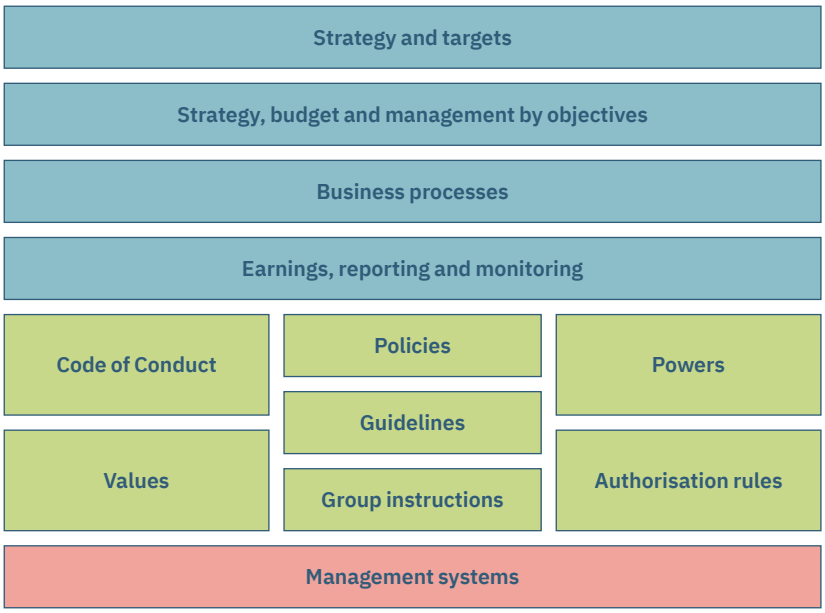
↓ Members of the Board of Directors

					Attendance at meetings in 2024:			
Board members	Elected	Role on the Board	Audit committee	Remuneration committee	Board of Directors	Audit committee	Remuneration committee	Fee for 2024 decided by AGM (SEK '000)
Fredrik Lundberg	1988	Chairman	Member	Chairman	12/12	5/5	6/6	860
Lars Josefsson	2016	Member	Member	–	12/12	5/5	–	430
Alice Kempe	2019	Member	–	Member	12/12	–	6/6	430
Louise Lindh	2010	Member	–	–	12/12	–	–	430
Ulf Lundahl	2004	Member	Chairman	–	12/12	5/5	–	430
Fredrik Persson	2022	Member	–	Member	12/12	–	6/6	430
Henriette Zeuchner	2015	Member	–	–	12/12	–	–	430
Carina Åkerström	2023	Member	–	–	12/12	–	–	430
Henrik Sjölund	2014	Member, President & CEO	–	–	12/12	–	–	–

According to the nomination committee, Fredrik Lundberg, Lars Josefsson, Alice Kempe, Louise Lindh, Ulf Lundahl, Fredrik Persson, Henriette Zeuchner and Carina Åkerström are independent of the company and its senior management, and Lars Josefsson, Ulf Lundahl, Fredrik Persson, Henriette Zeuchner, Carina Åkerström and Henrik Sjölund are independent of the company's major shareholders.

Workers' representatives

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



Internal management processes and guideline documents.

The Board is provided with regular information about environmental and sustainability matters related to the company's activities, including the company's business ethics rules and business conduct.

An annual evaluation is undertaken whereby each Board member answers a questionnaire containing relevant questions about the Board's work and has the opportunity to make suggestions about how to enhance this work. Their responses are presented and discussed at a Board meeting. The results of the evaluation form the basis for the planning of the Board's work for the coming year. The Chairman of the Board has reported the results of the evaluation to the nomination committee.

Audit committee

The Board has created an audit committee made up of Board members. The audit committee's task is to monitor the company's financial reporting, sustainability reporting and the effectiveness of the company's internal control and risk management. The audit committee reviews and monitors the impartiality and independence of the auditor. The committee also evaluates the auditor's work and submits proposals to the company's nomination committee for the election of an auditor for the next mandate period. The members of Holmen's audit committee are Ulf Lundahl, Chairman, Fredrik Lundberg and Lars Josefsson. The audit committee met five times.

Remuneration committee

The Board has also appointed a remuneration committee consisting of Fredrik Lundberg, Fredrik Persson and Alice Kempe. The purpose of the committee is to prepare, in a smaller group, decisions concerning the remuneration of the CEO, guidelines for the remuneration of senior management and share- and share price-based incentive schemes. During the year, the committee prepared matters pertaining to the remuneration and other employment conditions of the CEO, and evaluated guidelines for remuneration, share savings programmes and short-term benefits. The committee also examined remuneration structures, remuneration levels and methods for establishing the Group's wage levels to ensure that these are reasonable and appropriate.

Remuneration and other employment conditions for senior management who report directly to the CEO are decided on by the latter and approved by the remuneration committee in accordance with the instructions for the remuneration committee adopted by the Board of Directors, as well as the guidelines adopted by the AGM for the remuneration of members of senior management.

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

The current guidelines for the remuneration of the CEO and other senior management, i.e. heads of business areas and heads of Group staffs who report directly to the CEO, were adopted by the 2023 AGM. The AGM adopted the guidelines in accordance with the Board's proposal. Current guidelines and information about remuneration are presented in Note 4 on pages 73–74.

The 2024 AGM approved the Board fees and payment of the auditors' fee as invoiced.

The 2022 AGM approved a share savings programme for key individuals in the Group. The programme will expire in April 2025. The 2024 AGM approved a new share savings programme for Group management. The programme will expire in April 2027. Its aim is to strengthen common interests between shareholders and company management, as well as to create a long-term commitment to Holmen. More information about the current share savings programmes and the financial and sustainability targets set can be found in Note 4.

Group management

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

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

Group management meets regularly. The meetings during the year dealt with matters such as earnings performance and reports before and after Board meetings, strategic issues, budgets, investments, internal control, work environment, sustainability matters, climate and environmental issues and silviculture matters. The meetings were also devoted to reviews of the market situation, economic developments and other external factors affecting the business. The Group's governance and the tools used for this governance, such as the management-by-objectives model and common policies, were also discussed. In 2024, Group management focused particularly on analysing the energy market and fibre supply in Europe and its impact on the Group's competitiveness and activities. Group management also spent time monitoring regulatory changes related to the company's strategy and objectives, as well as the impact of future sustainability regulations on the company's environmental and sustainability work.

Internal management processes

Holmen's business strategy is formulated by Group management in order to create long-term value for both shareholders and customers. The strategy is adopted by the Board each year and forms the basis for the expectations that are set. On the basis of these expectations, each unit sets targets and identifies success factors for achieving them. The Group's strategy and objectives are set out on pages 10–11. Also see the sustainability report for the objectives related to sustainability matters on page 100. Key performance indicators (KPIs) are linked to the success factors in order to measure and demonstrate changes in performance. The strategy review also provides the basis for the budget, through which decisions are taken on the distribution of resources and targets for the coming year are set. Use of a simple management-by-objectives tool for continuous follow-up ensures that the entire organisation is adopting the right priorities to meet the objectives set.

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

Activities are followed up through regular meetings with Group management and the monthly reporting of performance and KPIs that reflect business activity, along with additional qualitative analyses. Reporting of sustainability data is integrated with the financial reporting. When major investment decisions are under consideration, financial, social and environmental effects are taken into account.

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

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

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

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

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

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

The Group's eleven policies cover matters such as expectations of employee participation and leadership, and specify the framework for management by objectives, talent management, interaction with trade union organisations, equal treatment and employment conditions. A good work environment is also covered in terms of health and safety, anti-corruption and competition issues, and how good business practice is maintained in dealings with external contacts on different markets. Employees in departments at risk of encountering unauthorised behaviour receive special training in business ethics. The policies specify that raw materials should be used efficiently, pollution should be prevented and and continuous improvements should be aspired. Production units must carry out a climate risk analysis and prepare climate adaptation plans. Financial risk is managed centrally and should be characterised by a low level of risk. The policies must also ensure that the company's assets are managed in accordance with Group rules, risks of errors in financial and sustainability reporting are minimised and irregularities are prevented. The Group's purchasing should contribute to long-term profitability. The sustainable sale of raw materials, products and services should be ensured in both the short and long term. Information communicated must be accurate, transparent and easily accessible and comply with legal requirements and commercial confidentiality.

The policies, with the associated guidelines and instructions, are available to all employees on the Group's intranet. Policies considered to be of importance for external stakeholders are published on holmen.com.

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

Whistleblower function. A whistleblower function is available so that employees

↓ Composition of the nomination committee

		Before AGM:		Independent of the:	
Name	**Representing**	**2025**	**2024**	**Company**	**Largest shareholder (in terms of votes)**
Bo Selling	L E Lundbergföretagen*	x (Chairman)	x (Chairman)	Yes	No
Fredrik Lundberg	Chairman of the Board	x	x	Yes	No
Lars Ericson	Kempe Foundations*	x	-	Yes	Yes
Vegard Torsnes	Norges Bank*	x	x	Yes	Yes

**At 31 August 2024, L E Lundbergföretagen controlled 62.2 per cent of the votes, the Kempe Foundations controlled 17.5 per cent and Norges Bank controlled 2.2 per cent.*

and other stakeholders can highlight any deficiencies in Holmen's financial reporting, discrimination or other possible areas of concern or improprieties at the company. Six cases were reported in 2024 that were deemed to constitute whistleblowing as defined by law. As at 31 December 2024, one case was open and under investigation. Other cases were closed after appropriate investigation. No cases of corruption or bribery were identified. Labour law issues were handled by following standard HR procedures.

Internal control of reporting

The Board's responsibility for internal control, financial reporting and sustainability reporting is regulated by the Swedish Companies Act and the Swedish Corporate Governance Code. Under this code, the Board is also responsible for ensuring that the company is managed in a sustainable and responsible manner. Day-to-day responsibility for all of these matters is delegated to the CEO.

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

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

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

Policies, guidelines and instructions contribute to making individuals aware of their role in maintaining good internal control. These documents also ensure that financial and sustainability reporting complies with the laws and rules that apply to companies listed on Nasdaq Stockholm and the local rules in each country where the company operates.

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

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

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

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

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

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

Follow-up and evaluation. Control activities are regularly assessed to ensure that they are effective and appropriate. The results of self-assessments are followed up on a continuous basis and nonconformities are reported half-yearly to the Executive Vice President. The accuracy of self-assessments is subject to testing. Internal control reporting to Group management takes place once a year.

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

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

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

Audit

The audit firm PricewaterhouseCoopers AB (PwC), which has been Holmen's auditor since 2021, was re-elected as auditor at the 2024 AGM for one year. Authorised public accountant Magnus Svensson Henryson was appointed as the principal auditor. PwC performs the audit for Holmen AB as well as for the majority of Holmen's subsidiaries.

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

The Board's reporting instructions include requirements that the members of the Board receive a report each year from the auditors confirming that the company's organisation is structured to enable satisfactory supervision of accounting, of the management of funds and of other aspects of the company's financial circumstances. In 2024, the auditors reported on their work to the audit committee at four meetings and to the Board of Directors on one occasion. In addition to the audit assignment, Holmen has consulted PwC on matters pertaining to taxation, accounting and for various investigations. The remuneration paid to PwC for 2024 is stated in Note 5 on page 75. PwC is required to assess its independence before making decisions on whether to provide Holmen with independent advice

RISK MANAGEMENT

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

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

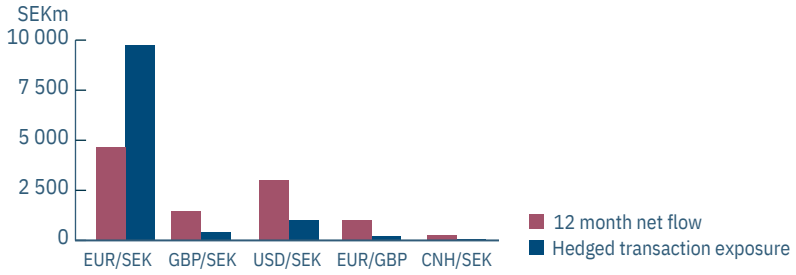
Operational risks

Risk	Risk management	Comments
Production and deliveries Demand for Holmen's products is affected by macroeconomic and political factors, among others, and the competitiveness of European producers above all. Changes in demand affect the ability to achieve full production at the Group's industrial facilities and can lead to lower income. Income may also be impacted if the harvesting of our own forests needs to be limited and by variations in precipitation and wind, which govern the production of hydro and wind power.	Holmen endeavours to maintain a good cost position through large-scale production at well-invested production facilities, efficient logistics solutions and good control over the supply of wood and energy. Together with longstanding customer relationships and strong product brands, this also increases our ability to maintain a high level of production amid more difficult market conditions. Changes in demand for wood may be catered for by moving the harvesting of our own forests between years, while the production of hydro power during the year can be controlled by regulating water reservoir levels.	In 2024, demand for wood products was lower than normal, while competition for timber was high. Wood product production was therefore curtailed due to weak construction activity. For information about how changes in deliveries would affect Holmen's operating profit, given the circumstances on 31 December 2024, see the sensitivity analysis on page 53.
Selling prices The market balance in each product segment governs the selling price and affects income.	Holmen is limited in its ability to make rapid changes to its product range in the event of changes in price, but it adjusts its product focus towards those products and markets deemed to have the best long-term conditions and by having a broad customer base and an offering across a number of product areas. Changes in the price of wood can be managed to some extent by moving harvesting from our own forests between years, and changes in the price of electricity can be partly managed by regulating water reservoir levels in order to move electricity production over the year.	Market prices for paperboard remained broadly stable in 2024, while prices for paper products fell from a high level. Wood product prices increased in 2024, mainly as a result of supply shortages. In 2024, Swedish electricity prices were lower than the previous year. For information about how changes in prices would affect Holmen's operating profit, given the circumstances on 31 December 2024, see the sensitivity analysis on page 53.
Raw materials Wood, electricity and chemicals are the most significant input goods and price changes affect profitability. Holmen's costs depend on price developments for input goods, as well as on how well the Group succeeds in making its production and administration more efficient. There is a risk that the Group's costs will increase if there is a shortage of raw materials, or if prices increase for input goods.	Nearly half of the Group's wood needs are covered by harvesting from the Group's own forests, while the remainder is mainly purchased from private forest owners. The Group's position when it comes to pulp is largely balanced as a result of the integrated production process. The paperboard business generates almost all the electricity required at its own mills, while electricity for paper manufacturing is supplied from external electricity purchases. The price risk for this consumption is managed through physical fixed price contracts and financial hedging. The Group also sells electricity from its hydro power and wind power assets to the grid. The need for thermal energy is great and is met locally through recovery and production from residual products. Chemicals are a significant input, particularly in paperboard production, but the need is declining since used chemicals are being recovered at the mills.	The price of wood continued to increase in 2024, while the price of chemicals slightly decreased. Virtually all electricity consumption for paper production was hedged in 2024. For information about how changes in commodity prices would affect Holmen's operating profit, given the circumstances on 31 December 2024, see the sensitivity analysis on page 53.

Risk	Risk management	Comments
Suppliers Deficiencies in the input supply chain in terms of security of supply and quality can lead to production disruptions. Suppliers that do not meet Holmen's requirements can also have a negative effect on operations. There is a further risk of essential raw materials not being delivered because of changes in laws and regulations or other external factors.	Holmen endeavours to have at least two approved suppliers per area of use. Holmen's Supplier Code of Conduct is included in all new contracts. The Code contains sustainable development requirements, including respecting internationally recognised principles governing the prevention of corruption, human rights, the work environment and the environment. Since 2017, Holmen has engaged an external party, EcoVadis, to monitor suppliers for their compliance with the Code. Compliance with silviculture contractor agreements is ensured through site visits to forests. All silviculture contractors are given annual training, through the silviculture training programme, in silviculture, and in labour law, and are informed about where to turn should irregularities occur.	The supply chain risks relating to the climate, environment, labour legislation, human rights, business ethics and sustainable purchasing have been mapped. The outcome is monitored through EcoVadis, in discussion with the relevant suppliers. In 2024, 1 (1) breach of the Supplier Code of Conduct was reported. In the event of such breaches of the Code, an active discussion with an action plan is put in place in accordance with Holmen's procedures. Suppliers representing 90 per cent (90) of the Group's purchasing volumes comply with the principles of the Supplier Code of Conduct. Reducing fossil fuel emissions is discussed with the largest suppliers of input products.
Customer credits The risk of the Group's customers being unable to fulfil their payment obligations constitutes a credit risk.	The risk that the Group's customers will not fulfil their payment obligations is limited by means of creditworthiness checks, credit limits per customer and, in some cases, by insuring trade receivables against credit losses. Credit limits are continually monitored. Exposure to individual customers is limited.	At 31 December 2024, the Group's trade receivables totalled SEK 2 823 million (2 696), of which 39 per cent (41) were insured against credit losses. During the year, credit losses on trade receivables had no impact on earnings, - (SEK -2 million). Sales to the five largest customers accounted for 13 per cent (14) of the Group's total sales in 2024.
Installations Production may be seriously disrupted, for example in the event of a fire, machine breakdown or natural disaster. This can lead to supply problems, unexpected costs and reduced customer confidence. Production facilities require ongoing maintenance and technical upgrades. Major maintenance shutdowns can entail higher costs and a greater loss of production than planned. Investments in non-current assets may also be more costly than initially planned.	Damage prevention measures, regular maintenance and continual upgrades can minimise the risk of damage to facilities. Training employees promotes participation, knowledge and awareness of these risks and how they can be countered. Holmen's facilities are covered against damage from unforeseen events by property and business interruption insurance.	In 2024, Holmen revised and restructured the business continuity planning framework to ensure better holistic management. Holmen invests continuously in fire protection and other damage prevention measures. Planned maintenance shutdowns are carried out each year at the Group's mills and sawmills to ensure continued good production and high quality products. In December, the solid fuel boiler at Braviken Paper Mill was damaged. Paper production was stopped for a couple of days but was later restarted, resulting in higher energy costs. The incident is believed to be covered by insurance, except for the deductible.
IT systems Efficient IT support is required to be able to manage and plan production, sales and purchasing. Disruptions in IT support and unauthorised access to information can have significant negative effects on the business.	Operating disruptions and unauthorised access are prevented by security measures and preventive measures in the form of appropriate physical protection, reliable server operation and secure networks. Measures and procedures are in place to minimise the risk of interruption and to manage situations if interruptions occur. Holmen is continually developing protective measures to address changes in the risk profile.	To make its systems and procedures secure, Holmen has created a function focused on IT and cyber security. A regularly recurring IT security training course for employees was provided in 2024.
Forestry regulations Holmen's right to manage its own forest is crucial to maintaining its value. There is a risk that the requirements for the forests to be used as carbon sinks may increase in the future. Such a development could affect the ability to manage the forests and therefore access to raw materials. Required changes in forestry methods could lead to reduced harvests and increased costs.	Forest and land management are regulated both nationally and at EU level. In order to be able to engage in active and sustainable forestry, it is important that laws and regulations do not restrict the conditions necessary for sustainable operations. Holmen participates in national and international industry organisations to exert an influence on relevant political and regulatory issues.	Last year, the spotlight was on the implementation of a number of EU regulations and Sweden's competitiveness. If Sweden is too ambitious with its implementation, this risks affecting Sweden's and Holmen's ability to contribute to the climate transition. Holmen has continually played an active part in discussions, both on its own and through industry organisations, to influence the EU's regulations and the Swedish government's implementation planning, including by highlighting the positive climate effects of a managed forest and the substitution brought about by forest products.
Damage to forests Wild game can damage forests when grazing, resulting in both deterioration of the quality of the trees and reduced forest growth. Insect pests are another risk factor; for example, the spruce bark beetle can damage spruce forests. Storm and snow damage, fungal attacks and forest fires are other examples of damage that must be addressed and managed in forestry.	The Group's forest holdings are not insured as they are spread across large parts of Sweden and the risk of extensive damage is not considered to justify the cost of insurance. To reduce the extent of grazing by wild animals, active efforts are undertaken on Holmen's land to maintain game at the correct population level. Insect pests such as pine weevils are combatted by waxing seedlings and infested forest is harvested as soon as possible to prevent spread.	Spruce bark beetle infestations in southern Sweden continued to decline in 2024, allowing for more normal planning and harvesting of mature forest. The forest management programme has been evaluated in view of the increased risk of damage to forests in a changing climate. The programme is aimed at creating robust forests, meaning that further variation and risk diversification is being considered. To limit the spread of spruce bark beetle, Holmen is prioritising the felling of infested forest and actively working to maintain the value of the wood and find outlets for damaged logs.
Climate change Climate change may affect Holmen's operations, but there are not currently thought to be any major physical risks. Warmer temperatures and changes in precipitation patterns may benefit pests such as fungi and insects, which may lead to lower timber volumes and quality. Longer droughts and higher temperatures may limit forestry activities due to the ground being frozen for shorter periods or stoppages due to a high risk of forest fires. At the same time, a warmer climate could increase forest growth with longer growth periods, more precipitation and higher levels of carbon dioxide, aiding photosynthesis.	Producing climate adaptation plans is an ongoing process at the respective industrial facility and in forest operations. The management of each site participates in the process and must prioritise any activities to be carried out, taking the costs and risks of the actions and the other needs of the business into account. The risk of climate change having an impact on Holmen's industrial facilities is being managed through each site's continuity plans.	The market's ambitions to combat climate change are increasing demand for Holmen's products. Holmen's ability to manage its own forests is thus crucial to the Group's contribution to limiting climate change. Increased demands to reserve land for purposes other than forestry may lead to reduced harvests and thus reduced opportunities for the forest to contribute with renewable products.

Risk	Risk management	Comments
Environment and permits Holmen runs operations that require environmental permits. The permits specify conditions regarding permitted production volumes, noise levels and permitted emissions to air and water, among others. Production disruptions can cause breaches of emission conditions set for the business by the environmental authorities. Such breaches could affect the environment. On sites where Holmen has conducted industrial operations, the need for remediation may entail future costs.	Environmental measures are organised and carried out in accordance with Holmen's environmental and energy policy. In the event of process disruptions, the environment takes precedence over production. Risks are prevented and managed through regular own checks, checks by authorities and environmental risk analyses, as well as through the use of certified environmental and energy management systems and chain-of-custody certification. In consultation with the authorities, Holmen is conducting investigations to assess the need for remediation at former industrial sites.	In 2024, 46 (47) environment-related incidents were reported to the supervisory authorities. In 2024, a new sludge and sedimentation plant was installed at Workington Mill. The plant is being adjusted so that the environmental permit threshold value for suspended solids will not be exceeded. Holmen is maintaining a continuous dialogue with the equipment's supplier in order to get it working according to plan. The supervisory authority has been notified. Otherwise, there were no incidents that led to long-term consequences for the environment, production or human health in 2024. All matters were addressed through corrective actions, within the organisations' environmental management systems. Holmen has several wind farm project applications in progress, but the authorisation procedure often takes a long time and its outcome is uncertain.
Work environment Incidents and accidents in the workplace have an effect on human life and health. This can also lead to production disruptions and increased costs.	Holmen has a vision of zero work-related accidents and its work environment policy states how work-related injuries and illness are to be prevented. Certified management systems, Group-wide targets relating to industrial accidents, continual training of employees to increase risk awareness, risk observation and incident and accident reporting procedures, and risk assessments of tasks and work by contractors, are examples of activities to achieve a high level of safety in the workplace.	In 2024, the rate of industrial accidents was 5.3 per 1 million hours worked (5.2). The most common accidents were slips, trips and crush injuries. The most significant areas of risk involve work with overhead cranes and vehicles with people in movement. Last year, work was focused on launching a long-term initiative to reinforce and promote safe behaviour in the work environment.
Talent management Skilled and motivated employees are key to being able to conduct business operations with good profitability over the long term. There is a structural shortfall in many industrial positions. Skilled labour shortages can delay work and disrupt production.	Holmen is working continuously to enhance its employer brand. Each business area prepares a long-term talent management plan each year that identifies recruitment needs. Targeted digital marketing combined with in-person events, such as career days and sponsorship collaborations, increase awareness of Holmen and allow it to attract and retain competent employees.	Annual questionnaires for new recruits and employee surveys show that employees appreciate Holmen as an employer. The percentage of employees who would recommend Holmen as an employer is at a persistently high level. In 2024, Holmen received the accolades Karriärföretag (career company) 2024, and came 13th in Universum's ranking of Sweden's Best Employers (Sveriges Bästa Arbetsgivare).
Business ethics risks Nationally and internationally, customers and partners make demands of Holmen as a stable and reliable supplier that has good business ethics and clear sustainability principles. Deviations from principles and policies could have a negative impact on the Group's reputation and business relationships.	Holmen's Code of Conduct, business ethics policy and associated guidelines provide clear guidance on how to maintain good business ethics when dealing with external contacts in various markets. Holmen's Code of Conduct also provides guidance on human rights, workers' rights and the environment. These areas are clarified in Holmen's policies and related guidelines. Office-based employees and managers at Holmen are trained in the Code of Conduct every three years, and such training was provided in 2023.	In 2024, no corruption-related adverse judgments were delivered against Holmen or its employees. There are also no such cases ongoing in court. Six cases were reported through Holmen's whistleblowing service in 2024 that were deemed to constitute whistleblowing as defined by law. As at 31 December 2024, one case was open and under investigation. Other cases were closed after appropriate investigation. No cases of corruption or bribery were identified. Labour law issues were handled by following standard HR procedures.
External risks Holmen operates in a global market and sells products to many countries around the world. Because of this geographical spread, Holmen is exposed to political risks, conflicts, natural disasters and pandemics. Moreover, Holmen is obligated to comply with laws and regulations wherever it conducts business, including in areas such as the environment, real estate, labour law and taxation. Changes in laws and regulations may affect conditions for Holmen's operations and lead to increased costs for regulatory compliance.	Holmen participates in national and international industry organisations whose role is monitoring social trends and advocacy work, and that put forward Holmen's position and view on relevant political and regulatory issues. Contact is established with local representatives and the general public in areas where the Group has operations. This takes place, for example, through consultation and information meetings, visits to sites and meetings with decision-makers. More unforeseeable risks that may arise, for example as a result of disease outbreaks, war or political unrest, are managed through ongoing external monitoring. To maintain optimum preparedness and active crisis management, Holmen is engaged in close dialogue and coordination with industry organisations, customers and suppliers.	Following the war in Ukraine, Holmen has taken a number of measures to safeguard its raw material supply, logistics and IT security. Holmen complies with any sanctions adopted. Global trade barriers in the form of tariffs may affect our sales, both directly and indirectly through altered trade flows. Holmen has been active in promoting the growth of sustainable energy production and bio-based activities, through dialogue, consultation responses, preparedness and advocacy work, on its own and together with industry organisations.

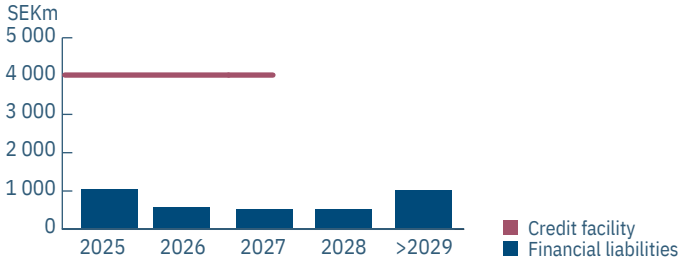
Financial risks

Risk	Risk management	Comments
Currency The Group's earnings are affected by fluctuations in exchange rates. Transaction exposure risk arises due to a significant portion of the Group's sales income being in different currencies from costs. Translation exposure risk arises from the translation of foreign subsidiaries' assets, liabilities and earnings into Swedish kronor.	**Transaction exposure.** In order to reduce the impact on profit of changes in exchange rates, net flows are hedged using forward foreign exchange contracts. Net flows in euros, US dollars and pounds sterling for the coming four months are always hedged. These normally consist of trade receivables and outstanding orders. The Board may decide to hedge flows for a longer period if this is deemed to be appropriate in light of the products' profitability and competitiveness and the currency situation. Currency exposure arising when investments are paid for in foreign currencies is distinguished from other transaction exposures. Normally, 90–100 per cent of the currency exposure associated with major investments is hedged.	Expected flows in EUR/SEK are hedged for just over two years at an average rate of 11.40. For other currencies, 4–5 months of flows are hedged.
	Translation exposure. The Group's non-current assets are mainly Swedish, with the exception of the paperboard mill in the UK, which accounts for 2 per cent of the assets. The hedging of the exposure that arises when subsidiaries' assets and liabilities are translated into Swedish kronor (known as equity hedging) is assessed on a case-by-case basis and is arranged based on the value of the net assets upon consolidation. The hedges take the form of foreign currency loans or forward foreign exchange contracts. The exposure that arises when the earnings of foreign subsidiaries are translated into Swedish kronor is not normally hedged.	Hedging of exposure to pounds sterling amounted to GBP 130 million at year-end. Net assets in other currencies are limited and are not usually hedged.
		
Interest rates Changes in market interest rates affect the Group's cost of borrowing.	The fixed interest rate period for the Group's net financial debt varies over time and is decided on by the Board of Directors. To limit the effects of a rise in interest rates, the interest rate on loans may be fixed, or interest rate swap agreements may be entered into without changing the interest rate on the underlying loans.	Holmen's average borrowing rate in 2024 was 3.2 per cent. The table below shows the Group's fixed interest rate period by currency.

SEKm	<1 year	1–3 years	3–5 years	>5 years	Pension obligations	Right-of-use agreements	Total
SEK	785	-1 000	-1 500	-	0	-175	-1 890
EUR	189	-	-	-	-9	-41	138
GBP	-1 792	-	-	-	-	-4	-1 796
Other items	156	-	-	-	-	-5	151
	-662	**-1 000**	**-1 500**	**-**	**-9**	**-225**	**-3 397**

Credit risk relating to financial counterparties The risk of financial transactions giving rise to credit risks in relation to financial counterparties.	The creditworthiness of Holmen's financial counterparties is assessed using reputable credit rating agencies or, where a counterparty has no credit rating, the company's own analyses. A maximum credit risk and settlement risk are established for each financial counterparty and are continually monitored. The calculation is based on the maturity and historical volatility of different types of derivatives. For cash and cash equivalents and current investments, the maximum credit risk is deemed to correspond to the nominal amount.	At 31 December 2024, the Group had outstanding derivative contracts of a nominal amount of SEK 16 billion and a net fair value of SEK -0.2 billion.

Risk	Risk management	Comments
Liquidity and refinancing The risk that the need for future funding and refinancing of maturing loans may have to be met at a high cost.	Holmen's strategy is to have a strong financial position to give it room for manoeuvre when making long-term business decisions. The target is for net financial debt not to exceed 25 per cent of equity. Holmen's financing usually mainly comprises bonds and the issuing of commercial paper. Holmen reduces the risk of future funding becoming difficult or expensive by using long-term contractually agreed credit facilities. The Group plans its financing by forecasting its financing needs over the coming years based on the Group's budget and profit forecasts, which are regularly updated.	Net financial debt amounted to SEK 3 397 million, equal to 6 per cent of equity. Financial liabilities totalled SEK 3 694 million at the end of the year, of which SEK 1 048 million are due for payment in 2025, and financial assets totalled SEK 295 million, of which SEK 234 million consist of cash and cash equivalents and current investments. The Group has an unused contractually agreed credit facility of SEK 4 billion that expires in 2027. The facility includes a limit stipulating that it cannot be used if the net liability to equity ratio exceeds 125 per cent.



Sensitivity analysis

Operational risks

A 1 per cent change in deliveries and the price of the Group's products or significant input goods is deemed to affect Group operating profit as per the table on the right.

Earnings are relatively evenly spread over the year. The clearest seasonal effects are lower personnel costs in the third quarter and the fact that electricity production at the hydro power plants is normally higher in the first and fourth quarters.

Holmen hedges part of the electricity consumption at the paper mills. For 2025, price hedges are in place covering 85 per cent of full production. 45 per cent is hedged for 2026 and 10 per cent for 2027.

		Impact on operating profit, SEKm	
Sale	**Change**	**Price**	**Deliveries**
Board and paper	+/-1%	153	59
Wood products	+/-1%	37	11
Wood from company forests	+/-1%	20	14
Hydro and wind power	+/-1%	6	5
Input goods	**Change**	**Price**	
Wood	+/-1%	52	
Electricity*	+/-1%	3	
Chemicals	+/-1%	20	
Other variable costs	+/-1%	8	
Delivery costs	+/-1%	22	
Employees	+/-1%	30	
Other fixed costs	+/-1%	21	

**Taking electricity price hedges for 2025 into account. Without taking hedges into account, the corresponding impact would be SEK 11 million.*

Financial risks

The table on the right shows the extent of the impact of any change in the Swedish krona, the price of electricity or the market interest rate on Group profit/loss before tax and equity next year, taking account of hedging. The adopted change is calculated based on five years' average historical volatility for each instrument, which is deemed to be a reasonable change going forward. The historical volatility of exchange rates is calculated based on average annual volatility on the KIX, the Riksbank's exchange rate index. Excluding hedging, a 5 per cent change in the krona would affect the profit/loss before tax by SEK 508 million a year.

Profit/loss before tax*	**Change**	**SEKm**
Exchange rate total	+/-5%	225
EUR/SEK	+/-5%	33
USD/SEK	+/-5%	100
GBP/SEK	+/-5%	54
other currencies/SEK	+/-5%	38
Borrowing rate	+/-1% point	1
Equity	**Change**	**SEKm**
Transaction hedging	+/-5%	570
Investment hedging	+/-5%	51
Equity hedging	+/-5%	73
Electricity price hedging	+/-60 %	986
Interest rate changes	+/-1% point	61

**Estimated effect for 2025 including hedging.*

SHAREHOLDER INFORMATION

Holmen's two classes of shares are listed on Nasdaq Stockholm, Large Cap. Over the past ten years, Holmen's total shareholder return (dividends paid and share price performance) has been 328 per cent, compared with 175 per cent for the OMX Stockholm GI. For Holmen, this corresponds to an annual return of 16 per cent. The number of shareholders has increased over the same period from 22 000 to 50 100.

Stock exchange trading

Holmen was listed on the Stockholm Stock Exchange in 1936, but was called Mo och Domsjö AB at the time. Holmen's two classes of shares are currently listed on Nasdaq Stockholm, Large Cap.
At the end of 2024, Holmen A was trading at SEK 399 (424) and Holmen B at SEK 406 (426), corresponding to a market capitalisation of SEK 63.7 billion (67.6). Holmen's class B shares reached their highest closing price for the year, SEK 463, on 21 May. The lowest closing price, SEK 395, was recorded on 9 February.

The daily average number of class B shares traded was 453 000, which corresponds to a value of SEK 190 million. The daily average number of class A shares traded was 854. 35 per cent of trading took place on Nasdaq Stockholm. Holmen shares are also traded on other trading platforms, such as Cboe BXE, LSE and Aquis.

Dividend

Decisions on shares dividends are based on an appraisal of the Group's profitability, future investment plans and financial position. The Board proposes that the AGM to be held on 31 March 2025 approve an ordinary dividend of SEK 9 per share and an extra dividend of SEK 3 per share.

Share buy-backs

A total of 1 554 163 class B shares were repurchased for SEK 647 million during the year, corresponding to an average price of SEK 416/share. The buy-backs amount to 0.9 per cent of the total number of shares. When combined with the shares that it already owned, this means that at 31 December 2024 Holmen held 3.0 per cent of the total number of shares.

The Board proposes the renewal of its authorisation to buy back up to 10 per cent of the company's shares by the 2025 AGM.

Share structure

After the share buy-backs, Holmen has 157 668 192 outstanding shares, of which 45 246 468 class A shares and 112 421 724 class B shares. The company also holds 4 844 132 repurchased class B shares. Each class A share carries 10 votes, and each class B share one vote. In other respects, the shares carry the same rights. Neither laws nor the company's articles of association place any restrictions on the transferability of the shares.

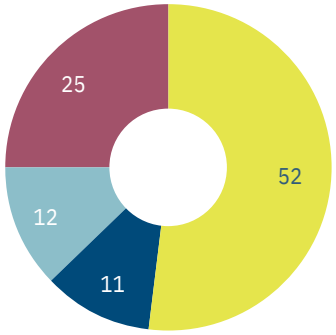
Ownership structure

Holmen had a total of 50 139 shareholders at year-end 2024. In terms of numbers, Swedish private individuals were the largest category of owners with 47 555 shareholders. Shareholders registered in Sweden own 76 per cent (73) of the share capital. Among foreign shareholders, the largest proportion of shares are held in Norway and the US, accounting for 8 per cent and 7 per cent of the capital, respectively. The largest owner at the turn of 2024/2025, with 62.7 per cent of the votes and 35.0 per cent of the capital, was L E Lundbergföretagen AB.

Shareholder communication

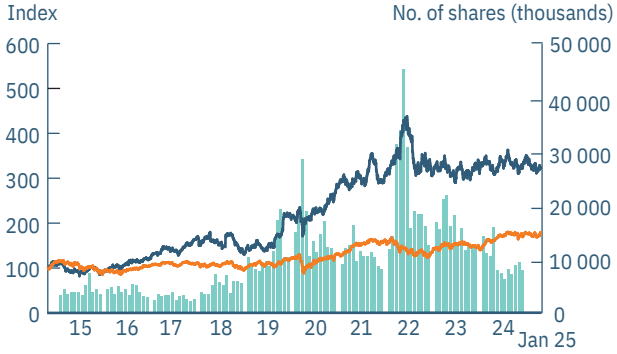
Information about the company is available on the holmen.com website, including financial information in the form of reports, presentations and financial data, as well as the performance of Holmen's shares and contact information.

Shareholder categories
Share of capital, %



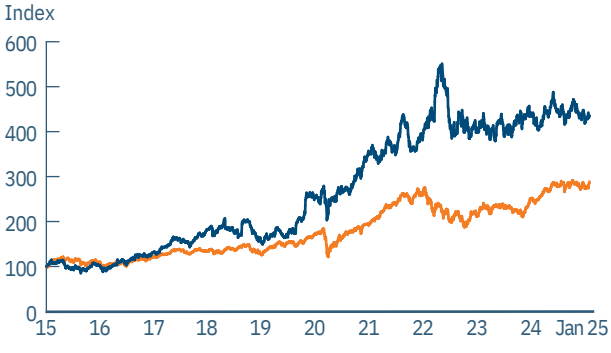
Swedish institutions	52%
Swedish equity funds	11%
Swedish private individuals	12%
Foreign shareholders	25%

Share price performance
Holmen B and OMX Stockholm



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

Total shareholder return Holmen B and OMX Stockholm
Including reinvested dividends without tax



Holmen B Stockholm Stock Exchange (OMXSGI)

Source: Macrobond

Earnings per share, SEK

18.0

Proposed dividend per share, SEK

9.0 + 3.0

Annual return at 31 Dec 2024*, %	1 year	3 years	5 years	10 years
Holmen B	-1	2	11	16
Stockholm Stock Exchange (OMXSGI)	9	0	10	11

**Including reinvested dividends.*

Holmen's total shareholder return has averaged 16 per cent a year over the past 10 years, which is 5 percentage points better than the OMX Stockholm GI.

Share capital structure

Equities	Votes	No. of shares	No. of votes	Quotient value	SEKm
A	10	45 246 468	452 464 680	26	1 180
B	1	117 265 856	117 265 856	26	3 058
Total no. of shares		162 512 324	569 730 536		4 238
Holding of repurchased class B shares		-4 844 132	-4 844 132		
Total number of outstanding shares		**157 668 192**	**564 886 404**		

Changes in share capital 2000–2024	Change in no. of shares	Total no. of shares	Change in share capital	Total share capital, SEKm
2001 Cancellation of repurchased shares	-8 885 827	79 972 451	-444	3 999
2004 Conversion and subscription	4 783 711	84 756 162	239	4 238
2018 Share split	84 756 162	169 512 324	-	4 238
2020 Cancellation of repurchased shares	-7 000 000	162 512 324	-	4 238

Ownership structure* 31 Dec 2024	% of capital	% of votes
L E Lundbergföretagen	35.0	62.7
Norges Bank	7.9	2.2
Kempe Foundations	7.6	17.6
Carnegie Funds (Sweden)	2.9	0.8
SEB Funds	2.4	0.7
BlackRock	2.2	0.6
Swedbank Robur Funds	2.1	0.6
Vanguard (US)	2.0	0.6
Handelsbanken Funds	1.6	0.4
Alecta	1.4	0.4
Total	**65.2**	**86.7**
Other	34.8	13.3
Total	**100.0**	**100.0**
Of which non-Swedish shareholders	24.8	7.2

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

Shareholder statistics at 31 Dec 2024

Holding classes, no. of shares	No. of shareholders	Share of capital, %
1–1 000	46 349	4
1 001–100 000	3 701	11
100 001–	89	85
Total	**50 139**	**100**

Data per share (adjusted for the 2:1 share split in 2018)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Diluted earnings per share, SEK[1)]	**18.0**	23.0	36.3	18.5	12.2	52.6	13.5	9.9	8.5	3.3
Dividends, SEK										
Ordinary dividend, SEK	**9.0**[2)]	8.5	8	7.5	7.25	3.5	6.75	6.5	6	5.5
Extra dividend, SEK	**3.0**[2)]	3.0	8	4.0	3.5	-	-	-	-	-
Total dividends as % of:										
Equity	**3.3**	3.2	4.6	4.0	4.1	1.4	4.8	5.0	4.7	4.2
Closing market price	**3.0**	2.7	3.9	2.6	2.7	1.2	3.9	3.0	3.7	4.0
Profit/loss for the year	**67**	50	44	62	88	6	50	65	71	158
Return on equity, %[1)]	**5**	7	11	7	5	35	10	8	7	3
Return on capital employed, %[1) 3)]	**6**	8	13	9	6	9	10	9	9	6
Equity per share, SEK	**364**	358	352	290	263	238	140	131	127	124
Closing market price, B, SEK	**406**	426	414	435	394	285	175	218	164	131
Average market price for year, B, SEK	**422**	414	459	404	310	220	213	186	141	132
Highest market price for year, B, SEK	**463**	459	573	469	396	297	240	218	163	153
Lowest market price for year, B, SEK	**395**	372	400	365	228	172	175	157	114	110
Total closing market capitalisation, '000 SEKm	**63.7**	67.7	67.5	71.0	64.7	46.6	29.5	36.6	27.4	22.3
P/E ratio[4)]	**23**	19	11	23	32	5	13	22	19	39
EV/EBITDA[3) 5)]	**13**	11	8	14	19	14	9	13	10	11
Closing beta value (48 months), B, at year-end[6)]	**0.67**	0.72	0.74	0.83	0.83	0.89	0.85	0.84	0.81	0.75
Number of shareholders at year-end	**50 139**	53 344	52 701	48 126	48 104	38 904	33 573	30 903	28 159	28 176

1) See page 134: Definitions and glossary. 2) Board proposal. 3) Excl. items affecting comparability 4) Closing market price divided by diluted earnings per share. 5) Market capitalisation plus net financial debt at year-end (EV) divided by EBITDA. 6) Measures the sensitivity of the return on class B shares relative to the return on the OMXSGI over a period of 48 months.

BOARD OF DIRECTORS

1. Fredrik Lundberg
Chairman. Djursholm. Born in 1951.
Member since 1988.
M.Sc. in Engineering,
M.Sc. in Economics and
Dr h c mult. President and CEO
of L E Lundbergföretagen AB.
Other significant appointments:
Chairman of Hufvudstaden AB and
AB Industrivärden. Deputy Chairman
of Svenska Handelsbanken AB. Board
member of L E Lundbergföretagen AB
and Skanska AB.
Shareholding: 1 679 448 shares.
L E Lundbergföretagen's shareholding:
55 244 000 shares.

2. Henrik Sjölund
Norrköping. Born in 1966.
Member since 2014.
M.Sc. in International Economics with
German. President and CEO.
Other significant appointments:
Board member of Skanska,
Skogsindustrierna, SKGS and Svenskt
Näringsliv.
Shareholding: 39 602 shares.

3. Alice Kempe
Torshälla. Born in 1967.
Member since 2019. M.Sc. in Forestry.
Other significant appointments:
Chairwoman of the Kempe
Foundations. Board member
of SweTree Technologies AB.
Shareholding: 322 792 shares.

4. Henriette Zeuchner
Stockholm. Born in 1972.
Member since 2015.
M.Sc. in Economics and
Bachelor of Law.
Other significant appointments:
Chairwoman of All Ears AB.
Board member of the NTM Group
and TVM Media.
Shareholding: 1 600 shares.

5. Ulf Lundahl
Lidingö. Born in 1952.
Member since 2004.
Bachelor of Law and
M.Sc. in Economics.
Other significant appointments:
Chairman of Fidelio Capital AB.
Chairman of the credit committee
of Nordstjernan Kredit KB.
Board member of Indutrade AB.
Shareholding: 8 000 shares.

6. Louise Lindh
Stockholm. Born in 1979.
Member since 2010.
M.Sc. in Economics.
Other significant appointments:
Chairwoman of Fastighets AB
L E Lundberg and J2L Holding AB.
Board member of Hufvudstaden AB,
L E Lundbergföretagen AB and Svenska
Handelsbanken AB.
Shareholding: 200 000 shares.

7. Fredrik Persson
Stockholm. Born in 1968.
Member since 2022.
M.Sc. in Economics.
Other significant appointments:
Chairman of BusinessEurope,
Ellevio AB and JM AB. Board member
of A Ahlström Oy, AB Industrivärden,
Hufvudstaden AB, ICA Gruppen AB and
Interogo Holding AG.
Shareholding: 3 000 shares.

8. Carina Åkerström
Stockholm. Born in 1962.
Member since 2023. Legal counsel.
Other significant appointments:
Board member of the World Childhood
Foundation, SkiStar and the Royal
Swedish Academy of Engineering
Sciences' Business Executives Council.
Shareholding: 630 shares.

9. Lars Josefsson
Norrköping. Born in 1953.
Member since 2016.
M.Sc. in Engineering.
Other significant appointments:
Chairman of TimeZynk. Board member
of Ouman and Nevel.
Shareholding: 7 000 shares.

Workers' representatives

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

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

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

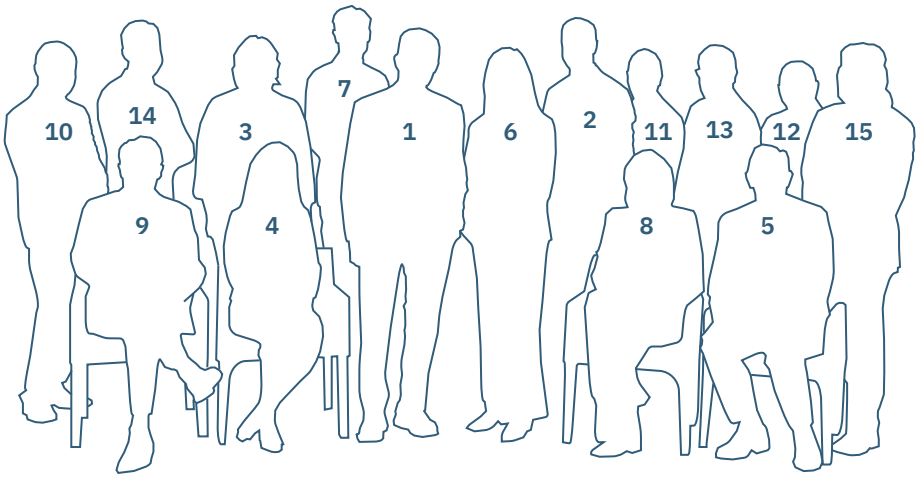
13. Martin Nyman
Ölsund. Born in 1978.
Deputy member since 2021.
Employee representative, PTK.
Chairman of the Holmen Iggesund
Unionen Club.
Shareholding: 760 shares.

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

15. Tommy Åsenbrygg
Skebobruk. Born in 1968.
Member since 2015. Employee
representative, PTK.
Shareholding: 200 shares.

Auditors: PricewaterhouseCoopers AB
Principal auditor:
Magnus Svensson Henryson
Authorised public accountant.

This information relates to personal and related party shareholdings at 31 December 2024.



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

GROUP MANAGEMENT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11

1. Henrik Sjölund
President and CEO
Born in 1966.
Joined Holmen in 1993.
Shareholding: 39 602 shares. Henrik Sjölund has no material shareholdings or ownership interests in companies with which the Group has significant business relationships. Further information is provided on page 56.

2. Anders Jernhall
Executive Vice President
Born in 1970.
Joined Holmen in 1997.
Shareholding:
21 595 shares.

3. Stefan Loréhn*
CFO
Born in 1978.
Joined Holmen in 2025.
Shareholding:
3 000 shares.

4. Sören Petersson
Senior Vice President Forest
Born in 1969.
Joined Holmen in 1994.
Shareholding:
21 267 shares.

5. Fredrik Nordqvist
Senior Vice President Renewable Energy
Born in 1971.
Joined Holmen in 2011.
Shareholding: 700 shares.

6. Johan Padel
Senior Vice President Wood Products
Born in 1966.
Joined Holmen in 2014.
Shareholding: 1 880 shares.

7. Lars Lundin
Senior Vice President Board and Paper
Born in 1966. Joined Holmen in 2018.
Shareholding: 4 200 shares.

8. Gunilla R Söderberg
Senior Vice President Human Resources
Born in 1966.
Joined Holmen in 2013.
Shareholding: 1 373 shares.

9. Ola Schultz-Eklund
Senior Vice President Technology
Born in 1961.
Joined Holmen in 1994.
Shareholding: 4 602 shares.

10. Stina Sandell
Senior Vice President Sustainability and Communications
Born in 1966.
Joined Holmen in 2017.
Shareholding: 2 145 shares.

11. Henrik Andersson
Senior Vice President Legal Affairs
Secretary of the Board of Directors.
Born in 1971.
Joined Holmen in 2008.
Shareholding: 5 800 shares.

**Took up the post in February 2025.*

This information relates to personal and related party shareholdings at 31 December 2024.

CALENDAR AND INFORMATION

Information

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

How to order printed documents:
Holmen AB, Group staff
Sustainability and Communications,
P.O. Box 5407, SE-114 84 Stockholm,
Sweden
e-mail: info@holmen.com
telephone: +46 8 666 21 00
or go to holmen.com

Calendar

Holmen will publish the following financial reports for 2025:

Interim report Jan–Mar: 8 May 2025
Interim report Jan–Jun: 14 August 2025
Interim report Jan–Sep: 23 October 2025
Year-end report: 30 January 2026

2025 AGM: 31 March 2025

Trading and dividend dates

The last day for trading, including dividend rights: 31 March 2025

Record date for dividend:
2 April 2025

Payment date for dividend:
7 April 2025

FINANCIAL STATEMENTS

Income statement, SEKm	Note	2024	2023
Net sales	2	22 759	22 795
Other operating income	3	2 083	1 996
Change in inventories		233	-79
Raw materials and consumables		-12 752	-11 162
Personnel costs	4	-3 389	-3 312
Other operating expenses	5	-4 739	-4 691
Change in value of biological assets	9	907	562
Depreciation and amortisation according to plan	10, 11, 12	-1 388	-1 360
Profit from investments in associates	13	7	6
Operating profit		**3 721**	**4 755**
Financial income	6	39	49
Financial costs	6	-101	-98
Profit/loss before tax		**3 660**	**4 705**
Tax	7	-798	-1 008
Profit/loss for the year		**2 861**	**3 697**
Attributable to:			
Owners of the parent company		2 861	3 697
Earnings per share (SEK)	8		
basic		18.0	23.0
diluted		18.0	23.0
Average number of shares (million)	8		
basic		158.8	160.5
diluted		158.8	160.5

Operating profit for 2024 amounted to SEK 3 721 million (4 755). The decrease in profit is due to lower paper prices and the positive impact of income from the sale of surplus electricity the previous year.

Net financial items totalled SEK -62 million (-49).

Recognised tax totalled SEK -798 million (-1 008), corresponding to 22 per cent (21) of the profit/loss before tax.

Statement of comprehensive income, SEKm	Note	2024	2023
Profit/loss for the year		**2 861**	**3 697**
Other comprehensive income			
Revaluation of forest land	9	454	3 493
Revaluations of defined benefit pension plans	18	-5	-6
Tax attributable to items that will not be reclassified to profit/loss for the year	7	-92	-718
Total items that will not be reclassified to profit/loss for the year		**357**	**2 769**
Cash flow hedges			
Revaluation		-95	-815
Transferred from equity to the income statement		-406	-2 727
Transferred from equity to non-current assets		-	-6
Translation difference on foreign operations		181	55
Hedging of currency risk from foreign operations		-127	-42
Tax attributable to items that will be reclassified to profit/loss for the year	7	129	740
Total items that will be reclassified to profit/loss for the year		**-318**	**-2 795**
Total other comprehensive income after tax		**39**	**-27**
Total comprehensive income		**2 900**	**3 671**
Attributable to:			
Owners of the parent company		2 900	3 671

Balance sheet at 31 December, SEKm	Note	2024	2023
Non-current assets			
Biological assets	9	31 600	30 555
Forest land	9	26 243	25 793
Non-current intangible assets	10	498	513
Property, plant and equipment	11	11 231	10 330
Right-of-use assets	12	220	244
Investments in associates	13	1 701	1 686
Other shares and participations	13	6	5
Non-current financial receivables	14	46	61
Deferred tax assets	7	3	3
Total non-current assets		**71 549**	**69 190**
Current assets			
Inventories	15	5 697	4 837
Trade receivables	16	2 823	2 696
Current tax assets	7	144	114
Other operating receivables	16	1 085	1 630
Current financial receivables	14	15	50
Cash and cash equivalents	14	234	1 202
Total current assets		**9 999**	**10 529**
Total assets		**81 548**	**79 719**
Equity			
Share capital		4 238	4 238
Other contributed capital		281	281
Reserves		20 726	20 667
Retained earnings including profit/loss for the year		32 125	31 738
Total equity attributable to owners of the parent company		**57 370**	**56 923**
Non-current liabilities			
Non-current financial liabilities	14	2 502	1 902
Non-current liabilities relating to right-of-use assets		132	160
Pension obligations	18	9	9
Non-current provisions	19	389	418
Deferred tax liabilities	7	14 252	13 858
Total non-current liabilities		**17 285**	**16 347**
Current liabilities			
Current financial liabilities	14	953	1 021
Current liabilities relating to right-of-use assets		95	91
Current provisions	19	45	31
Trade payables	20	3 808	3 394
Current tax liabilities	7	97	105
Other operating liabilities	20	1 895	1 808
Total current liabilities		**6 893**	**6 449**
Total liabilities		**24 178**	**22 796**
Total equity and liabilities		**81 548**	**79 719**

Changes in equity, SEKm

			Reserves				
	Share capital	Other contri-buted capital	Trans-lation reserve	Hedge reserve	Revaluation surplus	Retained earnings incl. profit/loss for the year	Total equity
Opening equity balance 1 Jan 2023	**4 238**	**281**	**126**	**3 137**	**17 426**	**31 742**	**56 950**
Profit/loss for the year	-	-	-	-	-	3 697	3 697
Other comprehensive income							
Revaluation of forest land	-	-	-	-	3 493	-	3 493
Revaluation of defined benefit pension plans	-	-	-	-	-	-6	-6
Cash flow hedges	-	-	-	-3 549	-	-	-3 549
Translation difference on foreign operations	-	-	55	-	-	-	55
Hedging of currency risk from foreign operations	-	-	-42	-	-	-	-42
Tax attributable to other comprehensive income	-	-	9	731	-720	1	22
Total other comprehensive income	**-**	**-**	**22**	**-2 818**	**2 774**	**-5**	**-27**
Total comprehensive income	**-**	**-**	**22**	**-2 818**	**2 774**	**3 692**	**3 671**
Dividends paid	-	-	-	-	-	-2 592	-2 592
Buy-backs of treasury shares	-	-	-	-	-	-1 119	-1 119
Share savings programmes	-	-	-	-	-	13	13
Closing equity balance 31 Dec 2023	**4 238**	**281**	**148**	**320**	**20 199**	**31 738**	**56 923**
Profit/loss for the year	-	-	-	-	-	2 861	2 861
Other comprehensive income							
Revaluation of forest land	-	-	-	-	454	-	454
Revaluation of defined benefit pension plans	-	-	-	-	-	-5	-5
Cash flow hedges	-	-	-	-501	-	-	-501
Translation difference on foreign operations	-	-	181	-	-	-	181
Hedging of currency risk from foreign operations	-	-	-127	-	-	-	-127
Tax attributable to other comprehensive income	-	-	26	103	-93	1	37
Total other comprehensive income	**-**	**-**	**80**	**-398**	**360**	**-4**	**39**
Total comprehensive income	**-**	**-**	**80**	**-398**	**360**	**2 858**	**2 900**
Gain/loss on currency hedges, acquisition of non-current assets	-	-	-	16	-	-	16
Dividends paid	-	-	-	-	-	-1 831	-1 831
Buy-backs of treasury shares	-	-	-	-	-	-647	-647
Share savings programmes	-	-	-	-	-	11	11
Closing equity balance 31 Dec 2024	**4 238**	**281**	**228**	**-61**	**20 560**	**32 125**	**57 370**

Cash flow statement, SEKm	Note	2024	2023
Operating activities			
Profit/loss before tax	25	3 660	4 705
Adjustments for non-cash items			
Depreciation and amortisation according to plan		1 388	1 360
Change in value of biological assets		-907	-562
Change in provisions		-16	-12
Other*		28	-19
Tax paid		-425	-160
Cash flow from operating activities before changes in working capital		**3 728**	**5 311**
Cash flow from changes in working capital			
Change in inventories		-824	11
Change in trade receivables and other operating receivables		4	899
Change in trade payables and other operating liabilities		409	-417
Cash flow from operating activities		**3 317**	**5 805**
Investing activities			
Acquisition of property, plant and equipment		-1 956	-1 497
Disposal of property, plant and equipment		38	15
Acquisition of non-current intangible assets		-1	-46
Investments in and acquisition of biological assets		-158	-162
Disposal of biological assets		20	38
Acquisition of shares and participations		-8	0
Disposal of shares and participations		0	0
Cash flow from investing activities		**-2 066**	**-1 653**
Financing activities			
Long-term borrowings raised	25	1 500	-
Repayment of long-term borrowings	25	-1 000	-1 000
Change in current financial liabilities	25	-112	-64
Repayment of debt related to right-of-use assets	25	-127	-114
Change in current financial receivables		-3	0
Buy-backs of treasury shares		-647	-1 119
Dividends paid to owners of the parent company		-1 831	-2 592
Cash flow from financing activities		**-2 221**	**-4 888**
Cash flow for the year		**-970**	**-736**
Cash and cash equivalents at beginning of year		1 202	1 935
Exchange difference on cash and cash equivalents		2	3
Cash and cash equivalents at end of year		**234**	**1 202**

**Other adjustments primarily consist of foreign exchange effects and the marking to market of financial instruments, profit from associates, as well as gains/losses on the sale of non-current assets.*

Change in net financial debt, SEKm	2024	2023
Opening net financial debt	**-1 869**	**-2 145**
Cash flow		
Operating activities	3 317	5 805
Investing activities (excl. financial receivables)	-2 066	-1 653
Buy-backs of treasury shares	-647	-1 119
Dividends paid	-1 831	-2 592
Liabilities arising from new right-of-use agreements	-105	-117
Revaluations of defined benefit pension plans	-3	-6
Foreign exchange effects and changes in fair value	-192	-43
Closing net financial debt	**-3 397**	**-1 869**

Income statement, SEKm	Note	2024	2023
Net sales	2	20 393	20 234
Other operating income	3	1 253	1 337
Change in inventories		192	-81
Raw materials and consumables		-10 890	-9 551
Personnel costs	4	-2 814	-2 706
Other external costs	5	-7 048	-6 754
Depreciation and amortisation according to plan	10, 11	-60	-61
Operating profit		**1 027**	**2 419**
Profit/loss from investments in Group companies	6, 22	350	360
Interest income and similar income	6	215	175
Interest expenses and similar expenses	6	-281	-176
Profit/loss after financial items		**1 311**	**2 778**
Appropriations	23	366	190
Profit/loss before tax		**1 677**	**2 968**
Tax	7	-302	-547
Profit/loss for the year		**1 375**	**2 421**

Statement of comprehensive income, SEKm	Note	2024	2023
Profit/loss for the year		**1 375**	**2 421**
Other comprehensive income			
Cash flow hedges			
Revaluation		-108	-6 162
Transferred from equity to the income statement		-395	2 727
Transferred from equity to non-current assets		-	6
Tax attributable to other comprehensive income	7	104	706
Total items that will be reclassified to profit/loss for the year		**-400**	**-2 723**
Total comprehensive income		**976**	**-302**

The parent company includes Holmen's Swedish operations, except for most of the non-current assets, the business operating at Varsvik Wind Farm and the Group's construction system business, which are recognised within other Group companies.

Profit/loss after net financial items includes the loss from the hedging of equity in foreign subsidiaries of SEK -127 million (-42).

Cash flow statement, SEKm	Note	2024	2023
Operating activities			
Profit/loss after financial items		1 311	2 778
Adjustments for non-cash items			
Depreciation and amortisation according to plan		60	61
Change in provisions		6	15
Other*		109	230
Tax paid		-318	-55
Cash flow from operating activities before changes in working capital		**1 168**	**3 029**
Cash flow from changes in working capital			
Change in inventories		-699	-89
Change in operating receivables		14	806
Change in operating liabilities		370	-336
Cash flow from operating activities		**853**	**3 410**
Investing activities			
Acquisition of property, plant and equipment		-7	-102
Disposal of property, plant and equipment		6	51
Acquisition of shares and participations		0	-100
Disposal of shares and participations		1	-
Cash flow from investing activities		**0**	**-151**
Financing activities			
Long-term borrowings raised	25	1 500	-
Repayment of long-term borrowings	25	-1 000	-1 000
Change in other financial liabilities	25	-614	147
Change in other financial receivables		-3	0
Buy-backs of treasury shares		-647	-1 119
Dividends paid to owners of the parent company		-1 831	-2 592
Group contributions received		921	988
Group contributions paid		-89	-367
Cash flow from financing activities		**-1 763**	**-3 943**
Cash flow for the year		**-910**	**-684**
Cash and cash equivalents at beginning of year		1 090	1 774
Cash and cash equivalents at end of year		**180**	**1 090**

**Other adjustments primarily consist of foreign exchange effects, the marking to market of financial instruments and gains/losses on the sale of non-current assets.*

Balance sheet at 31 December, SEKm	Note	2024	2023
Non-current assets			
Non-current intangible assets	10	8	8
Property, plant and equipment	11	3 106	3 098
Non-current financial assets			
Shares and participations	13, 22	11 896	11 896
Non-current financial receivables	14	4 365	3 809
Total non-current assets		**19 374**	**18 810**
Current assets			
Inventories	15	4 720	4 054
Operating receivables	16	3 131	3 618
Current tax assets	7	105	87
Current investments	14	15	50
Cash and cash equivalents	14	180	1 092
Total current assets		**8 152**	**8 901**
Total assets		**27 527**	**27 711**

Balance sheet at 31 December, SEKm	Note	2024	2023
Equity	17		
Restricted equity			
Share capital		4 238	4 238
Statutory reserve		1 577	1 577
Revaluation reserve		100	100
Non-restricted equity			
Retained earnings incl. hedge reserve		4 682	5 112
Profit/loss for the year		1 375	2 421
Total equity		**11 972**	**13 448**
Untaxed reserves	23	**4 950**	**4 484**
Provisions			
Pension obligations	18	0	1
Provisions	19	630	623
Deferred tax liabilities	7	584	683
Total provisions		**1 215**	**1 308**
Liabilities			
Non-current financial liabilities	14	3 241	2 684
Current financial liabilities	14	953	1 021
Operating liabilities	20	5 195	4 766
Total liabilities		**9 389**	**8 471**
Total equity and liabilities		**27 527**	**27 711**

Changes in equity, SEKm

	Restricted equity			Non-restricted equity			
	Share capital	Statutory reserve	Revaluation reserve	Hedge reserve	Retained earnings	Profit/loss for the year	Total equity
Opening equity balance 1 Jan 2023	**4 238**	**1 577**	**100**	**3 045**	**4 469**	**4 019**	**17 448**
Appropriation of profits	-	-	-	-	4 019	-4 019	-
Profit/loss for the year	-	-	-	-	-	2 421	2 421
Other comprehensive income							
Cash flow hedges	-	-	-	-3 429	-	-	-3 429
Tax on other comprehensive income	-	-	-	706	-	-	706
Total other comprehensive income	**-**	**-**	**-**	**-2 723**	**-**	**-**	**-2 723**
Total comprehensive income	**-**	**-**	**-**	**-2 723**	**4 019**	**-1 598**	**-302**
Dividends paid	-	-	-	-	-2 592	-	-2 592
Buy-backs of treasury shares	-	-	-	-	-1 119	-	-1 119
Share savings programmes	-	-	-	-	13	-	13
Closing equity balance 31 Dec 2023	**4 238**	**1 577**	**100**	**322**	**4 790**	**2 421**	**13 448**
Appropriation of profits	-	-	-	-	2 421	-2 421	-
Profit/loss for the year	-	-	-	-	-	1 375	1 375
Other comprehensive income							
Cash flow hedges	-	-	-	-503	-	-	-503
Tax on other comprehensive income	-	-	-	104	-	-	104
Total other comprehensive income	**-**	**-**	**-**	**-400**	**-**	**-**	**-400**
Total comprehensive income	**-**	**-**	**-**	**-400**	**2 421**	**-1 046**	**976**
Gain/loss on currency hedges, acquisition of non-current assets	-	-	-	16	-	-	16
Dividends paid	-	-	-	-	-1 831	-	-1 831
Buy-backs of treasury shares	-	-	-	-	-647	-	-647
Share savings programmes	-	-	-	-	11	-	11
Closing equity balance 31 Dec 2024	**4 238**	**1 577**	**100**	**-61**	**4 743**	**1 375**	**11 972**

NOTES TO THE FINANCIAL STATEMENTS

Amounts in SEKm, unless otherwise stated

Note 1. Accounting policies

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

Compliance with standards and statutory requirements

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

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

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

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

Functional currency and reporting currency

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

Estimates and judgements in the financial statements

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

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

Changes in accounting policies

New and amended accounting policies applicable as of 2024

The new and amended IFRSs applicable from 1 January 2024 do not have any material impact on the company's financial statements.

New and amended accounting policies not yet applied

The new and amended IFRSs to be applied in the future are not expected to have any material impact on the company's financial statements. The precise consequences of the implementation of IFRS 18 Presentation and Disclosure in Financial Statements have not yet been determined.

Segment reporting

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

Consolidation principles

Subsidiaries

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

The consolidated accounts have been prepared using the acquisition method.

Holdings recognised in accordance with the equity method

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

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

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

Foreign currency

Transactions denominated in foreign currencies

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

Financial statements of foreign operations

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

Companies operating on behalf of the parent company

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

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

Income

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

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

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

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

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

Renewable energy certificates and guarantees of origin

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

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

Emission allowances

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

Other operating income

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

State grants

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

Financial income and costs

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

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

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

Taxes

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

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

Earnings per share (EPS)

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

Financial instruments

Recognition in and derecognition from the balance sheet

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

Classification and measurement of financial instruments

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

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

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

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

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

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

Forest land and biological assets

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

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

Recognition in the parent company's accounts

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

Non-current intangible assets

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

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

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

Property, plant and equipment

Property, plant and equipment are stated at cost after the deduction of accumulated depreciation and any impairment losses. Property, plant and equipment that consist of parts with different useful lives are treated as separate components of property, plant and equipment. Additional expenditure is capitalised

only if it is judged to generate financial benefits for the company. The key factor determining whether or not additional expenditure is capitalised is if it relates to the replacement of identified components or parts thereof, in which case the expenditure is capitalised. The cost is also capitalised in cases where a new component is created. Any undepreciated book values for replaced components or parts of components are retired and expensed when the replacement is made.

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

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

The following useful lives (in years) are used:

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

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

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

Right-of-use assets (leases)

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

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

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

Parent company

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

Inventories

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

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

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

Employee benefits

Pension costs and pension obligations

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

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

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

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

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

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

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

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

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

Share-based payments

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

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

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

Termination benefits

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

Short-term benefits

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

Equity

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

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

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

Provisions

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

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

Contingent liabilities

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

Group contributions and shareholder contributions

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

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

Other

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

Note 2. Operating segment reporting

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

	Group		Parent company	
Net sales by market	**2024**	2023	**2024**	2023
Sweden	5 425	5 637	5 827	5 670
UK	2 540	2 565	1 950	1 845
Germany	2 475	2 495	2 022	2 062
Italy	1 271	1 174	1 134	1 027
France	1 201	1 406	1 034	1 229
Rest of Europe	5 918	5 776	4 679	4 839
Asia	1 986	2 130	1 910	2 070
Rest of the world	1 944	1 612	1 838	1 492
Total	**22 759**	**22 795**	**20 393**	**20 234**

	Group		Parent company	
Net sales by product group	**2024**	2023	**2024**	2023
Consumer paperboard	7 072	6 437	4 550	4 133
Pulp	384	328	610	454
Paper	7 782	8 200	7 782	8 200
Wood products	3 593	3 649	3 706	3 819
Wood construction solutions	302	422	-	-
Wood	2 991	2 692	2 991	2 691
Electricity	623	1 051	595	781
Other	12	17	159	156
Total	**22 759**	**22 795**	**20 393**	**20 234**

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

	Group		Parent company	
Non-current assets by country	**2024**	2023	**2024**	2023
Sweden	69 991	67 680	15 005	14 997
UK	1 499	1 437	-	-
Other	4	4	-	-
Total	**71 494**	**69 121**	**15 005**	**14 997**

Note 2. Operating segment reporting, cont.

2023	Forest	Renewable Energy	Wood Products	Board and Paper	Group-wide and other	Eliminations	Total Group
Net sales							
External	2 692	1 063	4 075	14 965	-	-	22 795
Internal	5 304	7	-	-	-	-5 311	-
Other operating income	235	31	820	1 520	250	-861	1 996
Operating expenses	-7 194	-299	-4 706	-12 799	-420	6 172	-19 245
Change in value of biological assets	562	-	-	-	-	-	562
Depreciation and amortisation according to plan	-77	-110	-184	-957	-32	-	-1 360
Profit from investments in associates	-	5	1	-	-	-	6
Operating profit/loss	**1 523**	**697**	**6**	**2 730**	**-202**	**-**	**4 755**
Operating margin, %	19	65	0	18	-	-	21
Return on capital employed, %	4	16	0	34	-	-	8
Operating assets	59 005	5 142	3 015	10 846	1 011	-615	78 403
Operating liabilities	-2 220	-338	-720	-2 010	-1 082	615	-5 755
Deferred tax, net	-12 016	-522	-156	-1 210	49	-	-13 856
Capital employed	**44 768**	**4 283**	**2 139**	**7 625**	**-22**	**-**	**58 793**
Acquisition of non-current assets	222	59	391	1 011	22	-	1 706
External net sales by market							
Sweden	2 691	1 063	1 336	547	-	-	5 637
UK	-	-	621	1 944	-	-	2 565
Germany	-	-	29	2 466	-	-	2 495
France	-	-	41	1 365	-	-	1 406
Italy	-	-	11	1 163	-	-	1 174
Rest of Europe	1	-	851	4 924	-	-	5 776
Asia	-	-	340	1 790	-	-	2 130
Rest of the world	-	-	846	766	-	-	1 612
Total	**2 692**	**1 063**	**4 075**	**14 965**	**-**	**-**	**22 795**

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

The Renewable Energy business area is responsible for the Group's hydro power and wind power assets. Deliveries in 2024 amounted to 1.7 TWh of renewable hydro and wind power electricity and include wind power electricity bought from a wind farm constructed on Holmen's land.

The Wood Products business area supplies wood products for joinery and construction purposes to five sawmills in Sweden and operates a timber frame construction business. In 2024, 1.3 million m^3 of wood products were delivered.

The Board and Paper business area manufactures paperboard and paper products at four production facilities in Sweden and the UK. In 2024, 1.4 million tonnes of paperboard and paper were delivered.

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

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

Note 3. Other operating income

	Group		Parent company	
	2024	2023	**2024**	2023
Sales of by-products	950	783	793	631
Sales of non-current assets	21	15	6	43
Certificates, renewable energy	646	557	0	0
Emission allowances	103	235	88	272
Insurance compensation	3	7	0	2
Rent and land lease income	57	48	50	47
Silviculture contracts	109	113	109	113
Other	194	238	207	229
Total	**2 083**	**1 996**	**1 253**	**1 337**

Of the sales of by-products in the consolidated accounts, SEK 237 million (178) relate to rejects from production, SEK 450 million (339) to wood shavings, bark and chips, as well as SEK 263 million (266) to external sales of energy.

Renewable energy certificates mainly relate to allocations for production at the UK paperboard mill in Workington. The Group has been allocated emission allowances under the EU ETS and the UK ETS that have been partly used for its own production. The value of the surplus is recognised on the external delivery of emission allowances sold, which has resulted in a recognised profit of SEK 103 million (235).

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

	Group		Parent company	
Wages, salaries and social security costs	**2024**	2023	**2024**	2023
Wages and other remuneration	2 356	2 311	1 897	1 841
Social security costs	958	922	858	803

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

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

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

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

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

Forms of remuneration

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

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

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

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

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

Notice and severance pay

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

Consideration of wage and employment conditions for other employees

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

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

The Board has created a remuneration committee. The committee's duties include preparing the Board's decision on proposed remuneration guidelines for members of senior management. Under Chapter 8, § 51 of the Swedish Companies Act, the Board must prepare proposed new guidelines at least every four years and put such proposal to the AGM. The remuneration committee must also monitor and evaluate the application of the guidelines and applicable remuneration structures and levels in the company. Members of the remuneration committee must be independent in relation to the company and its senior management. The Chief Executive Officer and other members of senior management do not attend the Board's discussion of and decisions on remuneration-related matters if such matters relate to them.

Deviations from the guidelines

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

Share savings programmes

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

The 2022 AGM approved a share savings programme reserved for key individuals in the Group ('LTIP 2022'). Participation in LTIP 2022 requires a personal investment in Holmen shares (so-called savings shares) and continued employment throughout the duration of the programme. The programme expires on 8 May 2025 and covers 67 participants who have invested in a total of 18 861 savings shares. The programme has performance conditions linked to the total return on capital employed for the industrial business areas Wood Products and Board and Paper ('ROCE') and to the total shareholder return on Holmen's class B shares ('TSR') during the period 2022–2024. The performance condition linked to the ROCE may yield 3–6 shares per savings share, with the CEO receiving 6 shares, the Executive Vice President 5 shares and other members of Group management 3–4 shares per savings share. For the performance condition linked to the ROCE, the maximum allocation will be made, as the ROCE during the period amounted to 32 per cent, exceeding the requirement for the maximum allocation of a ROCE of more than 17 per cent. No allocation would have been made if the ROCE was less than 12 per cent. The performance condition linked to the TSR may yield 0.5 shares per savings share. No award for the performance condition linked to the TSR will be made as the total shareholder return amounted to 6 per cent, which was below the requirement of a TSR of 10 per cent. The number of shares expected to be allocated at the end of the programme in May 2025 is 66 400. The total recognised cost for LTIP 2022 for the period 2022–2024 amounts to SEK 42 million, of which SEK 9 million (16) was recognised in 2024.

The 2024 AGM decided on a share savings programme reserved only for members of Group management (LTIP 2024). Participation in the programme requires a personal investment in Holmen shares (so-called savings shares) and continued employment throughout the duration of the programme. The programme expires in spring 2027 and covers 10 participants who have invested in a total of 8 940 savings shares. The programme has performance conditions linked to the total return on capital employed for the industrial business areas Wood Products and Board and Paper ('ROCE'), the development of the Group's climate benefit ('Climate benefit') and the total shareholder return on Holmen's class B shares ('TSR') during the period 2024–2026. The performance condition linked to the ROCE may yield 5.4 shares for the CEO, 4.5 shares for the Executive Vice President and 3.6 shares per savings share for other members of Group management. A maximum allocation requires that the ROCE exceeds a maximum level decided on by the Board. No allocation will be made if the ROCE is below a minimum level decided on by the Board. For an outcome between the minimum and maximum levels, the allocation will be adjusted on a straight-line basis. The performance condition linked to the Climate benefit may yield 0.6 shares for the CEO, 0.5 shares for the Executive Vice President and 0.4 shares per savings share for other members of Group management. The allocation of shares requires an increase in the reported climate benefit measured as an average over the financial years 2024–2026 compared with the reported climate benefit during the reference year 2023. If the climate benefit decreases or remains unchanged during the measurement period, no allocation linked to the Climate benefit will be made. See pages 102 and 104 for the definition and calculation of the climate benefit for the financial year 2024. The performance condition linked to the TSR may yield 0.5 shares per savings share for the CEO, the Executive Vice President and other members of Group management. The maximum number of shares that may be allocated under the programme is 47 000. The total recognised cost for LTIP 2024 amounts to SEK 5 million (-).

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

Remuneration of the Board and members of senior management

Board of Directors

A fixed Board fee is paid to the members of the Board elected by the AGM. The CEO does not receive a Board fee. For 2024, fees paid to the Board amounted to SEK 3 870 000 (3 690 000). The Chairman of the Board received a fee of SEK 860 000 (820 000), and each of the other seven (seven) members received SEK 430 000 (410 000).

Senior management

The remuneration and other benefits for the CEO and other members of senior management are set out below. Other members of senior management refers to the four (five) heads of the business areas and five (five) heads of the Group staffs.

Summary of wages, remuneration and other benefits in 2024

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

1) Variable remuneration consists of the short-term incentive programme for 2024 that will be paid out in 2025.
2) Refers to the recognised wage cost for the LTIP 2022 and LTIP 2024 share savings programmes. No allocations were made under share savings programmes during the year.
3) The pension cost for the CEO includes a SEK 3 375 599 recognised cost for an option to retire before the usual retirement age. The pension cost for other members of senior management includes a recognised cost of SEK 1 845 296 relating to an option to retire before the usual retirement age for three senior managers.
4) 10 people in January and 9 people for the rest of the year.

Summary of wages, remuneration and other benefits in 2023

SEK (kronor)	Fixed wage	Variable remuneration[1)]	Others benefits	Total wages, remuneration and other benefits	Recognised wage cost, share savings programmes[2)]	Pension cost[3)]
Chief Executive Officer	11 040 000	5 520 000	453 054	**17 013 054**	2 032 526	6 171 350
Other members of senior management (10)	29 739 862	9 548 400	1 212 904	**40 501 166**	3 873 303	10 597 299

1) Variable remuneration consists of the short-term incentive programme for 2023 that was paid out in 2024.
2) Refers to the recognised wage cost for the LTIP 2022 share savings programme. No allocations were made under share savings programmes during the year.
3) The pension cost for the CEO includes a SEK 2 888 318 recognised cost for an option to retire before the usual retirement age. The pension cost for other members of senior management includes a recognised cost of SEK 1 715 132 relating to an option to retire before the usual retirement age for three senior managers.

Short-term variable remuneration of members of senior management

The short-term variable remuneration for members of senior management ('STI') is calculated annually and may amount to a maximum of 50 per cent of their annual fixed salary for the CEO and Executive Vice President and a maximum of 35 per cent of their annual fixed salary for the rest of Group management. STI is not pensionable. The criteria for STI for 2024 to be paid out in 2025 are 90 per cent based on the return on capital employed (ROCE) for the industrial business areas (i.e. Wood Products and Board and Paper) and 10 per cent based on the accident rate at Holmen's workplaces being reduced. For the heads of the industrial business areas, the allocation based on the ROCE was 70 per cent for the ROCE for their own business areas and 30 per cent for the overall ROCE for the industrial business areas. For the Senior Vice President Renewable Energy, specific quantitative parameters have been applied. The criterion for STI for 2023 paid out in 2024 was based on the return on capital employed (ROCE) of the industrial business areas.

For STI for 2024, the range for the ROCE was 11–21 per cent, with no STI being paid for a ROCE of < 11%, maximum STI being paid for a ROCE of ≥ 21 per cent and a payout on a straight-line basis for a ROCE of 11–21 per cent. For STI for 2023, the range for the ROCE was 11–22 per cent.

For 2024, the ROCE for the industrial business areas totalled 16.3 per cent and the accident rate increased to 5.3 accidents per million hours worked compared with 5.2 in 2023. This means that the payout to the CEO and the Executive Vice President in respect of STI for 2024 will amount to 48 per cent of the maximum STI. For other members of Group management, the outcome is between 11–81 per cent of the maximum STI. For 2023, the combined ROCE for the industrial business areas was 27 per cent. This means that the payout to the CEO and the Executive Vice President in respect of the STI for 2023 will amount to 100 per cent of the maximum STI. For the other members of Group management, the outcome is between 33–100 per cent of the maximum STI.

Notice period for members of senior management

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

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

Pension obligations in respect of senior management

Holmen's defined benefit pension obligations for the CEO amounted to SEK 46 million (40) at 31 December 2024 and, for the other members of senior management, to SEK 34 million (30), calculated in accordance with IAS 19. The obligations relate to the costs that would arise if the CEO and three members of senior management retired before ordinary retirement age based on agreements entered into in accordance with the applicable guidelines for remuneration for members of senior management. The pension obligations are secured by plan assets managed by an independent pension fund.

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

	Group		Parent company	
Proportion of women, %	**2024**	2023	**2024**	2023
Board (excl. deputy members)	33	33	33	33
Senior management	20	18	20	18
Total	**29**	**27**	**29**	**27**

Average no. of employees (FTE)	Average number of employees (FTE)*	of whom women	of whom men	Average number of employees (FTE)*	of whom women	of whom men
	2024			2023		
Parent company						
Sweden	2 901	662	2 239	2 923	660	2 263
Group companies						
France	13	5	8	13	5	8
Netherlands	69	40	29	75	44	31
UK	387	39	348	407	44	364
Sweden	59	14	45	58	13	44
Germany	21	6	15	22	7	15
US	8	3	5	8	3	5
Other countries	40	15	25	41	15	26
Total Group companies	**597**	**122**	**475**	**623**	**131**	**492**
Total Group	**3 498**	**784**	**2 714**	**3 546**	**792**	**2 755**

Note 5. Auditors' fee and remuneration

The audit firm PricewaterhouseCoopers AB (PwC), which has been Holmen's auditor since 2021, was re-elected as auditor at the 2024 AGM for a period of one year. PwC performs the audit for Holmen AB as well as for the majority of Holmen's subsidiaries.

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

	Group		Parent company	
Remuneration of auditors	**2024**	2023	**2024**	2023
Audit assignments, PwC	10	9	7	6
Tax advice, PwC	0	1	0	1
Total	**10**	**9**	**7**	**6**
Other auditors	0	0	-	-
Total	**10**	**9**	**7**	**6**

Note 6. Net financial items and income from financial instruments

	Group		Parent company	
Net financial items	**2024**	2023	**2024**	2023
Dividend income from Group companies	-	-	344	348
Foreign exchange effect on the liquidation of Group companies	4	-	6	-
Interest income	35	49	215	175
Total financial income	**39**	**49**	**565**	**535**
Net gains/losses on financial instruments				
Measured at fair value through profit/loss	-41	17	-172	-12
Cash and cash equivalents	-4	1	0	0
Measured at amortised cost	45	-16	45	-16
Total net profit/loss	**0**	**1**	**-127**	**-29**
Interest expenses attributable to right-of-use agreements	-7	-7	-	-
Interest expenses*	-94	-93	-154	-136
Financial costs	**-101**	**-98**	**-281**	**-176**
Net financial items	**-62**	**-49**	**284**	**359**

**SEK -23 million (-19) relates to interest expenses for derivatives measured at fair value through other comprehensive income. SEK -3 million (-2) relates to interest expenses for derivatives recognised at fair value through profit/loss for the year.*

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

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

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

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

	Group		Parent company	
	2024	2023	**2024**	2023
Exchange gains/losses on trade receivables and trade payables	244	459	250	449
Net gain/loss from derivatives recognised in operating profit/loss	-570	536	-610	215

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

Gains and losses on currency hedges are recognised in operating profit/loss when the hedged item is recognised and in 2024 amounted to SEK -347 million (-477), the remainder being recognised in other comprehensive income as hedge accounting is applied. The fair value of outstanding currency hedges recognised in other comprehensive income was SEK -61 million (64) at 31 December 2024.

Gains/losses on financial electricity hedges are recognised in the income statement when they expire; for 2024 they totalled SEK -223 million (872). The fair value of outstanding financial electricity hedges at 31 December 2024 was SEK -66 million (302). The change in fair value is recognised in other comprehensive income as hedge accounting is applied.

The change in the fair value of hedges of investment purchases is recognised in the hedge reserve until expiry, at which point the gain/loss is moved from equity to the cost of the non-current asset that was hedged. The fair value of outstanding hedges of investment purchases amounted to SEK 12 million (-8) at 31 December 2024. In 2024, there was a SEK -14 million (12) impact on the cost of hedged items due to the result from hedging.

The result from the hedging of foreign net assets amounted to SEK -127 million (-42) in 2024 and was recognised in other comprehensive income as hedge accounting was applied. In the parent company's accounts, this result is recognised in the income statement. The translation of foreign net assets had an impact of SEK 181 million (55) on consolidated equity. The fair value of outstanding hedges of net assets at 31 December 2024 was SEK -15 million (43) and relates to financial derivatives.

The fair value of the derivatives used to manage fixed interest rate periods amounted to SEK 38 million (45) at 31 December 2024, which was recognised in other comprehensive income as hedge accounting was applied. This value is expected to be recognised in the income statement in 2025 and later.

Note 7. Tax

	Group		Parent company	
Taxes stated in the income statement	**2024**	2023	**2024**	2023
Current tax	-416	-655	-301	-546
Deferred tax	-383	-353	0	0
Total	**-798**	**-1 008**	**-302**	**-547**

Recognised tax totalled SEK -798 million (-1 008), corresponding to 22 per cent (21) of the profit/loss before tax.

	Group				Parent company			
	2024		2023		**2024**		2023	
Taxes stated in the income statement	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Recognised profit/loss before tax	3 660		4 705		1 677		2 968	
Tax at applicable rate	-754	20.6	-969	20.6	-346	20.6	-611	20.6
Difference in tax rate for foreign operations	-17	0.5	-9	0.2			-	-
Tax-exempt income	9	-0.3	9	-0.2	75	-4.5	83	-2.8
Non-tax-deductible costs	-10	0.3	-22	0.5	-6	0.3	-12	0.4
Standard interest on tax allocation reserve	-24	0.7	-16	0.3	-24	1.4	-16	0.5
Tax attributable to previous periods	-7	0.2	11	-0.2	-4	0.2	10	-0.3
Other	4	-0.1	-12	0.3	2	-0.1	0	0.0
Effective tax	**-798**	**21.7**	**-1 008**	**21.4**	**-302**	**18.0**	**-547**	**18.4**

	Group						Parent company					
	Before tax	Tax	After tax	Before tax	Tax	After tax	Before tax	Tax	After tax	Before tax	Tax	After tax
Tax attributable to other comprehensive income	**2024**			2023			**2024**			2023		
Cash flow hedges	-501	103	-398	-3 549	731	-2 818	-503	104	-400	-3 429	706	-2 723
Translation difference on foreign operations	181	-	181	55	-	55	-	-	-	-	-	-
Hedging of currency risk from foreign operations	-127	26	-101	-42	9	-33	-	-	-	-	-	-
Revaluations of forest land	454	-93	360	3 493	-720	2 774	-	-	-	-	-	-
Revaluations of defined benefit pension plans	-5	1	-4	-6	1	-5	-	-	-	-	-	-
Other comprehensive income	**2**	**37**	**39**	**-48**	**22**	**-27**	**-503**	**104**	**-400**	**-3 429**	**706**	**-2 723**

	Group		Parent company	
Taxes as stated in the balance sheet	**2024**	2023	**2024**	2023
Tax receivables				
Deferred tax assets	3	3	-	-
Current tax assets	144	114	105	87
Total tax receivables	**148**	**117**	**105**	**87**
Deferred tax liabilities				
Non-current assets				
Biological assets	6 510	6 294	-	-
Forest land	5 360	5 272	602	601
Property, plant and equipment	1 293	1 210	4	3
Tax allocation reserve	1 028	932	-	-
Transactions subject to hedge accounting	-16	83	-16	84
Other, including deferred tax assets stated net of deferred tax liabilities	77	68	-6	-4
Deferred tax liabilities	**14 252**	**13 858**	**584**	**683**
Current tax liabilities	97	105	-	-
Total tax liabilities	**14 349**	**13 963**	**584**	**683**

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

	Group					Parent company			
2024	Opening balance	Stated in the income statement	Recognised directly in equity	Translation differences and other	Closing balance	Opening balance	Stated in the income statement	Recognised directly in equity	Closing balance
Biological assets	-6 294	-215	-	-	-6 510	-	-	-	0
Forest land	-5 272	5	-93	-	-5 360	-601	-1	-	-602
Property, plant and equipment	-1 210	-66	-	-17	-1 293	-3	-1	-	-4
Tax allocation reserve	-932	-97	-	-	-1 028	-	-	-	0
Transactions subject to hedge accounting	-83	0	99	-	16	-83	-	99	17
Other	-65	-10	1	0	-74	4	2	-	5
Deferred net tax liability	**-13 856**	**-382**	**6**	**-17**	**-14 249**	**-683**	**0**	**99**	**-584**

	Group					Parent company			
2023	Opening balance	Stated in the income statement	Recognised directly in equity	Translation differences and other	Closing balance	Opening balance	Stated in the income statement	Recognised directly in equity	Closing balance
Biological assets	-6 153	-142	-	-	-6 294	-	-	-	-
Forest land	-4 553	1	-720	0	-5 272	-601	0	-	-601
Property, plant and equipment	-1 143	-68	-	1	-1 210	-2	0	-	-3
Tax allocation reserve	-850	-82	-	-	-932	-	-	-	-
Transactions subject to hedge accounting	-789	-	706	-	-83	-789	-	706	-83
Other	0	-63	1	-3	-65	3	0	-	4
Deferred net tax liability	**-13 488**	**-353**	**-12**	**-3**	**-13 856**	**-1 389**	**0**	**706**	**-683**

The Group's deferred tax liability for forest land and biological assets amounts to SEK 11 869 million (11 566) and is calculated based on the difference between the book value of SEK 57 843 million (56 348) and taxable cost of SEK 225 million (203). This represents the tax expense that would arise if the forest assets were sold as forest properties. No tax expense arises if the assets are retained.

The deferred tax liability in respect of property, plant and equipment is primarily attributable to depreciation/amortisation in excess of plan. Deferred tax assets from leases in accordance with IFRS 16 total SEK 2 million net (1), of which SEK 47 million (51) of deferred tax assets and SEK -45 million (-50) of deferred tax liabilities. Recognised directly in equity includes deferred tax mainly related to a change in the value of forest land of SEK 93 million (-720) and a hedge reserve of SEK -99 million (706).

The Swedish Tax Agency has rejected Holmen AB's group relief claim relating to tax losses from Spanish subsidiaries that were liquidated. Holmen has appealed the decision. The deductions correspond to SEK 386 million of tax, but no tax receivable has been recognised. There are no other significant loss carry-forwards in the consolidated accounts.

The Group is covered by the OECD's Pillar Two model rules and legislation has been adopted in Sweden effective from 1 January 2024. According to Holmen's evaluation of the legislation, the Group should not need to pay additional tax because of Pillar Two.

Note 8. Earnings per share (EPS)

	Group	
	2024	2023
Total number of outstanding shares, 1 January	159 222 355	162 001 678
Buy-backs of treasury shares during the year	-1 554 163	-2 779 323
Total number of outstanding shares, 31 December	**157 668 192**	**159 222 355**
Shareholders' share of profit/loss for the year, SEK	2 861 454 499	3 697 317 688
Basic average number of shares	158 775 615	160 470 138
Basic EPS for the year, SEK	**18.0**	**23.0**
Shareholders' share of profit/loss for the year, SEK	2 861 454 499	3 697 317 688
Diluted average number of shares	158 775 615	160 470 138
Diluted EPS for the year, SEK	**18.0**	**23.0**

The AGM has decided on two outstanding share savings programmes. Together they may lead to the allocation of 113 400 shares from Holmen's own holding of shares. This may result in marginal dilutive effects on key figures and earnings per share. See Note 4 for more information about the share savings programmes.

The Board of Directors decided on 26 April to exercise the authorisation granted by the 2024 AGM to acquire treasury shares linked to the future delivery of shares under Holmen's long-term share savings programmes. The Board of Directors decided on 15 August to exercise its authorisation from the 2024 AGM to buy back treasury shares. During the year, 1 554 163 class B shares were repurchased for SEK 647 million, corresponding to an average price of SEK 416/share. The buy-backs amount to 0.9 per cent of the total number of shares. When combined with the shares that it already owned, this means that at 31 December 2024 Holmen held 3.0 per cent of the total number of shares.

Note 9. Forest land and biological assets

Holmen's land holdings amount to 1 303 000 hectares, of which 1 160 000 hectares are classified as forest land according to international definitions. 1 045 000 hectares are classified as productive forest land. The holdings are spread over five regions of Sweden.

	Total land holdings, thousand ha	Productive forest land, thousand ha
Västerbotten	486	371
Västernorrland	329	273
Jämtland	194	146
Gävleborg	184	163
Uppsala and further south	109	91
Total	**1 303**	**1 045**

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

Valuation based on transactions in forest properties

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

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

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

Price statistics and transaction data

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

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

Volume of standing timber

Data on Holmen's volume of standing timber for each region valued are used for valuations. The volume of standing timber is calculated based on the most recent inventory, updated with the completed harvest and estimated growth after the inventory date. The inventory is usually carried out every ten years and last took place in 2019. The table below shows the volume of standing timber measured in m^3 growing stock, solid over bark per hectare in the inventories carried out since 1988, and the calculated volume of standing timber at 31 December 2024.

Volume of standing timber	1988	1993	2000	2010	2019	**2024**
m^3 growing stock, solid over bark per hectare of productive forest land	90	100	105	114	118	121

The table below shows Holmen's volume of standing timber expressed in m³ growing stock, solid over bark, the site quality (i.e. the productive capacity of the land) of the productive forest land and the age distribution by region.

	Volume of standing timber, million m³ growing stock, solid over bark	Site quality, m³/ha	Age distribution, %					
			0–20	21–40	41–60	61–80	81–100	101+
Västerbotten	38	4.0	29	25	14	18	7	8
Västernorrland	32	4.3	27	24	18	15	6	10
Jämtland	15	3.5	24	22	17	6	3	29
Gävleborg	26	6.2	28	24	26	13	2	7
Uppsala and further south	15	7.4	27	26	24	12	4	7
Total	**127**	**4.6**	**27**	**24**	**18**	**14**	**5**	**11**

Valuation as at 31 December 2024

The valuation based on transactions in forest properties amounted to SEK 57 843 million (56 348) at 31 December 2024, corresponding to SEK 55 thousand (54) per hectare of productive forest land and SEK 456 per m³ growing stock, solid over bark (447) of standing timber on the productive forest land.

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

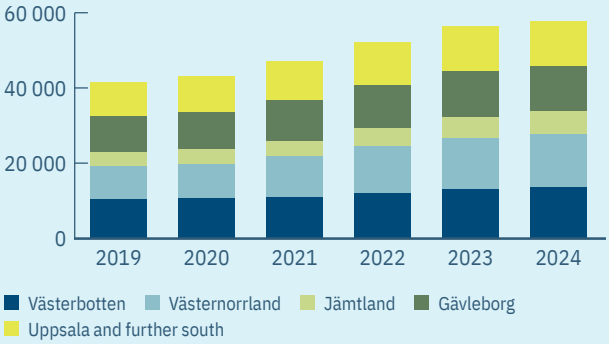
	Holmen's forests				Holmen's book value			Market statistics**	
2024	Total land holdings, thousand ha	Area of productive forest land, thousand ha	Number of properties	Average size, ha per property*	SEKm	SEK '000/ ha*	SEK/m³ growing stock, solid over bark	Number of transactions	Average size, ha per property*
Västerbotten	486	371	1 376	270	13 772	37	358	330	102
Västernorrland	329	273	620	440	13 945	51	429	102	87
Jämtland	194	146	357	410	6 105	42	401	194	170
Gävleborg	184	163	1 434	114	12 076	74	462	115	74
Uppsala and further south	109	91	502	181	11 946	131	823	190	79
Total	**1 303**	**1 045**	**4 289**	**244**	**57 843**	**55**	**456**	**931**	**106**

	Holmen's forests				Holmen's book value			Market statistics**	
2023	Total land holdings, thousand ha	Area of productive forest land, thousand ha	Number of properties	Average size, ha per property*	SEKm	SEK '000/ ha*	SEK/m³ growing stock, solid over bark	Number of transactions	Average size, ha per property*
Västerbotten	489	371	1 378	270	13 048	35	346	309	102
Västernorrland	329	273	621	440	13 730	50	416	99	92
Jämtland	194	147	357	410	5 705	39	382	170	144
Gävleborg	184	164	1 432	114	12 064	74	465	134	76
Uppsala and further south	108	91	501	181	11 802	130	818	168	86
Total	**1 305**	**1 046**	**4 289**	**244**	**56 348**	**54**	**447**	**880**	**102**

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

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

Book value, SEKm



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

Valuation, SEK '000/ha

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

Valuation, SEK/m³ growing stock, solid over bark

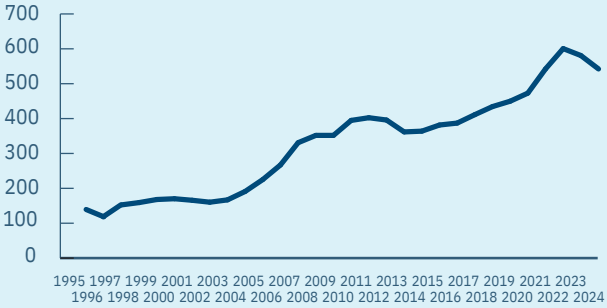
	2019	2020	2021	2022	2023	**2024**
Västerbotten	283	287	301	329	346	358
Västernorrland	278	286	328	373	416	429
Jämtland	266	273	289	345	382	401
Gävleborg	370	388	418	434	465	462
Uppsala and further south	613	639	698	772	818	823

Note 9. Forest land and biological assets, cont.

Sensitivity analysis

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

Price development of forest properties, SEK/m³ growing stock, solid over bark



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

Price statistics and transaction data		SEKm
Västerbotten	5% (SEK 18/m³ growing stock, solid over bark)	690
Västernorrland	5% (SEK 21/m³ growing stock, solid over bark)	700
Jämtland	5% (SEK 20/m³ growing stock, solid over bark)	300
Gävleborg	5% (SEK 23/m³ growing stock, solid over bark)	600
Uppsala and further south	5% (SEK 41/m³ growing stock, solid over bark)	600

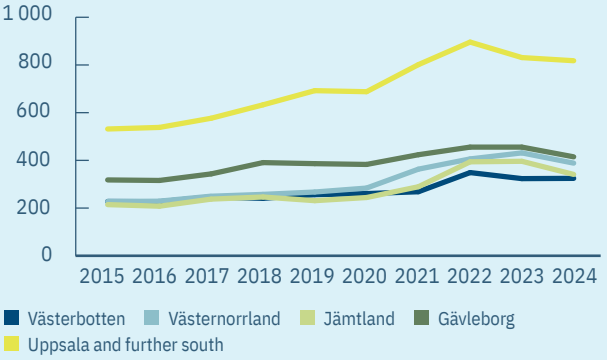
Holmen's volume of standing timber		SEKm
Västerbotten	1% (0.4 mil. m³ growing stock, solid over bark)	140
Västernorrland	1% (0.3 mil. m³ growing stock, solid over bark)	140
Jämtland	1% (0.2 mil. m³ growing stock, solid over bark)	60
Gävleborg	1% (0.3 mil. m³ growing stock, solid over bark)	120
Uppsala and further south	1% (0.1 mil. m³ growing stock, solid over bark)	120

Transparency regarding forest property transactions is good in Sweden, creating a favourable environment for market participants to publish market statistics and create a basis for valuations based on detailed information about completed transactions. As the valuations are based on a combination of price statistics compiled by Ludvig & Co and Svefa, and detailed transaction data collected by Infotrader, the risk of valuations being affected by data collection or processing errors is reduced. The three methods yielded a value within +/- 1 per cent of the weighted value at year-end 2024.

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

As the valuations are based on three years of transactions, sufficiently large populations are considered to be obtained in each geographical area to arrive at reliable valuations and reduce the impact of individual transactions while reflecting current market conditions. If valuations were based on transactions concluded over a shorter period of time, such as the past year, the quality and reliability of the valuations is estimated be reduced due to the greater impact of individual transactions and the small number of transactions in certain regions. The chart below illustrates how the value for each region would have been calculated based on one year of transactions. The total value of Holmen's holdings in 2024 would have amounted to SEK 438/m³ growing stock, solid over bark, which is 4 per cent lower than the valuation on which the book value of the forest assets is based.

Price of forest properties, SEK/m³ growing stock, solid over bark



Reference valuation

To verify Holmen's own valuation, a valuation of parts of the forest holdings is carried out each year by an external, independent valuation company. During the period 2019–2023, the company Forum Fastighetsekonomi carried out the external valuations and by the end of 2023 had valued all the forest holdings. The external valuations exceeded Holmen's own valuations by an average of 7 per cent. In 2024, the company Svefa carried out an external valuation of the forest properties in Uppsala and further south, equal to 21 per cent of the book value. The external valuation exceeded Holmen's own valuation by 13 per cent and took into account the size premium that is considered to exist for properties exceeding 200 hectares. Without taking such a premium into account, the valuation exceeded Holmen's own valuation by 3 per cent. No size premium has been taken into account in Holmen's own valuation.

Biological assets

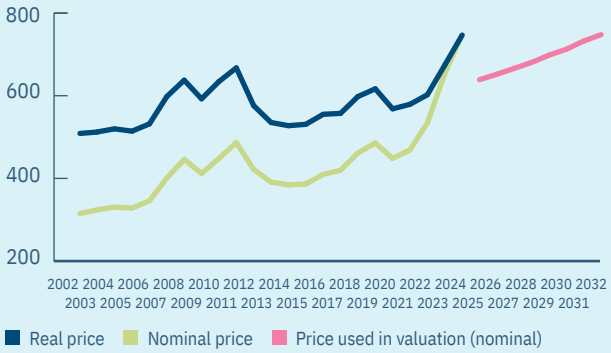
The value of standing trees was determined by calculating the present value of expected future cash flows, less selling costs but before tax, from current standing trees. Costs for replanting after harvesting were not included.

The standing trees are expected, on average, to be harvested when they reach an age of 85 years. The volumes are based on the long-term harvesting plan that was updated in 2020. The harvesting plan is based on the current forest management programme. The plan takes into account existing forestry regulations and projected future climate change. Under the plan, there should be an average harvest of 2.8 million m³sub per year between 2020 and 2029, gradually increasing to 3.9 million m³sub in 85 years, corresponding to an annual increase of 0.4 per cent per year. In 2020–2024, the harvest averaged 2.8 million m³sub per year. Compared with the 2000–2009 harvesting plan, the harvest under the 2020–2029 harvesting plan has increased by 12 per cent, corresponding to an annual increase of 0.6 per cent. The annual harvest is expected to consist, on average, of 48 per cent saw logs and 50 per cent pulpwood, with 2 per cent for energy production.

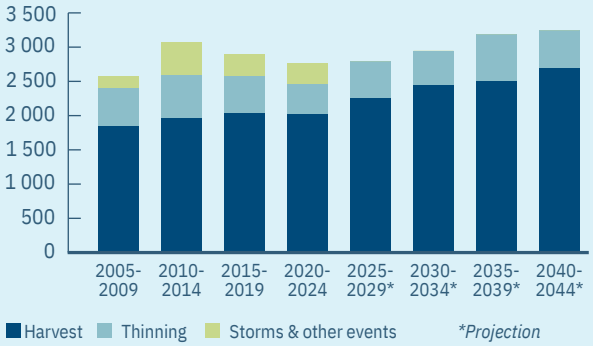
Revenue is calculated based on an average price of SEK 603/m³sub, which is an increase from SEK 555/m³sub the previous year as a result of continued price increases for both pulpwood and logs. The price used is in line with historical prices adjusted for inflation, but 20 per cent lower than the average price for wood from own forests in 2024. The costs represent the current level adjusted for temporary effects. Prices and costs are assumed to increase in line with general inflation, which is estimated at 2 per cent per year in accordance with the Riksbank's inflation target.

The discount rate for the 2024 valuation is 4.75 per cent before tax, which is an increase from 4.5 per cent as was used in the period 2019–2023. This rate represents the estimated long-term cost of capital for investments in standing trees. The rate is calculated based on the real yield requirement derived from transactions in forest properties, the real interest rate applied when preparing the harvesting plan and the interest rate used by other large forest-owning companies in Sweden. When real interest rates were translated into nominal interest rates, 2 per cent inflation was assumed in line with the Riksbank's target.

Holmen's wood prices, SEK/m³sub



Harvesting plan, '000 m³sub/year



Valuation as at 31 December 2024

The valuation of biological assets at 31 December 2024 amounts to SEK 31 600 million (30 555), which is an increase of SEK 1 045 million (688). The value of biological assets has been positively affected by investments in reforestation of SEK 140 million (145) and the acquisition of forest land, with standing trees valued at SEK 18 million (17), while sales of forest land reduced the value of standing trees by SEK 20 million (36). The remaining change, of SEK 907 million (562), is the net of the change resulting from harvesting and the unrealised change in fair value and is stated net as the change in value of biological assets in the income statement.

Sensitivity analysis

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

		SEKm
Annual change	+0.1% per year	
Harvest rate		1 110
Price inflation		1 730
Cost inflation		-810
Change in level	+1%	
Harvest		390
Prices		620
Costs		-310
Discount rate	+0.1%	-860

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

Forest land

The fair value of forest land as at 31 December 2024 was SEK 26 243 million (25 793), calculated based on transactions in forest properties, SEK 57 843 million (56 348) less the fair value of standing trees, SEK 31 600 million (30 555). Of the change for the year, SEK 12 million (16) is due to the acquisition of forest land and SEK -16 million (0) to the disposal of forest land. The remainder of the change, of SEK 454 million (3 493), consists of the unrealised change in fair value and is recognised in other comprehensive income.

Sensitivity analysis

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

The value of forest land may reflect existing and possible future revenue streams from the forest land, and the harvesting of future generations of trees, but there are also actors who assign value to land that is not linked to its ability to generate cash flows. Over the past five years, cash flow from land has amounted to approximately SEK 200 million per year, the major sources of existing cash flow being the sale of hydro power received in exchange for the use of waterfall rights ('replacement power'), revenue from leases and property development, and leases linked to wind power. The portfolio of wind power projects is under development and there are currently 30 projects at various stages of completion that may generate revenue in the form of both sales of wind power licences and leases. A market for voluntary carbon credits, including from forestry, is emerging and could provide new revenue opportunities. The Group owns land close to densely populated areas with expansion plans, such as Uppsala, and also has land suitable for the construction of data centres. The value of harvests from future generations of trees depends on the rate at which the trees grow and changes in the price of wood. The reasonableness of the forest land's book value is assessed each year by estimating the present value of possible future cash flows from the land holdings. This assessment of reasonableness has resulted in a wide range of values that support the book value.

	Biological assets		Forest land		Total forest land and biological assets	
SEKm	**2024**	2023	**2024**	2023	**2024**	2023
Book value at beginning of year	30 555	29 867	25 793	22 284	56 348	52 151
Acquisitions	18	17	12	16	30	33
Disposals	-20	-36	-16	0	-36	-36
Investment in reforestation	140	145	-	-	140	145
Change due to harvesting	-1 078	-977	-	-	-1 078	-977
Unrealised change in fair value	1 985	1 539	454	3 493	2 439	5 032
Book value at end of year	**31 600**	**30 555**	**26 243**	**25 793**	**57 843**	**56 348**

Note 10. Non-current intangible assets

	Group						Parent company	
	Goodwill		Other intangible assets		Total		Non-current intangible assets	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Accumulated acquisition costs								
Opening balance	358	358	438	392	797	750	66	67
Investments	-	-	1	46	1	46	-	-
Reclassifications	-	-	-	64	-	64	-	-
Disposal and retirement of assets	-	-	-4	-63	-4	-63	-	0
Translation differences	-	-	2	0	2	0	-	-
Total	**358**	**358**	**437**	**438**	**796**	**797**	**66**	**66**
Accumulated amortisation, depreciation and impairment losses								
Opening balance	-	-	283	323	283	323	58	58
Depreciation and amortisation for the year	-	-	16	9	16	9	-	1
Reclassifications	-	-	-	15	-	15	-	-
Disposal and retirement of assets	-	-	-4	-63	-4	-63	-	0
Translation differences	-	-	2	0	2	0	-	-
Total	**-**	**-**	**298**	**283**	**298**	**283**	**58**	**58**
Residual value according to plan at end of year	**358**	**358**	**140**	**155**	**498**	**513**	**8**	**8**

The goodwill recognised is attributable to the Wood Products business area, and was added when Martinsons was acquired in 2020. Goodwill is tested for impairment annually by calculating the value in use of the cash flow generating unit to which goodwill has been allocated. The calculations are made by assessing future cash flows. The future cash flows are based on current levels of selling prices, costs and volumes for the coming year. When calculating cash flows for subsequent periods, prices and costs are used based on historical data. Changing conditions due to climate change are not expected to have a significant impact. The future cash flows have been discounted by 8 per cent interest before tax. The discount rate has been determined by calculating the weighted average cost of capital (WACC). Based on these calculations, there is no need for impairment.

Other intangible assets consist primarily of IT systems, amounting to SEK 78 million (89), and the value of the right of use relating to certain energy assets, amounting to SEK 54 million (58). The assets are mainly externally acquired and all the assets, with the exception of goodwill, have a definable useful life.

Note 11. Property, plant and equipment

	Buildings, other land* and land installations		Machinery and equipment		Work in progress and advance payments to suppliers		Total	
Group	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Accumulated acquisition costs								
Opening balance	7 022	6 845	33 963	32 839	359	381	41 344	40 065
Investments	134	155	1 233	1 084	664	256	2 031	1 494
Reclassifications	13	17	227	284	-240	-269	-	32
Disposal and retirement of assets	-3	-5	- 1 031	-308	-	-17	-1 034	-330
Translation differences	54	10	429	64	2	7	484	82
Total	**7 219**	**7 022**	**34 821**	**33 963**	**784**	**359**	**42 825**	**41 344**
Accumulated amortisation, depreciation and impairment losses								
Opening balance	4 376	4 234	26 638	25 706	-	-	31 014	29 940
Depreciation and amortisation according to plan for the year	141	138	1 103	1 098	-	-	1 244	1 236
Reclassifications	-	2	-	79	-	-	-	81
Disposal and retirement of assets	-3	-5	-1 025	-298	-	-	-1 028	-304
Translation differences	41	7	323	53	-	-	364	60
Total	**4 555**	**4 376**	**27 039**	**26 638**	**-**	**-**	**31 594**	**31 014**
Residual value according to plan at end of year	**2 665**	**2 646**	**7 782**	**7 325**	**784**	**359**	**11 231**	**10 330**

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

The solid fuel boiler at Braviken Paper Mill has been damaged following a fire at the end of 2024. The incident is believed to be covered by insurance. The remaining book value has been written off and options are being explored for how the solid fuel boiler can be restored to operation.

Parent company	Forest land 2024	Forest land 2023	Buildings, other land* and land installations 2024	Buildings, other land* and land installations 2023	Machinery and equipment 2024	Machinery and equipment 2023	Work in progress and advance payments to suppliers 2024	Work in progress and advance payments to suppliers 2023	Total 2024	Total 2023
Accumulated acquisition costs										
Opening balance	502	499	228	215	407	332	4	9	1 141	1 055
Investments	12	3	4	6	42	65	11	4	68	78
Reclassifications	-	-	2	7	-	32	-2	-7	0	32
Disposal and retirement of assets	0	0	0	0	-40	-22	-	-2	-40	-25
Total	**514**	**502**	**234**	**228**	**408**	**407**	**13**	**4**	**1 169**	**1 141**
Accumulated depreciation and amortisation according to plan										
Opening balance	-	-	153	148	273	210	-	-	426	357
Depreciation and amortisation according to plan for the year	-	-	6	5	54	54	-	-	60	59
Reclassifications	-	-	-	-	-	32	-	-	-	32
Disposal and retirement of assets	-	-	-	0	-40	-22	-	-	-40	-22
Total	**-**	**-**	**159**	**153**	**286**	**273**	**-**	**-**	**445**	**426**
Accumulated revaluations										
Opening balance	2 382	2 388	1	1	-	-	-	-	2 382	2 388
Disposal and retirement of assets	0	-6	-	-	-	-	-	-	0	-6
Total	**2 382**	**2 382**	**1**	**1**	**-**	**-**	**-**	**-**	**2 382**	**2 382**
Residual value according to plan at end of year	**2 896**	**2 884**	**76**	**76**	**122**	**134**	**13**	**4**	**3 106**	**3 098**

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

For forest assets in the Group see Note 9. In 2024, capitalised borrowing costs totalled SEK 19 million (3). An interest rate of 2.6 per cent (1.5) was used to determine the amount.

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

Group	Buildings 2024	Buildings 2023	Machinery and equipment 2024	Machinery and equipment 2023	Total 2024	Total 2023
Accumulated acquisition costs						
Value at beginning of year	283	257	223	172	506	429
Additional leases	36	33	73	84	108	117
Completed leases	-40	-7	-94	-33	-134	-40
Total	**278**	**283**	**202**	**223**	**480**	**506**
Accumulated depreciation and amortisation						
Value at beginning of year	140	96	122	91	262	187
Depreciation and amortisation for the year	59	51	69	64	128	115
Completed leases	-40	-7	-90	-33	-131	-40
Total	**158**	**140**	**102**	**122**	**260**	**262**
Value at end of year	**120**	**143**	**100**	**101**	**220**	**244**

Buildings

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

Machinery and equipment

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

Amounts recognised in profit/loss	2024	2023
Depreciation and amortisation	128	115
Interest expenses	7	7
Costs related to current lease liabilities	3	3
Costs related to low-value leases	2	2
Costs related to variable lease payments	0	0
Total	**140**	**127**

In 2024, the Group's payments attributable to leases amounted to SEK 140 million (127). These payments include both amounts for leases that are recognised as lease liabilities and amounts paid for variable lease payments, short-term leases and low-value leases. No right-of-use asset is recognised for leases with a term of 12 months or less or with low-value underlying assets.

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

Note 13. Investments in associates and other shares and participations

	Group	
Profit from associates	**2024**	2023
Recognised in profit/loss for the year	7	6
Total comprehensive income	**7**	**6**

	Group		Parent company	
Associates	**2024**	2023	**2024**	2023
Book value at beginning of year	1 686	1 680	93	93
Investments	8	0	-	-
Share of earnings	7	6	-	-
Translation difference	-	-	-	-
Disposals	-	-	-	-
Book value at end of year	**1 701**	**1 686**	**93**	**93**

Parent company and Group holdings of shares and investments in associates

	Corporate ID No.	Registered office	Number of shares	Holding %*	Value of holding in the consolidated accounts**	Book value in the parent company's accounts	Holding %*	Value of holding in the consolidated accounts**	Book value in the parent company's accounts
Associates					**2024**			2023	
Harrsele AB	556036-9398	Vännäs	9 886	49.4	1 534	-	49.4	1 527	-
Vattenfall Tuggen AB	556504-2826	Lycksele	683	6.8	90	90	6.8	90	90
Brännälvens Kraft AB	556017-6678	Arbrå	5 556	13.9	45	-	13.9	36	-
Gidekraft AB	556016-0953	Örnsköldsvik	990	9.9	0	0	9.9	0	0
Uni4 Marketing AB	556594-6984	Stockholm	2 050	41.0	22	3	41.0	21	3
Rebio AB	556594-3015	Umeå	2 014	40.3	10	1	40.3	10	1
Other associates					1	-		1	-
Total					**1 701**	**93**		**1 686**	**93**

**The holdings correspond to the percentage of votes for the total number of shares held.*
***Proportion of equity recognised in the Renewable Energy and Wood Products business areas of SEK 1 668 million (1 654) and SEK 33 million (32) respectively.*

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

The holding in associate Harrsele AB is recognised in the Group at SEK 1 534 million (1 527). Holmen purchased 472 GWh (451) of electrical power from Harrsele AB in 2024, giving Holmen an operating profit of SEK 166 million (319) from market sales. Harrsele AB owns power assets that generate 950 GWh of electrical power in a normal year. These assets were originally constructed in 1957–58 and the book value of the non-current assets in Harrsele AB amounts to SEK 188 million (176). The company's shareholders made a shareholders' contribution during the year of SEK 0 million (0).

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

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

	Group		Parent company	
Other shares and participations	**2024**	2023	**2024**	2023
Book value at beginning of year	5	2	4	0
Investments	1	4	1	4
Disposals	-	-	-	-
Translation difference	0	0	-	-
Book value at end of year	**6**	**5**	**5**	**4**

Note 14. Financial instruments

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

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

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

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

In addition to the financial assets and liabilities identified above, liabilities relating to right-of-use assets (see Note 12) and pension obligations (see Note 18) are also included in net financial debt. The maturity structure and average interest for the Group's liabilities are stated in the section on risk on pages 52–53. SEK 953 million of the parent company's liabilities are due for payment within one year.

All of the Group's derivatives are covered by ISDA or FEMA agreements, which entail a right for Holmen to offset assets and liabilities relating to the same counterparty in the case of a credit event. Based on the terms of the netting agreements, the net exposure is SEK -150 million (380). Assets and liabilities are not offset in the report. Recognised derivatives totalled SEK 427 million (941) on the asset side and SEK -578 million (561) on the liability side.

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

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

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

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

Group

Maturity structure, undiscounted amounts	2025	2026	2027	2028	2029-
Financial liabilities					
Derivatives	-26	-	-	-	-
Derivatives attributable to working capital	-404	-138	-29	-	-
Trade payables	-3 808	-	-	-	-
Liabilities relating to right-of-use assets*	-98	-71	-38	-22	-9
Other financial liabilities	-1 028	-589	-562	-551	-1 028
Financial receivables					
Derivatives	41	17	-3	4	-1
Derivatives attributable to working capital	274	109	10	-	-
Trade receivables	2 823	-	-	-	-
Other financial receivables	240	5	5	5	5

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

Parent company

Maturity structure, undiscounted amounts	2025	2026	2027	2028	2029-
Financial liabilities					
Derivatives	-26	-	-	-	-
Derivatives attributable to working capital	-407	-138	-29	-	-
Trade payables	-3 586	-	-	-	-
Other financial liabilities	-1 028	-1 330	-562	-551	-1 026
Financial receivables					
Derivatives	41	17	-3	4	-1
Derivatives attributable to working capital	275	109	10	-	-
Trade receivables	2 336	-	-	-	-
Other financial receivables	186	4 325	4	4	4

Note 14. Financial instruments, cont.

Group

Financial instruments included in net financial debt	Recognised at fair value through profit/loss*		Hedging instruments		Recognised at amortised cost		Total book value		Fair value	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Non-current financial receivables										
Derivatives	-	-	34	45	-	-	34	45	34	45
Other financial receivables	-	-	-	-	12	16	12	16	12	16
	-	**-**	**34**	**45**	**12**	**16**	**46**	**61**	**46**	**61**
Current financial receivables										
Accrued interest	-	-	-	-	-	2	-	2	-	2
Derivatives	1	1	8	43	-	-	10	43	10	43
Other financial receivables	-	-	-	-	6	5	6	5	6	5
	1	**1**	**8**	**43**	**6**	**7**	**16**	**50**	**16**	**50**
Cash and cash equivalents										
Cash and cash equivalents	-	-	-	-	234	1 202	234	1 202	234	1 202
	-	**-**	**-**	**-**	**234**	**1 202**	**234**	**1 202**	**234**	**1 202**
Non-current liabilities										
Bonds	-	-	-	-	-2 500	-1 900	-2 500	-1 900	-2 534	-1 900
Derivatives	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-2	-2	-2	-2	-2	-2
	-	**-**	**-**	**-**	**-2 502**	**-1 902**	**-2 502**	**-1 902**	**-2 536**	**-1 902**
Current liabilities										
Certificate programme	-	-	-	-	-	-	-	-	-	-
Derivatives	-2	-3	-19	-	-	-	-21	-3	-21	-3
Accrued interest	-	-	-	-	-22	-18	-22	-18	-22	-18
Other current liabilities	-	-	-	-	-911	-1 000	-911	-1 000	-904	-1 000
	-2	**-3**	**-19**	**-**	**-932**	**-1 018**	**-953**	**-1 021**	**-947**	**-1 021**
Financial instruments not included in net financial debt										
Other shares and participations	6	5	-	-	-	-	6	5	6	5
Trade receivables	-	-	-	-	2 823	2 696	2 823	2 696	2 823	2 696
Derivatives (recognised in operating receivables)	15	61	370	791	-	-	384	852	384	852
Trade payables	-	-	-	-	-3 808	-3 394	-3 808	-3 394	-3 808	-3 394
Derivatives (recognised in operating liabilities)	-72	-124	-485	-434	-	-	-557	-558	-557	-558
	-51	**-58**	**-115**	**358**	**-985**	**-698**	**-1 151**	**-398**	**-1 151**	**-398**
Total financial instruments	**-52**	**-60**	**-93**	**446**	**-4 167**	**-2 394**	**-4 311**	**-2 008**	**-4 338**	**-2 008**

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

Parent company

Financial instruments included in net financial debt	Recognised at fair value through profit/loss*		Hedging instruments		Recognised at amortised cost		Total book value		Fair value	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Non-current financial receivables										
Derivatives	-	-	34	45	-	-	34	45	34	45
Receivables in respect of Group companies	-	-	-	-	4 321	3 751	4 321	3 751	4 321	3 751
Other financial receivables	-	-	-	-	10	13	10	13	10	13
	-	**-**	**34**	**45**	**4 331**	**3 764**	**4 365**	**3 809**	**4 365**	**3 809**
Current financial receivables										
Accrued interest	-	-	-	-	-	2	-	2	-	2
Derivatives	5	43	5	-	-	-	10	43	10	43
Other financial receivables	-	-	-	-	6	5	6	5	6	5
	5	**43**	**5**	**-**	**6**	**7**	**16**	**50**	**16**	**50**
Cash and cash equivalents										
Cash and cash equivalents	-	-	-	-	180	1 092	180	1 092	180	1 092
		-		**-**	**180**	**1 092**	**180**	**1 092**	**180**	**1 092**
Non-current liabilities										
Bonds	-	-	-	-	-2 500	-1 900	-2 500	-1 900	-2 534	-1 900
Liabilities in respect of Group companies	-	-	-	-	-741	-784	741	-784	-741	-784
Derivatives	-	-	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-3 241**	**-2 684**	**-3 241**	**-2 684**	**-3 275**	**-2 684**
Current liabilities										
Certificate programme	-	-	-	-	-	-	-	-	-	-
Derivatives	-21	-3	-	-	-	-	-21	-3	-21	-3
Accrued interest	-	-	-	-	-22	-18	-22	-18	-22	-18
Other current liabilities	-	-	-	-	-911	-1 000	-911	-1 000	-904	-1 000
	-21	**-3**	**-**	**-**	**-932**	**-1 018**	**-953**	**-1 021**	**-947**	**-1 021**
Financial instruments not included in net financial debt										
Other shares and participations	5	4	-	-	-	-	5	4	5	4
Trade receivables	-	-	-	-	2 336	2 226	2 336	2 226	2 336	2 226
Derivatives (recognised in operating receivables)	15	67	371	794	-	-	385	861	385	861
Trade payables	-	-	-	-	-3 586	-3 196	-3 586	-3 196	-3 586	-3 196
Derivatives (recognised in operating liabilities)	-80	-106	-486	-434	-	-	-566	-539	-566	-539
	-60	**-35**	**-115**	**360**	**-1 250**	**-970**	**-1 426**	**-644**	**-1 426**	**-644**
Total financial instruments	**-76**	**6**	**-77**	**406**	**-906**	**190**	**-1 059**	**601**	**-1 087**	**601**

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

Note 15. Inventories

	Group		Parent company	
	2024	2023	**2024**	2023
Felling rights	1 298	982	1 298	982
Logs and pulpwood	576	414	530	388
Raw materials and consumables	1 198	1 119	833	834
Finished products and work in progress	2 625	2 296	2 059	1 822
Electricity certificates and emission allowances	0	27	0	27
Total	**5 697**	**4 837**	**4 720**	**4 054**

During the year, impairment losses and reversals of previous impairment losses for finished stock had an effect of SEK +6 million (-5) on Group profit, while impairment losses on other stock had an effect of SEK -3 million (-4). Impairment losses and reversals of previous impairment losses for finished stock had an effect of SEK +24 million (-5) on the parent company, with impairment losses on other stock of SEK -2 million (-4).

Note 16. Operating receivables

	Group		Parent company	
	2024	2023	**2024**	2023
Trade receivables				
Group companies	-	-	45	50
Associates	55	68	55	68
Other	2 768	2 628	2 235	2 108
Total trade receivables	**2 823**	**2 696**	**2 336**	**2 226**
Current receivables	349	434	251	333
Derivatives	384	852	385	861
Prepayments and accrued income	353	344	158	198
Total other operating receivables	**1 085**	**1 630**	**795**	**1 392**
Total operating receivables	**3 909**	**4 326**	**3 131**	**3 618**

Trade receivables are recognised at the amount expected to be received, based on an individual assessment of each customer. The Group's trade receivables mainly consist of receivables relating to European customers. Trade receivables denominated in foreign currencies were valued at the balance sheet date. Contract assets attributable to goods delivered but not yet invoiced that are not included in the item 'Trade receivables' amounted to SEK 0 million (0). The provision for expected credit losses was SEK 30 million (30). During the year, the provision decreased by SEK -4 million (-3) as a result of actual credit losses, and increased by SEK 5 million (4) as a result of changes in the provision for anticipated or expected credit losses. At 31 December 2024, SEK 75 million (56) of trade receivables were past due for more than 30 days. The credit quality of trade receivables that are neither past due nor impaired is deemed to be good and on a par with previous years.

The fair values of derivatives relate to hedges of future cash flows.

Note 17. Equity, parent company

	31 Dec 2024		
Registered share capital	Number of shares	Quotient value	SEKm
Class A	45 246 468	26	1 180
Class B	117 265 856	26	3 058
Total no. of shares	162 512 324		4 238
Holding of repurchased class B shares	-4 844 132		
Total number of outstanding shares	**157 668 192**		

	31 Dec 2023		
Registered share capital	Number of shares	Quotient value	SEKm
Class A	45 246 468	26	1 180
Class B	117 265 856	26	3 058
Total no. of shares	162 512 324		4 238
Holding of repurchased class B shares	-3 289 969		
Total number of outstanding shares	**159 222 355**		

The company's share capital consists of shares issued in two classes: class A, each of which carries 10 votes, and class B, each of which carries 1 vote. Otherwise, there are no restrictions between classes of shares.

At 31 December 2024, the Group's own shareholding was 4 844 132 shares (3 289 969). In 2024, 1 554 163 shares were repurchased for SEK 647 million, corresponding to an average price of SEK 416 per share. The buy-backs amount to 0.9 per cent of the total number of shares. The company already owned 2.1 per cent of its own shares, meaning that at 31 December 2024 Holmen held 3.0 per cent of the total number of shares.

Assets and liabilities measured at fair value in accordance with Chapter 4, § 14a of the Swedish Annual Accounts Act had an impact of SEK -153 million (412) on the parent company's equity. In the consolidated accounts, the valuation of derivatives and other financial instruments had an impact of SEK -144 million (386) on equity.

Decisions on dividends are based on an appraisal of the Group's profitability, future investment plans and financial position. The objective is to maintain a strong financial position and for the Group's net financial debt as a percentage of equity not to exceed 25 per cent.

The AGM has at its disposal the company's earnings amounting to SEK 6 057 619 489. The Board proposes to the AGM, to be held on 31 March 2025, that it approve a total dividend of SEK 12.0 per share. The proposed dividend totals SEK 1 892 million. The Board also proposes that the remaining amount of SEK 4 165 601 185 be carried forward.

The preceding year, the dividend paid was a total of SEK 11.50 per share (SEK 1 831 million).

Net financial debt as a percentage of equity was 6 per cent (3).

Neither the parent company nor any of the subsidiaries are subject to external capital requirements. For further details about the Group's capital management and risk management, see pages 49–53.

Note 18. Pension obligations

Holmen provides defined benefit pension plans to some office-based employees in Sweden. Most of these obligations are secured by means of insurance policies with Alecta. As Alecta cannot provide sufficient information to permit the ITP plan to be stated in the accounts as a defined benefit plan, it is stated in accordance with statement UFR 10 of the Swedish Financial Reporting Board as a defined contribution plan. There are some defined benefit obligations in addition to the ITP plan for Group management, which are secured by means of a pension fund. The occupational pensions for other office-based employees and all employees covered by collective agreements in Sweden are all defined contribution plans. There are two defined benefit plans in the UK that have been closed to new pension accruals since 2015. These obligations are recognised in the consolidated accounts as defined benefit plans in accordance with IAS 19.

	Group		Parent company	
Cost recognised in profit/loss for the year	**2024**	2023	**2024**	2023
Defined benefit plans				
Personnel costs	-6	-5	-12	6
Financial income and costs	12	14	0	0
Total defined benefit plans stated in profit/loss for the year	**6**	**9**	**-12**	**6**
Defined contribution plans				
Personnel costs	-210	-197	-173	-160
Total recognised in profit/loss for the year	**-204**	**-188**	**-184**	**-154**

Cost recognised in other comprehensive income	Group 2024	Group 2023
Return on plan assets excl. recognised interest income	-134	47
Actuarial gains and losses from changes in demographic assumptions	19	-42
Actuarial gains and losses from changes in financial assumptions	131	-51
Actuarial gains and losses from experiential adjustments	-23	-19
Payroll tax	-2	0
Effect of asset ceiling	4	59
Total recognised in other comprehensive income	**-5**	**-6**

Obligations	Group 2024	Group 2023	Parent company 2024	Parent company 2023
Obligations at 1 January	-1 581	-1 471	-179	-175
Current service cost	-6	-5	-20	-14
Payroll tax	0	-3	-	-
Interest expenses	-70	-71	0	0
Actuarial gains/losses	128	-112	-	-
Benefits paid	105	100	12	13
Exchange differences	-114	-20	-	-
Obligations at 31 December	**-1 539**	**-1 581**	**-185**	**-176**
Plan assets				
Fair value of assets at 1 January	1 809	1 753	175	161
Recognised interest income	82	85	0	-
Expected return excl. recognised interest income	-134	47	-	-
Real return (parent company)	-	-	10	20
Administrative expenses	-15	-10	-	-
Amounts paid in and paid out by employer	12	6	0	-7
Benefits paid	-105	-100	-	-
Exchange differences	133	27	-	-
Fair value of assets at 31 December	**1 782**	**1 809**	**185**	**175**
Effect of asset ceiling	-252	-237	-	-
Pension obligations, net	**-9**	**-9**	**0**	**-1**

The change in defined benefit obligations and the change in plan assets are set out in the table above. 89 per cent of the obligations relate to pension schemes in the UK. The obligations arising out of pension plans in the UK have been placed in two trusts. These are governed by boards consisting of representatives of Holmen and the beneficiaries. Holmen's UK subsidiaries have commitments to cover any shortfalls. In 2022, the trusts entered into an agreement with a life insurance company according to which, in exchange for a one-time payment, the trusts will be compensated for all their future pension payments and the life insurance company therefore assumes the risk of future changes in pension payments as a result of changes in inflation, mortality rates, and so on. In both trusts, the assets exceed the obligations, but no surplus may be included in the accounts. This adjustment is referred to as an asset ceiling in the tables.

The weighted average duration is 10 years.

Of the Group's total obligations, SEK 9 million (9) are unfunded obligations, while the rest are wholly or partially funded obligations. Of the parent company's obligations, SEK 0 million (1) are secured in accordance with the Swedish Pension Obligations Vesting Act.

The plan assets by type are as shown below:

Plan assets	Group 2024	Group 2023	Parent company 2024	Parent company 2023
Equities	80	79	80	79
Bonds and bank account balances	420	406	105	96
Life insurance company receivables	1 282	1 323	-	-
	1 782	**1 809**	**185**	**175**

The plan assets do not include any financial instruments issued by Group companies or assets used by the Group. Most of the assets in the UK trustees are receivables relating to the life insurance agreement. Of the shares, 100 per cent are Swedish shares, and of the bonds, 73 per cent are government bonds and 27 per cent corporate bonds.

Key actuarial assumptions, Group (weighted average)	UK 31 Dec 2024	UK 31 Dec 2023
Discount rate, %	5.5	4.6
Rate of salary increase, %	-	-
Rate of price inflation, %	2.7	2.7
Life expectancy after 65 for men/women, years	21/24	21/24
Life expectancy table	SAPS S3PA	SAPS S3PA

Key actuarial assumptions, Group	Sweden 31 Dec 2024	Sweden 31 Dec 2023
Discount rate, %	3.3	3.3
Rate of salary increase, %	3.0	3.0
Rate of price inflation, %	2.0	2.0
Life expectancy after 65 for men/women, years	22/24	22/24
Life expectancy table	DUS23	DUS23

The discount rate for pension obligations was determined based on high-quality corporate bonds in the currency and country of the obligations, i.e. mainly the UK. A discount rate of 0.5 per cent (1.0) and salary levels at the balance sheet date were used for calculating the amount of the parent company's pension obligation.

The table below shows how the obligations would be affected in the event of a change in key actuarial assumptions (- reduces debt, + increases debt).

Sensitivity analysis	Group 31 Dec 2024	Group 31 Dec 2023
Discount rate (+0.5%)	-69	-79
Rate of salary increase (+0.5%)	1	1
Rate of price inflation (+0.5%)	53	58
Mortality (+1 year of life expectancy)	71	69

The Group's payments into the funded defined benefit plans in 2025 are expected to amount to SEK 0 million.

Multi-employer plans

The premiums for the year for pension insurance policies taken out under Alecta's ITP 2 plan amounted to SEK 26 million (23) and are included in personnel costs in the income statement. The active members of the plan at Holmen amounted to 597 people, which corresponds to 0.17 per cent of the plan's active members. Alecta's surplus may be allocated to policyholders and/or the people insured. If Alecta's collective consolidation level falls below 125 per cent or exceeds 150 per cent, measures will be taken to create the conditions to ensure that the consolidation level returns to a normal range. In the event of low consolidation, one measure may be to raise the agreed price for new policy subscriptions and an increase in existing benefits. In the event of high consolidation, one measure may be to introduce reductions in premiums. At the end of 2024, Alecta's collective consolidation level was 162 per cent (157) and Alecta has decided to introduce a premium reduction for 2025. The expected premiums payable to Alecta in 2025 amount to SEK 22 million, taking the premium reduction into account.

Note 19. Provisions

Group	2024	2023
Book value at beginning of year	449	441
Provisions during the year	32	20
Amount utilised during the year	-46	-27
Unutilised amount reversed during the year	-1	-5
Reclassification	-	20
Translation differences	0	0
Book value at end of year	**433**	**449**
Of which total non-current portion of the provisions	389	418
Of which total current portion of the provisions	45	31
Parent company		
Book value at beginning of year	623	609
Provisions during the year	179	160
Amount utilised during the year	-164	-145
Unutilised amount reversed during the year	-	-
Book value at end of year	**630**	**623**
Of which total non-current portion of the provisions	460	453
Of which total current portion of the provisions	170	170

Provisions mainly relate to obligations to restore the environment at discontinued material sites. SEK 85 million of these provisions are expected to be settled within three years, while the remainder is expected to be settled over a longer time horizon.

Note 20. Operating liabilities

	Group		Parent company	
	2024	2023	2024	2023
Trade payables				
Group companies	-	-	49	14
Other	3 808	3 394	3 537	3 182
Total trade payables	**3 808**	**3 394**	**3 586**	**3 196**
Current liabilities				
Associates	11	4	11	4
Other	345	278	263	235
Derivatives	557	558	566	539
Accruals and deferred income	982	968	769	792
Total other operating liabilities	**1 895**	**1 808**	**1 609**	**1 570**
Total operating liabilities	**5 703**	**5 202**	**5 195**	**4 766**

All trade payables are due for payment within one year.

Accruals and deferred income in the parent company principally consist of personnel costs of SEK 391 million (395), discounts of SEK 92 million (88) and goods and services delivered but not yet invoiced of SEK 50 million (77).

The fair values of derivatives relate to hedges of future cash flows. See Note 14.

Note 21. Related parties

Of the parent company's net sales of SEK 20 393 million (20 234), SEK 370 million (333) relate to deliveries of goods to Group companies. The parent company's purchases of goods from Group companies amounted to SEK 236 million (74). Parent company net sales also include income from the sale of silviculture services to subsidiaries for an amount of SEK 570 million (528). SEK 2 746 million (2 561) of expenses for the leasing of non-current assets from subsidiaries are recognised in the parent company's accounts.

There are significant financial receivables and liabilities between the parent company and its Swedish subsidiaries. The parent company has a related party relationship with its subsidiaries. See Note 22.

L E Lundbergföretagen AB is a major shareholder in Holmen (see pages 54–55). Holmen rents office premises for SEK 9 million (8) from Fastighets AB L E Lundberg, which is a Group company within L E Lundbergföretagen AB. In 2024, Fredrik Lundberg, who is CEO of and principal shareholder in L E Lundbergföretagen, received a fee of SEK 860 000 (820 000) as Chairman of Holmen's Board. Louise Lindh, who is Chairwoman of the Board of Fastighets AB L E Lundberg and who is also a party related to Fredrik Lundberg, received a Board fee of SEK 430 000 (410 000).

Transactions with related parties are priced on market terms. The equity holdings in associates that produce hydro and wind power entitle the Group to buy the electricity produced at cost price in line with the shareholding, which means that the associate only earns a limited profit. Purchased electricity is sold to external customers at market price, and the earnings are stated in the consolidated accounts within the Renewable Energy business area.

Transactions with related parties

	Sale of goods to related parties		Purchase of goods from related parties		Other (e.g. interest, dividend)		Liabilities in respect of related parties		Receivables in respect of related parties	
Group	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Associates	565	704	60	63	2	2	11	4	65	78
Parent company										
Subsidiaries	370	333	236	74	496	463	797	799	4 368	3 804
Associates	565	704	60	63	2	2	11	4	65	78

See Note 4 for remuneration paid to members of the Board.

Note 22. Investments in Group companies

	Parent company	
Accumulated acquisition costs	**2024**	2023
Value at beginning of year	13 155	13 054
Shareholder contributions and investments	0	100
Disposals	-	-
Liquidations	-1	-
Total	**13 154**	**13 155**
Accumulated impairment losses		
Value at beginning of year	1 357	1 357
Impairment losses for the year	-	-
Total	**1 357**	**1 357**
Book value at end of year	**11 797**	**11 798**

The parent company's impairment losses on investments in Group companies are stated in the income statement in 'Profit/loss from investments in Group companies'.

Parent company's direct holdings of investments in subsidiaries	Corporate ID No.	Registered office	No. of shares	Holding %[1]	Book value in the parent company's accounts	Holding %[1]	Book value in the parent company's accounts
				2024		2023	
Holmen Skog AB	556220-0658	Örnsköldsvik	1 000	100	0	100	0
Holmen Wood Products AB	556099-0672	Hudiksvall	1 000	100	0	100	0
Holmen Paper AB[3]	556005-6383	Norrköping	100	100	0	100	0
Holmen Iggesund Paperboard AB[3]	556088-5294	Hudiksvall	1 000	100	0	100	0
Holmen Energi AB	556524-8456	Örnsköldsvik	1 000	100	0	100	0
Holmen Skog Mitt AB	559165-6623	Stockholm	1 000	100	2 856	100	2 856
Holmen Skog Syd AB	559165-6631	Stockholm	1 000	100	1 527	100	1 527
Martinsons Skogsfastigheter AB	556738-2154	Stockholm	1 000	100	70	100	70
Terminalen i Bastuträsk AB	556591-5898	Stockholm	1 000	100	18	100	18
Holmen Sågverk AB	559165-6672	Stockholm	1 000	100	422	100	422
Martinsons Såg AB	556218-2856	Skellefteå	50 000	100	831	100	831
Holmens Bruk AB	559165-6615	Stockholm	1 000	100	383	100	383
Iggesunds Bruk AB	559165-6656	Stockholm	1 000	100	740	100	740
Holmen Vattenkraft AB	559165-6664	Stockholm	1 000	100	2 663	100	2 663
Ljusnan Vattenkraft AB	559165-6680	Stockholm	1 000	100	276	100	276
Blåbergsliden Vind AB	559138-5181	Stockholm	500	100	200	100	200
Varsvik AB	556914-9833	Stockholm	500	100	263	100	263
Other Swedish Group companies					2		2
Total Swedish holdings					**10 253**		**10 253**
Holmen UK Ltd, UK		Workington	1 197 100	100	1 519	100	1 519
Holmen Paper Ltd[2]		London	-	100	-	100	-
Holmen Iggesund Paperboard (Workington) Ltd[2),4)]		Workington	-	100	-	100	-
Holmen France S.A.S., France		Paris	10 000	100	0	100	0
Holmen GmbH, Germany		Hamburg	-	100	1	100	1
Holmen Paper S.A., Spain		Madrid	60 000	100	1	100	1
Holmen Singapore Pte Ltd, Singapore		Singapore	800 000	100	4	100	4
Iggesund Paperboard Inc, US[5]		Lyndhurst	1 000	100	7	100	7
Holmen Hongkong Ltd, China		Hong Kong	4 000 000	100	5	100	5
Holmen B.V., Netherlands		Amsterdam	35	100	7	100	7
AS Holmen Mets, Estonia		Tallinn	500	100	0	100	0
Other non-Swedish Group companies					1		2
Total non-Swedish holdings					**1 544**		**1 545**
Total					**11 797**		**11 798**

1) The holdings correspond to the percentage of votes for the total number of shares held. 2) Indirect holdings. 3) In 2025, Holmen Paper AB was absorbed by Iggesund Paperboard AB through a merger and renamed Holmen Board and Paper AB. 4) Renamed Holmen Board and Paper Ltd in 2025. 5) Renamed Holmen Inc in 2025.

Note 23. Untaxed reserves

Parent company

Untaxed reserves	31 Dec 2023	Appropriations	31 Dec 2024
Accumulated depreciation and amortisation in excess of plan			
Non-current intangible assets	0	0	0
Property, plant and equipment	16	-4	12
	16	**-4**	**12**
Tax allocation reserves			
2019 fiscal year	700		700
2020 fiscal year	700		700
2021 fiscal year	680		680
2022 fiscal year	1 488		1 488
2023 fiscal year	900		900
2024 fiscal year	-	470	470
	4 468	**470**	**4 938**
Total	**4 484**	**466**	**4 950**

Group contributions received amounted to SEK 921 million (988) and Group contributions paid amounted to SEK -89 million (-367). Total appropriations amounted to SEK 366 million (190).

Note 24. Collateral and contingent liabilities

	Group		Parent company	
Contingent liabilities	**2024**	2023	**2024**	2023
Guarantees on behalf of Group companies		-	158	114
Other contingent liabilities	68	41	68	41
Total	**68**	**41**	**227**	**155**

Other contingent liabilities for the Group largely comprise guarantee undertakings for third parties. Holmen has environment-related contingent liabilities that cannot currently be quantified but could result in future costs. Under Swedish law, Holmen has strictly unlimited liability for harm caused to third parties by dam failures. Holmen has liability insurance for such harm.

Note 25. Cash flow statement

	Group		Parent company	
Interest paid and dividends received	**2024**	2023	**2024**	2023
Dividends received	-	-	344	348
Interest received	37	47	217	172
Interest paid	-104	-80	-139	-113
Total	**-67**	**-33**	**422**	**407**

In 2024, the Group redeemed bonds totalling SEK 1 000 (1 000) million and issued new bonds totalling SEK 1 500 million. See Note 14 for a breakdown of cash and cash equivalents.

Group	2023	New leases	Cash flow	Currency and market revaluation	**2024**
Bonds	2 900	-	500	-	**3 400**
Commercial paper	-	-	-	-	**-**
Other financial liabilities	23	-	-10	43	**55**
Liabilities relating to right-of-use assets	250	105	-127	-	**228**
Pension obligations	9	-	-4	3	**9**
Financial liabilities*	**3 182**	**105**	**359**	**46**	**3 692**

**Including liabilities relating to right-of-use assets and pension obligations.*

Group	2022	New leases	Cash flow	Currency and market revaluation	2023
Bonds	3 900	-	-1 000	-	2 900
Commercial paper	-	-	-	-	-
Other financial liabilities	41	-	-60	42	23
Liabilities relating to right-of-use assets	247	117	-121	7	250
Pension obligations	7	-	-4	6	9
Financial liabilities*	**4 195**	**117**	**-1 185**	**55**	**3 182**

**Including liabilities relating to right-of-use assets and pension obligations.*

Parent company	2023	Cash flow	Currency and market revaluation	**2024**
Bonds	2 900	500	-	**3 400**
Commercial paper	-	-	-	**-**
Liabilities in respect of Group companies	784	-43	0	**741**
Other financial liabilities	21	-10	43	**53**
Pension obligations	1	-	-1	**0**
Financial liabilities*	**3 706**	**447**	**42**	**4 195**

**Including pension obligations.*

Parent company	2022	Cash flow	Currency and market revaluation	2023
Bonds	3 900	-1 000	-	2 900
Commercial paper	-	-	-	-
Liabilities in respect of Group companies	434	342	8	784
Other financial liabilities	39	-60	42	21
Pension obligations	13	-13	1	1
Financial liabilities*	**4 386**	**-730**	**51**	**3 706**

**Including pension obligations.*

Note 26. Critical accounting estimates and judgements

When preparing financial statements the company's management is required to make estimates and judgements that have an effect on the stated amounts. The estimates and judgements that, in the view of the company's management, are of importance for the amounts stated in the annual accounts, and that are at significant risk of being altered by future events and new information, mainly include the following:

Forest land and biological assets

The Group's forest land is recognised at a fair value of SEK 26 243 million (25 793) based on transaction in forest properties, less the fair value of standing trees recognised as biological assets with a fair value of SEK 31 600 million (30 555). The valuation based on transactions in forest properties draws on detailed data about transactions and price statistics published by different market operators. To obtain a sufficiently large population, three years of aggregated transactions are used. The valuation takes account of where in the country the forest land is located and differences in the forests in terms of the volume of standing timber and site quality. Valuations are primarily dependent on price statistics and transaction data collected from external parties and how large the volume of standing timber is estimated to be. The value of standing trees is determined by calculating the present value of the expected future cash flows based on estimates of future harvest volumes, changes in prices and costs and discount rates. Environmental and climate factors were taken into account when preparing both the forest management programme and the harvesting plan, which forms the basis for the forecasting of future harvest volumes. A deferred tax liability of SEK 5 360 million (5 272) has been recognised in respect of forest land and SEK 6 510 million (6 294) in respect of biological assets. See Note 7 and Note 9 for further information.

Impairment testing of goodwill and non-current assets

Goodwill is tested for impairment annually, and non-current assets are tested when there is an indication that an impairment loss needs to be recognised. Value in use is calculated by discounting the present value of the expected future cash flows based on estimates of future volumes, changes in prices and costs and discount rates. Changes in conditions may have an effect on the estimated recoverable amount applied in connection with future impairment tests.

Pension obligations

The Group has defined benefit pension obligations measured at SEK 1 539 million (1 581) and SEK 1 782 million (1 809) of plan assets set aside to cover such obligations. The value of pension obligations is estimated on the basis of assumptions regarding discount rates, inflation and demographic factors. These assumptions are usually updated annually, which affects the Group's comprehensive income and the pension provision recognised. See Note 18.

Provisions

Obligations that may result in costs for Holmen are evaluated on an ongoing basis to assess the need for a provision. Uncertainty in the assessment mainly relates to the date and size of the future cost. The Group has mainly recognised provisions for uncertainties related to obligations to restore the environment at abandoned sites where its operations have created pollutants. See Note 19.

Taxes

The Swedish Tax Agency has rejected Holmen AB's group relief claim relating to tax losses from Spanish subsidiaries that were liquidated. Holmen has appealed the decision. The deductions correspond to SEK 386 million of tax, but no tax receivable has been recognised.

Note 27. Events after the balance sheet date

No significant events have occurred since the end of the reporting period.

PROPOSED APPROPRIATION OF PROFITS

	SEK
The following earnings of the parent company are at the disposal of the AGM:	
Net profit for the 2024 financial year	1 375 483 021
Retained earnings	4 682 136 469
	6 057 619 489
The Board proposes that the following be allocated to the shareholders	
an ordinary dividend of SEK 9.00 per share (157 668 192 shares),	1 419 013 728
an extra dividend of SEK 3.00 per share (157 668 192 shares)	473 004 576
	1 892 018 304
and that the remaining amount be carried forward	4 165 601 185

The Board of Holmen AB has proposed that the 2025 AGM resolve in favour of paying an ordinary dividend of SEK 9.0 per share, and an extra dividend of SEK 3.0 per share, for a total of SEK 1 892 million. The previous year, an ordinary dividend of SEK 8.5 per share and an extra dividend of SEK 3.0 per share were paid. The proposal complies with the Board's policy, in that decisions on dividends are to be based on an appraisal of the Group's profitability, future investment plans and financial position.

The proposed dividend corresponds to 66 per cent of the profit for 2024 for the Group and means that 3 per cent of the Group's equity at 31 December 2024 will be paid out by way of dividends.

The Board has established that the Group should have a strong financial position, with net financial debt not exceeding 25 per cent of equity. At 31 December 2024 it amounted to 6 per cent. The proposed dividends would increase the net debt to equity by 4 percentage points.

Holmen AB's equity at 31 December 2024 amounted to SEK 11 972 million, of which non-restricted equity was SEK 6 058 million. Assets and liabilities measured at fair value in accordance with Chapter 4, §14a of the Swedish Annual Accounts Act had an impact of SEK -153 million on equity. The Group's equity at 31 December 2024 amounted to SEK 57 370 million. In accordance with IFRS, no distinction is made at Group level between restricted and non-restricted equity.

The Board considers that the payment of dividends of the amount proposed is justifiable in view of the demands made on the company and the Group by the nature, extent and risks associated with the business in terms of the amount of equity required, and taking into account the need for consolidation, liquidity and the Group's financial position in other respects. Its financial position will remain strong after payment of the proposed dividends and is considered to be entirely adequate to enable the company to fulfil its obligations in both the short and the long term, as well as to finance such investments as may be necessary.

The Board and CEO declare that the annual accounts were prepared in accordance with generally accepted accounting principles in Sweden, and the Group's consolidated accounts were prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual accounts and the consolidated accounts provide a true and fair view of the performance and financial position of the parent company and the Group. The administration report for the parent company and the Group provides a true and fair view of the development of the operations, financial position and performance of the Group and the parent company and also describes the material risks and uncertainties to which the parent company and the other companies in the Group are exposed.

Signatures

The annual accounts and the consolidated accounts were approved for publication by the Board in its decision of 24 February 2025. The Group's consolidated income statement and balance sheet and the parent company's income statement and balance sheet will be presented for adoption at the AGM to be held on 31 March 2025.

Stockholm, 24 February 2025

Fredrik Lundberg
Chairman

Lars Josefsson
Board member

Alice Kempe
Board member

Louise Lindh
Board member

Ulf Lundahl
Board member

Fredrik Persson
Board member

Henriette Zeuchner
Board member

Carina Åkerström
Board member

Henrik Sjölund
Board member and
Chief Executive Officer

Ari Aula
Board member,
employee representative

John Nyberg
Board member,
employee representative

Tommy Åsenbrygg
Board member,
employee representative

Our audit report was submitted on 25 February 2025.
PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorised Public Accountant
Principal Auditor

AUDITOR'S REPORT

To the general meeting of shareholders of Holmen AB, corp. id 556001-3301

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Holmen AB for the year 2024, except for the corporate governance statement and the sustainability report on pages 44-48 and 98–122, respectively. The annual accounts and consolidated accounts of the company are included on pages 4, 8–11, 16–17, 42–94 and 127 of 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 its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement and the sustainability report on pages 44-48 and 98–122, respectively. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the Board of the parent company and the Group in accordance with the Audit Regulation (537/2014) Article 11.

Basis of opinion

We have conducted our audit in accordance with the International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under these 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, based on the best of our knowledge and belief, that 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 adequate as a basis for our opinion.

Our audit approach

Audit scope

We have designed our audit by determining the materiality level and assessing the risk of material misstatement in the financial statements. We have considered where the Managing Director and the Board of Directors have made significant accounting estimates about future events or outcomes that are inherently uncertain. In the audit, we have also addressed the risk that the Board of Directors and the Managing Director may have overridden internal controls, including considering whether there is evidence of systematic deviations that could indicate irregularities.

We have designed our audit to enable us to provide an opinion on the financial statements as a whole, taking into account how the Group is organised, the processes for financial reporting and the industry in which the operations are active.

Materiality

The scope of our audit has been influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we have determined quantitative thresholds for materiality concerning the financial statements as a whole. With the help of these and qualitative considerations, we have established the audit orientation and scope and the character and point in time for our audit procedures. Quantitative thresholds for materiality have also been used to assess the effect of potential misstatements, individual and aggregated, in the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts for 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.

Description of key audit matter	How our audit addressed the key audit matter
Revenue recognition Net sales amount to SEK 22 759 million and is a material item in the income statement. The Group has various types of revenue, which largely consist of goods such as paper, paperboard, timber, wood products and pulpwood that are sold to customers. Sales of goods are transaction-rich, put requirements on bookkeeping, monitoring and internal controls. The services provided are limited and primarily relate to forest management services and within construction, such as installation work. The various revenue streams have different characteristics, leading to separate processes for revenue recognition, which have been examined individually. A description of the area is presented in Note 2. Accounting and valuation principles are presented in Note 1	Our audit procedures have included, but were not limited to, the activities listed below. We have: • Evaluated the Group's processes for the recognition of the various revenue streams. • Performed tests of a sample of controls in the processes for revenue recognition. • Tested a selection of transactions against supporting underlying agreements and payments, as well as performed accounts receivable confirmation. • Tested a sample of transactions to assess whether revenue has been recognised in the appropriate period. • Reviewed the information presented in the annual accounts and assessed whether it provides sufficient information according to the regulatory requirements.
Valuation of forest assets The Group's forest assets amount to SEK 57 843 million and constitute a significant item in the consolidated balance sheet. The assets are divided into biological assets that are recognised in accordance with IAS 41 Agriculture, and properties that are recognised in accordance with IAS 16 Property, Plant and Equipment. A description of the measurement of value of forest assets and important assumptions is presented in Note 9. The measurement process is complex since it requires assessments and assumptions in respect of, inter alia, market statistics, and the breakdown of the total value of land and biological assets. Significant areas of judgment include the scope and completeness of market statistics, local market prices and discount rates as well as timber prices and felling costs. The measurement is classified as a Level 3 measurement in accordance with IFRS 13. In view of the material nature of the item and the inherent complexity, the valuation of the group's forest assets is considered key audit matter in our audit.	Our audit procedures have included, but were not limited to, the procedures listed below. We have: • Evaluated the process and the method used for valuation of forest assets as well as the company's process for collecting input data, performed through validation against supporting documents and interviews with Holmen staff. • Tested the allocation of value between biological assets and land assets. • Evaluated the reasonableness of material assumptions that form the basis for the Group's valuation including discount rate, timber prices, harvest plan as well as costs for forestry and harvesting activities. • We have reviewed portions of the input data used in the valuation of forest assets, as well as assessed the controls in place to ensure the accurate transfer of this input data. • Our valuation specialists have reviewed the assumptions and documentation utilized to determine the discount rate, placing particular emphasis on the sensitivity of the calculations. • Evaluated outcome of the internal valuation model used compared to external valuations. • Examined that the disclosed information in Note 9 of the annual report meets the requirements according to IFRS and provides a fair presentation of the company's valuation.

Other information than the annual accounts and consolidated accounts

This document also contains information other than the annual accounts and consolidated accounts, which is found on pages 2–3, 5–7, 12–15, 18–41, 123–126, 128–136 .("Other information"). The remuneration report that we obtained prior to the date of this auditor's report also constitutes Other information. The Board of Directors and the Managing Director are responsible for Other information.

Our opinion on the annual accounts and consolidated accounts does not cover other information and we do not express any form of assurance conclusion regarding Other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the Other 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 obtained in the audit and assess whether Other information otherwise appears to be materially misstated.

If we, based on the work performed concerning Other information, conclude that the Other information contains a material misstatement, we are required to report this. We have nothing to report in this regard.

The Board of Directors' and Managing Director's responsibilities

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 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 assessing 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 assumption applies unless the Board and the Managing Director intend to liquidate or cease to operate the company or have no realistic alternative to doing so.

The 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 aggregated, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Holmen AB for the year 2024 as well as 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 opinion

We have conducted our 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 adequate as a basis for our opinion.

The Board of Directors' and Managing Director's responsibilities

Responsibility for the proposed appropriation of the company's profit or loss rests with the Board of Directors. In conjunction with the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the parent company's and the Group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the organisation and administration of the company's affairs. This includes continuous assessment of the company's and the Group's financial situation and ensuring that the company's organisation 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 is responsible for day-to-day management in accordance with the guidelines and instructions issued by the Board and is required to take such actions as may be necessary to ensure compliance with the company's statutory accounting obligations and satisfactory management of funds.

The auditor's responsibility

Our objective for the management audit, and thus for our opinion on release from liability, is to obtain audit evidence which enables us to assess with reasonable assurance whether any member of the Board or the Managing Director has in any material respect:

- taken any action or been guilty of any neglect that could give rise to a liability to indemnify the company
- otherwise acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the statutory annual report.

The auditor's opinion on the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined whether the Board of Directors and the Managing Director have prepared the annual accounts and the consolidated accounts in a format that facilitates uniform electronic reporting (the ESEF report) according to Chapter 16, Section 4 a of the Securities Market Act (2007:528) for Holmen AB for the year 2024.

Our examination and our opinion refer only to the statutory requirement.

In our opinion, the ESEF report has been prepared in a format that in all significant respects facilitates uniform electronic reporting.

Basis for Opinion

We have conducted our examination in accordance with FAR's recommendation, RevR 18 Examination of the Esef report. Our responsibilities under this recommendation are further described in the Auditor's Responsibilities section. We are independent of Holmen AB 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 ensuring that the Esef report has been prepared in accordance with Chapter 16, Section 4 a of the Securities Market Act (2007:528) and for ensuring that there is such internal control as the Board of Directors and the Managing Director regard as necessary to prepare the Esef report in a manner that is free from material misstatement, whether due to fraud or error.

The 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 ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and 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 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 has been marked with iXBRL in accordance with what follows from the Esef regulation.

Auditor's opinion regarding the corporate governance statement

The Board of Directors is responsible for ensuring that the corporate governance statement on pages 44-48 has been prepared in accordance with the Annual Accounts Act.

Focus and scope of the examination

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The Auditor's Examination of the Corporate Governance Statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this examination has provided us with sufficient basis for our opinions.

Opinion

A corporate governance statement has been prepared. Disclosures in accordance with Chapter 6, Section 6, second paragraph, points 2–6 of the Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same law are consistent with the other parts of the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Auditor's opinion regarding the statutory sustainability report

Assignment and division of responsibilities

The Board of Directors is responsible for ensuring that the sustainability report on pages 98–122 has been prepared in accordance with the Annual Accounts Act.

Focus and scope of the examination

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the sustainability report is different and substantially more limited in scope compared with the focus and scope of 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.

Opinion

A statutory sustainability report has been prepared.

PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm,
was appointed auditor of Holmen AB by the general meeting of the shareholders on 16 April 2024
and has been the company's auditor since 22 April 2021.

Stockholm, 25 February 2025
PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorised Public Accountant
Auditor in Charge

SUSTAINABILITY REPORT

GENERAL DISCLOSURES

Basis for preparation

General basis for preparation of the sustainability statement

Holmen's sustainability report covers the financial year 1 January to 31 December 2024. Holmen publishes sustainability data annually, and this year's report is published on 7 March 2025.

The sustainability report comprises pages 98–126 and is prepared in line with the Global Reporting Initiative's GRI Standards 2021 and the aspects that are material to the Group have been identified. The sustainability report has undergone review by Holmen's auditors, see the separate assurance report on page 126.

Holmen's statutory sustainability report in accordance with the Swedish Annual Accounts Act can be found on pages 98–122. Holmen's statutory sustainability report has been reviewed by Holmen's auditors in line with requirements laid down in national law. The Board of Directors is responsible for the statutory sustainability report and for ensuring that it is prepared in accordance with the Swedish Annual Accounts Act.

Holmen's annual report and sustainability report cover the parent company Holmen AB, all subsidiaries in the Group and hydro power plants in which Holmen is a minority owner. The sustainability report does not include other companies of which Holmen is a minority owner. All data is collected, quality-assured and evaluated.

Disclosures in relation to specific circumstances

Time horizons

In the sustainability report, material sustainability matters have been identified and assessed as to whether they arise in the short, medium and long term.

Definition of time horizons

Short term	The period Holmen has adopted as the reporting period in the financial reports
Medium term	Up to five years from the end of the reporting period (as zabove)
Long term	More than five years

Value chain estimation

Where estimates have been made, this is stated under the respective metrics, see the relevant section of the sustainability report.

Sources of estimation and outcome uncertainty

Estimation and outcome uncertainties have been commented on in conjunction with the information concerned.

Changes in preparation or presentation of sustainability information

Reporting in Holmen's Annual Report 2024 is based on a materiality assessment in line with GRI and is simultaneously updated as inspired by the European Sustainability Reporting Standards (ESRS) ('double materiality assessment'), see page 100 for more information about the materiality assessment. The structure of the sustainability information provided is modelled on the way ESRS structures its reporting areas.

In 2024, Holmen has updated the methodology used to calculate climate benefit. For further information, see page 104.

For scope 2, in 2024, Holmen has updated the source of emission factors and the calculation method. See page 103.

The key figures for HR information have been revised to align Holmen's sustainability report with ESRS. See pages 112–113.

In 2024, the key figures for waste were updated to align with the requirements of ESRS, and the figure for hazardous waste in 2023 has been updated from 1.4 to 1.5 accordingly. See page 130.

Governance

In recent years, the Board of Directors and Group management have rewritten Holmen's business concept and strategy in light of the way in which the global climate transition is driving demand for sustainable building materials and renewable energy while also fuelling growing competition for forest raw material. As part of this process, sustainability matters have been integrated into the governance of Holmen. Corporate governance is described on pages 44–48.

Integration of sustainability-related performance in incentive schemes

Holmen's short and long-term incentive programmes for Group management are linked to sustainability-related matters (see Note 4 on page 74).

Strategy

Strategy, business model and value chain

Holmen's business concept is to own and add value to the forest. Our forest holdings are the foundation of our business. Using Holmen's own industrial installations, the growing trees are refined into everything from wood for climate-smart building to renewable packaging, magazines and books, while at the same time hydro and wind power are generated on Holmen's own land.

Holmen's strategy draws on the fact that the world must make the transition to using energy and materials sustainably to limit global warming. With renewable raw material, fossil-free electricity and resource-efficient production, Holmen is able to offer products with a low climate footprint.

Holmen has long combined active forestry with preservation of biodiversity, and this has resulted in a steadily increasing volume of standing timber and larger harvests from healthy ecosystems. An increasing volume of standing timber and sustainable building in wood contribute to a better climate by binding and storing carbon, but the greatest benefit is created when the production of renewable electricity, wood products, paperboard and paper replaces fossil alternatives.

Buildings account for considerable emissions of greenhouse gases, in construction and during the building's lifecycle, and the construction industry is working to reduce its climate footprint. As a building material, wood is benefitting from the ongoing green transition, in a trend that is expected to boost demand for wood products. In recent years, acquisitions and investments have seen Holmen expanding its wood products business by increasing capacity and broadening its range of goods and services. With a strong position in the wood market and well-invested sawmills, Holmen is excellently placed to continue to expand the wood products business.

Holmen grows houses. This means that the forest is managed in a way that generates as much timber as possible. When the wood is sawn, residual products are produced, which are used in the Group's paper and paperboard mills, where wood chips and shavings from the sawmills are topped up with the trees that are too narrow to become construction material. A desire to reduce climate impact and avoid plastic packaging is helping to increase demand for wood-based fibre products, while the low carbon footprint of Holmen's products has increasingly become a competitive advantage.

Over the past 50 years, the world's energy consumption has tripled, and this increasing demand has almost exclusively been met using fossil fuels. To reduce fossil dependence, Europe must transform its energy supply and significant elements of industrial production, heating, and transport must be electrified. Holmen's controllable hydro power contributes fossil-free and renewable electricity when it is most needed, while helping to stabilise an increasingly weather-dependent electricity system. Holmen's extensive land holdings also create an opportunity to add more renewable energy in the form of wind power. Developing wind power is a natural complement to controllable hydro power and a good way to derive added value from forest ownership.

Business model and value chain

The forest ecocycle gives the business wood. The wood is refined at Holmen's own industrial installations and made into products which customers can then refine further in their turn. As the lifecycle draws to a close, the products can be recovered and come back to life in a new form, or be put to use as bioenergy. When deciding what to make out of the different parts of the tree, greatest value added is the key criterion and the resulting residual products are used in other processes. Holmen also uses its large land holdings to produce renewable energy from both wind and water.

Forest: Holmen carries out active and sustainable forestry on over a million hectares of its own productive forest land. Large forest holdings and close partnerships with approximately 15 000 private forest owners create considerable economies of scale, which give Holmen a strong position in the wood market. Alongside extensive timber trading, Holmen's industrial installations are provided with raw material that is distributed via efficient logistics solutions. In addition to logs and pulpwood, bark, treetops and branches have their own uses and are sold on for bioenergy production.

Wood Products: The five sawmills play a key role in Holmen's circular business. This is where the wood is split and the processing of the harvested forest begins. Developing the wood products business is a natural extension of forestry and an important dimension in Holmen's strategy of owning and adding value to the forest. Growing capacity to produce wood products near the undertaking's own forest holdings means Holmen is able to process an ever-increasing proportion of the forest at its own industrial sites. Holmen offers a wide range of wood and timber products for construction and joinery.

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

Board and Paper: Holmen develops premium paperboard and innovative paper products for everything from cosmetics, electronics, pharmaceuticals and food to books, magazines, advertising and transport packaging. Holmen's board and paperboard products are manufactured entirely from fresh fibre. With renewable raw material, fossil-free electricity and resource-efficient production at a total of four industrial facilities in Sweden and the UK, Holmen is able to offer products with a low climate footprint.

Renewable Energy: Holmen produces renewable energy from hydro and wind power. The majority of energy production is hydro power from 21 wholly or partly owned power plants. With a large land holding, developing large-scale wind power is a natural complement to controllable hydro power, and today Holmen has two wholly owned power plants, Varsvik and Blåbergsliden, while another wind power plant, Blisterliden, is under construction.

The most important raw materials for Holmen's operations are wood and electricity. Approximately half of the wood raw material is harvested from Holmen's own forests. The remaining amounts are bought in, mainly from private forest owners in Sweden. Only a small proportion is imported. Holmen managing the harvesting of a large proportion of its wood procurement enables good control of the supply chain and reduces potential risks. Besides raw materials, the largest areas for purchasing are inputs, production materials and transport. Holmen is also a major purchaser of contracted forestry services.

Holmen carries out industrial production at a total of nine installations, eight in Sweden and one in Workington, UK, which require environmental permits. The permits specify conditions regarding permitted production volumes, noise levels and permitted emissions to air and water. Additionally, the converting plant in Strömsbruk is a notifiable activity. Holmen also has environmental permits for wind power and commercial quarries. Furthermore, the six wholly owned and 15 partly owned hydro power plants have environmental permits for the production plant, reservoirs and water regulation.

The Holmen Group has approximately 3 500 employees, 2 960 of whom are in Sweden and about 400 are in the UK. See page 75 (Note 4) for the geographical distribution of Holmen's employees.

Interests and views of stakeholders

Holmen's stakeholders have been identified based on the activity carried out, how it affects the world around us, and the actors that affect Holmen. Some of these stakeholders, such as employees, customers, suppliers, the local community, financiers and public authorities are important for day-to-day operation. Others, such as future employees, owners, analysts, decision-makers, industry organisations and the media, are important for long-term development.

Holmen seeks continuous, open dialogue to increase internal understanding of stakeholders' perspectives on operations. Working with industry organisations, discussions are held with politicians and stakeholder organisations on how the ground rules of the future will be designed, with a focus on forestry and energy supply, and taking climate and biodiversity as the most important parameters. Thanks to good union relations, the views of employees are voiced and heard, supplemented by employee surveys and one-to-one dialogues at all levels of the company. Good dialogues with local decision-makers, local residents and other businesses enable Holmen to pick up on signals about how the local community is affected and how this may affect Holmen's operations.

The information sources set out above are taken into account in developing the strategy to ensure that Holmen will be a successful company into the future. The strategy is constantly revised with the help of business intelligence and studies of how the world may develop in different scenarios, with the management teams of all the business areas involved. Dialogue with customers and suppliers fosters an understanding of how they may act to deal with a world in which sustainable energy and sustainable raw materials are in short supply. This is supplemented by targeted studies bringing in external consultants to understand how areas outside the immediate industry may develop.

Material impacts, risks and opportunities and their interaction with strategy and business model

Material impacts, risks and opportunities and their interaction with the strategy and business model are described under the respective relevant section, see sections on Climate change, Biodiversity, Own workforce, Workers in the value chain, Affected communities and Business conduct below.

Business area	Products	Customer segment	Primary markets	Competitors (selected)
Forest	Logs, pulpwood and biofuel	Sawmills, pulp mills, board and paper mills	Sweden	SCA, Sveaskog and a number of large forest owner associations
Wood Products	Construction and joinery timber, CLT and glulam, plus wood for pallets and packaging	Construction and joinery industry, builders' merchants, and packaging industry	Europe, Middle East and North Africa, North America	Moelven, SCA, Setra, Södra, Vida and a large number of foreign companies
Board and Paper	Premium paperboard for consumer packaging and paper products for books, magazines, advertising and transport packaging	Brand owners, converters, wholesalers, publishers, printers and retailers	Europe, Asia, North America	Metsä Board, Mayr-Melnhof, Norske Skog, Smurfit Westrock, Stora Enso, UPM
Renewable Energy	Renewable energy from hydro and wind power	Nordic electricity market		Fortum, Statkraft, Vattenfall, Uniper

Impact, risk and opportunity management

Description of the processes to identify and assess material impacts, risks and opportunities

Since 2004, Holmen has reported sustainability information following a materiality assessment in which the information is selected based on the sustainability areas that are most significant to the Group.

In 2024, Holmen has updated the materiality assessment drawing on GRI's criteria and inspired by the forthcoming rules in ESRS, known as double materiality assessment. The materiality assessment is based on Holmen's business concept and strategy, which have been reworded in recent years driven by the climate issue and the transition to a circular economy. Furthermore, earlier and ongoing dialogues with stakeholders such as customers and suppliers, unions and employees, local residents and local decision-makers have been taken into account as input data. Knowledge of the impact Holmen's operations have on the environment has been obtained and is constantly monitored in the business, partly via the requirements laid down for operations in environmental permits and voluntary certifications.

Holmen's value chain has been surveyed by examining key activities occurring in Holmen's own operations and in the value chain. Impacts, risks and opportunities have subsequently been identified, taking into account whether they arise in the short, medium or long term.

Impacts on the environment and people
Holmen's identified negative impacts on the environment and people have been evaluated based on an assessment of the scale and scope of the impact, its irremediable character and its likelihood. Positive impacts have been assessed based on severity and likelihood.

Financial risk and opportunities for Holmen
The risks and opportunities linked to environmental and social requirements identified in the value chain have been assessed based on the likelihood of their occurring and the potential financial effect.

See further description under the respective section for material sustainability matters.

Sustainability matters covered by the company's sustainability statement

The sustainability matters reported in Holmen's sustainability report 2024 are presented below.

Material impact, risk or opportunity	See
Capture and storage of carbon dioxide in the volume of standing timber and wood products	Climate change, page 101
Greenhouse gas emissions in the value chain (in production and transport)	Climate change, page 101
Production of renewable electricity	Climate change, page 101
Electricity-intensive production	Climate change, page 101
Production produces emissions of pollutants to water, air and soil	Pollution, page 105
Forestry impacts on the local environment and water	Biodiversity, page 107
Hydro power generation impacts on the landscape and aquatic environments	Biodiversity, page 107
Production of renewable products	Circular economy, page 109
Industrial production generates waste	Circular economy, page 109
Need for skilled workers	Own workforce, page 111
Industrial production involves a risk of accidents	Own workforce, page 111
Forestry is dependent on subcontractors	Workers in the value chain, page 113
Operations impact on local residents and local businesses	Affected communities, page 115
Exposure to business conduct risks	Business conduct, page 116

Policies adopted to manage material sustainability matters and actions and resources in relation to material sustainability matters

Information on policy work at Holmen is described in the Corporate Governance Report, see pages 44–48. See also the respective section for material sustainability matters.

Metrics and targets

Metrics in relation to material sustainability matters and tracking effectiveness of policies and actions through targets

Sustainability is about balancing several perspectives – economic, environmental and social – and succeeding in doing so over time. For Holmen, successful business and a sustainable future go hand in hand. We contribute towards the transition to a sustainable and circular society and focus our work on the areas where our operations have the greatest opportunity to make a difference.

- Holmen's climate benefit is to increase by growing the business.
- Holmen's forestry fosters biodiversity.
- Holmen develops the business within the framework of environmental permits and certifications.
- Holmen's workforce develop and thrive.
- Holmen builds long-term relationships based on responsible business conduct.

Indicators are linked to these five material areas to measure development and progress. See also the respective section for material sustainability matters.

CLIMATE CHANGE

Strategy

Transition plan for climate change mitigation

Holmen's strategy draws on the fact that the world must make the transition to using energy and materials sustainably to limit global warming. Actively and sustainably managing the forest means carbon dioxide is stored in Holmen's growing forest and products, while wood-based products and renewable energy replace fossil alternatives. Holmen's target to increase the company's positive contribution in the climate transition supports the Paris Agreement's goal to hold the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5 °C. In 2024 Holmen's operations contributed to creating climate benefits equivalent to 8.3 (7.8) million tonnes of CO_2e, see calculation on page 104. Holmen has long worked to reduce the negative climate impact of its operations and as early as 2005 set the target to reduce the use of fossil fuel at the Group's material sites by 90 per cent by 2020. Actions to improve energy efficiency and investments in fossil-free technology have led to a reduction in fossil emissions from production by 91 per cent since 2005 and today the business' emissions are at the low levels defined by the IPCC that the industry should meet by 2045 to be in line with the 2 °C target in the Paris Agreement. Holmen's scope 1 emissions also meet the necessary reduction rate for attaining the 1.5 °C target of the Paris Agreement. The majority of emissions are generated from purchases of inputs and from transport to and from Holmen's industrial facilities. Holmen is committed to working towards well below 2 °C in line with the Science Based Targets initiative (SBTi) and has set scientific targets to endeavour to reduce emissions even further.

Material impacts, risks and opportunities and their interaction with strategy and business model

The market's ambitions to combat climate change have been incorporated in Holmen's strategy for a long time. Holmen has identified material impacts, risks and opportunities related to climate change and the wider world's ambition to limit them, as described below.

Capture and storage of carbon dioxide in the volume of standing timber and wood products

Over the years, Holmen has developed long-term and rational management of its forest holdings, which has contributed towards a growing volume of standing timber and increased harvests. A growing volume of standing timber captures and stores carbon dioxide and after harvest, the forest raw material continues to create benefit by storing carbon dioxide in products with a long lifetime. The forest has a key role to play in the climate transition and demand for forest raw material is expected to increase, both logs and pulpwood. Although the forest is a renewable resource and Holmen's large forest holdings give Holmen a strong position in the wood market, the supply of raw material is limited. Forest and land management are also strictly regulated both nationally and at EU level. Requirements on increased use of the forest as a carbon sink or requirements to change forestry methods could thus lead to reduced growth and lower harvests.

The builiding sector is responsible for more than a third of Europe's carbon emissions and making the manufacture of the dominant construction materials cement and steel sustainable is both expensive and difficult. Wood is a renewable alternative which, in contrast to cement and steel, is energy-efficient to produce, while also storing carbon in the buildings. This means that the market outlook for wood products is good. Not least, when fossil-intensive construction materials are starting to have to bear their true climate cost as free allocation of emission allowances is being phased out. On the other hand, greater competition for logs may affect Holmen's opportunities to grow in balance with access to wood raw material.

Production of renewable electricity

There is a great need for more fossil-free electricity and Holmen is contributing by producing renewable energy in the form of hydro power, wind power and biomass. Expanding existing hydro power is not judged to be possible, while future environmental permit applications involve a risk that existing production may be restricted. On the other hand, Holmen has significant potential to build wind power on its own land. The length of the permit processes poses a challenge, as does the fact that wind power construction often comes up against local opposition.

Electricity-intensive production

The electricity used in production at Holmen's material sites is fossil free and largely comes from self-generated renewable energy production. Adapting electricity-intensive paper production also gives Holmen an opportunity to help to stabilise an increasingly weather-dependent electricity system. Regulation affecting energy prices, access to fossil-free energy or requirements to reduce emissions may have financial and operational consequences for the business.

Greenhouse gas emissions in the value chain (in production and transport)

Holmen has long worked to reduce fossil emissions from its own operations and today Holmen's industries have a low climate footprint, which means the majority of emissions are generated from purchases of inputs and from transport to and from Holmen's industrial installations. Addressing indirect emissions may mean investments or higher costs. Holmen currently receives a free allocation of emission allowances under EU ETS and UK ETS. Approximately 10 per cent of these are used to cover the emissions of Holmen's own operations and the remainder is sold to external parties. The phasing out of the emission allowance trading system may thus have a financial effect on Holmen due to lost income.

Physical risks and opportunities in Holmen's forestry and energy production

Climate change may affect Holmen's business, but the impacts of physical risks linked to a changed climate are currently not judged to be material to its operations. The operation identified with the greatest potential impact from a changed climate is forestry. A warmer climate could increase the growth of Holmen's forests, with a longer growing season, more precipitation and higher levels of carbon dioxide in the air, aiding photosynthesis. Warmer temperatures and changed precipitation patterns could also create favourable conditions for pests such as fungi and insects, which could lead to reduced timber volumes and poorer quality. Long periods of drought and higher temperatures may also affect opportunities to actively manage the forest as a result of shorter periods of frozen ground or standstills due to high fire risk.

Changed wind patterns may affect wind power production, which is governed by the strength and stability of the wind. Changed precipitation patterns, with longer dry periods or more intense periods of rain, may affect rivers and the levels of lakes and watercourses. Low water levels could lead to lower hydro power production, while heavy rain and flooding could pose technical challenges and risks for installations.

By the end of the reporting period, no need for material adaptations to Holmen's industrial facilities due to climate change has been identified. Work is in progress on an updated analysis, which is expected to be complete in 2025.

Impact, risk and opportunity management

Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Regulatory risks and changes in external requirements driven by sustainability matters are monitored and tackled in the business areas, supported by Group staff. Part of this external monitoring is also carried out by active participation in national and international industry organisations whose purpose is to handle the monitoring of social trends, conduct advocacy work, and put forward Holmen's position and view on relevant political and regulatory issues. Holmen is active via dialogue, responses to consultations, preparedness and lobbying, on Holmen's own behalf and together with industry organisations. Holmen also conducts its own research projects and engages in research carried out by other actors.

To identify physical climate-related risks in forestry and for wind and hydro power production, Holmen has used the IPCC's forecast that the global temperature will increase by 2.7 degrees by 2050. Accordingly, an average value of the Swedish Meteorological and Hydrological Institute's (SMHI) climate scenarios, defined as Representative Concentration Pathways (RCP) RCP 4.5 and RCP 8.5, has been taken into account. A reference period has been chosen to finally assess the impacts of the climate scenarios.

Producing climate adaptation plans is an ongoing process at the respective material site and in forest operations. The management of each material site participates in the process and must prioritise potential activities, taking the costs and risks of the actions and the other needs of the business into account.

Policies related to climate change mitigation and adaptation

Holmen's environmental and energy policy covers all operations and is founded on the use of natural, renewable wood raw material and fossil-free energy in a business that mitigates climate change. Holmen's sawmills, paperboard and paper mills must comply with applicable standards and be ISO certified in order to survey energy consumption and improve energy performance. Energy is to be recovered and used for internal and external purposes with the aim of minimising environmental impact and reducing the need for purchased energy. Purchased electricity is to come from fossil-free generation.

Holmen is also to contribute to the transition of the energy system by increasing renewable energy production. The climate and system benefit must be protected and the installations must be environmentally adapted in line with the national plan for modern environmental conditions for hydropower.

All material sites and forest operations must prepare a climate adaptation plan. The plan must describe the relevant climate risks, their potential impacts on operations and the actions that can be taken. The plan must also cover proposed actions that seize opportunities. Implementation of the plan must be integrated in the material site's management system and comply with standards laid down.

Holmen's commitment to the Science Based Targets initiative (SBTi) are to be taken into account in long-term investment planning.

Actions and resources in relation to climate change policies

Holmen's work is characterised by constant improvement measures within the framework of the material sites' certified environmental and energy management systems, which ensure compliance with legislation and requirements set by authorities. Responsibility for the management systems rests with the respective material site, which also bears the actual environmental responsibility. During the reporting period, actions have been carried out to reduce greenhouse gas emissions and improve energy efficiency at Holmen's material sites. For example, hybrid timber trucks have been purchased to reduce fuel consumption, and heating and ventilation systems have been improved. At some material sites, productivity programmes have also been introduced to optimise energy use per unit produced.

As part of developing Holmen's energy business, Holmen has around 30 wind power projects in different stages of development, from in-depth analysis to managing permit applications. The work is in line with the strategy to create long-term value and at the same time enable the green transition by increasing electrification.

Climate risk analyses and adaptation plans are carried out in forestry to ensure healthy, resilient forests suited to a changing climate. Seedlings and planting, cleaning, thinning and harvesting processes are being developed and adapted to a warmer and wetter climate. The seeds for nurseries are selected to grow and thrive in a changing climate and when planting, tree species are chosen based on the specific conditions of the soil to ensure the trees can better withstand extreme weather such as storms, rain and drought.

Metrics and targets

Targets related to climate change mitigation and adaptation

Holmen's climate benefit is to increase by growing the business. This means that Holmen will contribute to a better climate through higher growth and harvesting of forests and higher sales of renewable products that store carbon dioxide and replace fossil-based alternatives. Deliveries of renewable energy will increase by complementing existing hydro power with wind power on Holmen's own land, and the fossil emissions in Holmen's value chain will be reduced.

Key activities to achieve the targets

The following key activities have been identified to achieve the targets of increased climate benefit:

- Increased growth and harvest in Holmen's own forests through growth promotion actions.
- Increased production and refining of wood raw material into wood products for sustainable building.
- Increased production of renewable energy by developing wind power on Holmen's own land.
- Resource and energy efficiency improvements within the framework of environmental permits and management systems.

Outcomes climate benefit

In 2024, Holmen's operations helped to generate a climate benefit amounting to 8.3 (7.8) million tonnes of CO_2e, with positive contributions from all the business areas. Read more about Holmen's climate benefit on pages 36–37.

Climate benefit, million tonnes CO_2e*	2024	2023
Storage in Holmen's forests[1)]	2.13	1.58
Storage in wood and fibre products	0.44	0.44
Wood and fibre products replacing fossil material	4.44	4.39
Renewable electricity production replacing fossil energy	1.24	1.18
Bioenergy replacing fossil energy	0.84	0.86
Holmen's emissions in scope 1–3	-0.77	-0.68
Total climate benefit	**8.32**	**7.79**

1) For 2024 the value of storage in Holmen's forests has increased by 0.55 Mtonnes CO_2e compared with 2023. This is mainly due to the fact that data for a new year is available in the National Inventory Report (NIR), which forms the basis for calculating the net carbon dioxide sink in forest and land.

**See page 104 for accounting principles.*

Outcomes energy production

In 2024, the decision was taken to build Blisterliden Wind Farm, marking an investment of SEK 1.5 billion. Work to build the wind farm is in progress and it is planned to be operational in 2026. This investment will increase Holmen's annual deliveries of renewable energy from water and wind by around 20 per cent to just over 2 TWh.

Electricity production, MWh*	2024	2023
Own production of hydro and wind power	1 572 740	1 501 739
Electricity production at the mills	627 880	565 592

**See page 104 for accounting principles.*

Outcomes emission reduction targets

As part of Holmen's target to increase climate benefit, Group management set greenhouse gas emission reduction targets in 2021. Comparison is with 2019 levels. The targets have been approved by the UN-affiliated Science Based Targets initiative (SBTi) based on the 'below 2 °C' ambition.

- 15 per cent reduction in CO_2e emissions from production per tonne of pulp and paper by 2030 (scope 1 and 2).
- 22 per cent reduction in CO_2e emissions from transport per tonne kilometre by 2030 (scope 3).
- 22 per cent reduction in CO_2e emissions from forest machinery per tonne wood raw material by 2030 (scope 3).
- Suppliers accounting for 35 per cent of emissions from purchased goods and services are to have climate targets in line with Science Based Targets by 2025.

Own emissions and emissions from purchased energy in relation to the production of paperboard and paper have reduced more than the target since the base year 2019, thanks to reduced use of fossil gas at the mill in the UK and because purchased electricity has lower carbon intensity. Good progress has also been made on buying in from suppliers with climate targets. On the other hand, emissions from transport and from forest machinery have not reduced. The abolition of the reduction obligation in Sweden, which governs the inclusion of biofuels, has had a negative impact. Additionally, emissions from forest machinery have been affected by the fact that more work is being carried out in difficult terrain, which requires heavier machinery with higher fuel consumption to ensure safe and efficient harvesting and timber transport.

Outcomes emissions targets*	Base year 2019	2024	Targets 2030
Emissions per tonne of pulp and paper, kg CO_2e/tonne pulp & paper	85.5	-47%	-15%
Emissions from transport, g CO_2e/tonne km	23.6	14%	-22%
Emissions from forest machinery, g CO_2e/tonne wood raw material	3.5	48%	-22%
Proportion of emissions from suppliers with climate targets	N/A	37%	35%[1)]

1) The target for the proportion of emissions from suppliers with climate targets runs to 2025.

**See page 104 for accounting principles.*

Energy consumption and mix

Holmen uses large amounts of energy and the vast majority of the energy purchased and acquired is fossil-free. Only 3 per cent is fossil based, mainly from use of oil and diesel, while 97 per cent comes from fossil-free sources. Holmen does not use coal or coal products as fuel. During the reporting period, Holmen purchased or acquired a total 7.6 (7.4) TWh of energy. Paperboard production produces the majority of the energy needed in Holmen's own mills. Manufacturing thermo-mechanical pulp at Holmen's two paper mills is electricity intensive and the majority of the electrical energy used is bought in. During the reporting period, total electricity purchased or acquired amounted to 3.2 (3.0) TWh. Holmen buys 0.2 TWh a year from a wind farm on Holmen's land at a price that is fixed until 2032. Total energy purchased or acquired per net revenue in 2024 was 336 (326) MWh/SEKm.

Fuel purchased or acquired, MWh*	2024	2023
Fuel from coal and coal products	N/A	N/A
Fuel from crude oil and petroleum products	160 180	130 760
Fuel from fossil gas	38 139	29 870
Fuel from other fossil sources	942	1 091
Fuel from renewable energy sources	4 259 113	4 185 000
Total fuel purchased or acquired	4 458 374	4 346 721
Electricity and heat purchased or acquired, MWh*		
Electricity from fossil sources	90	-
Electricity from renewable sources	1 219 838	1 466 872
Heat from renewable sources	4 776	4 670
Electricity from nuclear power	1 954 453	1 609 773
Total electricity and heat purchased or acquired	3 179 157	3 081 315
Total purchased or acquired, MWh		
Fossil energy	199 351	161 721
Renewable energy	5 483 727	5 656 542
Nuclear power	1 954 453	1 609 773
Total energy purchased or acquired	7 637 531	7 428 036
Proportion of energy consumption and mix, %		
Share of fossil sources in total energy consumption	3%	2%
Share of consumption from nuclear sources in total energy consumption	26%	22%
Share of renewable sources in total energy consumption	72%	76%

**See page 104 for accounting principles.*

Externally supplied energy

Much of the energy consumed comes from Holmen's own value chain. Holmen produces bioenergy in the form of solid biofuels, mainly comprising wood shavings, bark and branches and treetops. In total, Holmen supplied solid biofuel amounting to 2.3 (2.6) TWh in 2024. During the same period, the mill in Workington supplied 0.1 (0.1) TWh of surplus electricity to the UK national grid. Additionally, approximately 0.1 (0.1) TWh of tall oil and 29 (25) GWh of district heating was supplied to neighbouring communities.

In a normal year, Holmen produces just over 1.1 TWh of hydro power from 21 wholly or partly owned power stations. Hydro power provides a secure energy supply and contributes major benefit to society in the transition towards more renewable energy sources, as hydro power production can be controlled by adjusting the water level in the reservoirs. The establishment of large-scale wind power provides a logical complement to controllable hydro power. Today Holmen has two wholly owned wind farms with normal annual production of approximately 0.6 GWh. In addition to self-generated wind power, Holmen purchases 0.2 TWh a year from a wind farm on Holmen's land.

Externally supplied energy, MWh	2024	2023
Own production of hydro and wind power	1 572 740	1 501 739
Externally produced wind power	155 477	155 052
Solid biofuels	2 311 161	2 586 947
Tall oil	138 140	145 690
District heating	28 879	25 000
Externally supplied energy from mills	143 836	127 331

**See page 104 for accounting principles.*

Gross scopes 1, 2, 3 and Total GHG emissions*

	Retrospective			
GHG emissions, thousand tonnes CO_2e	Base year 2019	2023	2024	2024/ 2023,%
Scope 1 GHG emissions				
Gross scope 1 GHG emissions[1)]	90	54	61	13%
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)		56	57	1%
Scope 2 GHG emissions				
Gross location-based scope 2 GHG emissions	42	73	20[2)]	-72%
Gross market-based scope 2 GHG emissions	46	12	1[3)]	-96%
Significant scope 3 GHG emissions				
Total Gross indirect (scope 3) GHG emissions	453	609	708	16%
1 Purchased goods and services	101	196	227	16%
2 Capital goods	80	116	150	29%
3 Fuel and energy-related activities (not included in scope 1 or scope 2)	31	40	58[4)]	47%
4 Upstream transportation and distribution	57	55	72	32%
6 Business travelling	1	1	1	0%
7 Employee commuting	3	3	3	0%
9 Downstream transportation	180	199	197	-1%
Total GHG emissions				
Total GHG emissions (location-based)	584	737	789	7%
Total GHG emissions (market-based)	588	675	769	14%

**See page 104 for accounting principles.*

1) Emissions of methane and nitrous oxide at installations amount to 13 ktonnes CO_2e in the reporting period.

2) Holmen updated the source of emission factors in 2024, which means the figures for 2023/2024 are not comparable.

3) In 2024 Holmen updated the method for calculating gross market-based GHG emissions. Emissions from the value chain for the production of market-based electricity were previously in scope 2. These emissions have been moved to scope 3, category 3, in line with the GHG Protocol.

4) Increased due to updated calculation method. From 2024, emissions in the value chain from electricity production are also included.

Internal carbon pricing

Today, Holmen applies an internal carbon pricing scheme, in which every material site bears the cost of its emissions at the market price for emission allowances.

GHG intensity based on net revenue

Total GHG emissions (location-based) per net revenue in 2024 were 34.7 (32.3) tonnes CO_2e/SEKm. Total GHG emissions (market-based) per net revenue in 2024 were 33.8 (29.1) tonnes CO_2e/SEKm.

Accounting principles Climate change

Climate benefit, million tonnes CO_2e
Holmen updated the climate benefit calculation model in 2024 in line with Forestry Research Institute of Sweden (Skogforsk) report number 1187–2024. This is to align reporting with the upcoming ISO standard ISO 13391, a framework for value chain calculations for wood and wood-based products. In the table, the values for storage and substitution for 2023 have been re-calculated in line with the new model in order to render the data comparable.

Carbon storage in Holmen's forests is based on growth of the volume of standing timber in line with harvesting calculations. Net storage in land is calculated in line with Sweden's official climate reporting to the UN, conducted by the Swedish Environmental Protection Agency using the IPCC's methodology, which is based on an inventory of 30 000 test areas over a 5-year cycle.

Net storage in wood and fibre products is based on the IPCC's methodology. According to the IPCC, fibre products have a half-life of 2 years and wood products 30 years. The methodology takes into account the fact that a certain amount of old wood and fibre products rotted or was incinerated during the year and thus stopped binding carbon dioxide.

Holmen's wood products replace fossil-based materials such as concrete and steel, while paperboard and packaging paper replace other packaging, e.g. plastic packaging. Previous calculations assumed that all fibre products go straight to energy recovery. In the new calculation methods, the fibre products are divided into additional categories, where a calculation factor for avoided emissions has been identified for the categories paperboard and packaging paper. The calculation factor for wood and fibre products is taken from Skogforsk's database of calculation factors.

Bioenergy from branches and treetops and by-products from Holmen's operations replace other, fossil, fuels. The calculation factor is based on data in the Renewable Energy Directive.

Calculation of renewable electricity production from wind and hydro power that replaces fossil energy is not included in the climate benefit calculation model in line with Skogsforsk report number 1187–2024. Therefore, a separate calculation has been made, in which wind and hydro power are assumed to substitute for coal and gas power via electricity exports to Europe. The displacement factor for wind power is based on data from the wind power climate benefit network, Nätverket Vindkraftens klimatnytta, and the calculation factor for hydro power is based on data from the Association of Issuing Bodies (AIB).

Holmen's emissions are calculated for scope 1, 2 and 3 in line with the GHG Protocol. Today the majority of Holmen's emissions are generated from purchases of inputs and from transport to and from Holmen's industrial facilities. More information on calculations and sources is provided at holmen.com.

Outcomes emission reduction targets
To monitor progress towards the emission reduction targets, GHG emissions (expressed as carbon dioxide equivalents, CO_2e) are calculated annually, see outcomes on page 103. CO_2e are divided into three categories: emissions per tonne of paper and pulp, emissions from transport and emissions from forest machinery, and are compared with the base year 2019. Holmen's emission reduction targets do not include purchases of carbon credits to offset CO_2e emissions.

Emissions per tonne of paper and pulp are calculated according to the total amount of scope 1 and scope 2 (market-based) and parts of the emissions from scope 3, category 3, Fuel and energy-related activities, regarding emissions in the value chain for electricity production divided by the total amount of paperboard, paper and pulp produced. The transport target includes emissions from scope 3, category 3 Fuel and energy-related activities, category 4, Upstream transport and distribution and category 9, Downstream transportation and distribution. The proportion of emissions from suppliers with climate targets is calculated based on the amount of purchased goods that come from suppliers with climate targets. The data is based on first-hand contact with suppliers.

Electricity production, MWh
Electricity production from hydro and wind refers to production from wholly owned installations and Holmen's share of partly owned installations.

Fuel and energy purchased or acquired, MWh
Total energy purchased or acquired in Holmen's consolidated operations, reported by energy source and referring to electricity, heat and fuel consumption. Does not include recovered energy in Holmen's processes.

Externally supplied energy, MWh
Only refers to supplied energy. Electricity production from hydro and wind refers to production from wholly owned installations and Holmen's share of partly owned installations. District heating refers to supplied heat energy from Hallsta Paper Mill and Iggesund Mill. Externally supplied electricity refers to electricity supplied by Workington Mill.

Greenhouse gas emissions '000 tonnes CO_2e
Total direct and indirect (scope 1 and 2) greenhouse gas emissions (GHG) for Holmen's consolidated operations. Emissions are reported for the whole Group. Greenhouse gas emissions have been calculated based on the principles in the GHG Protocol, in line with the principle of operational control.

Direct GHG emissions (scope 1) are calculated based on emissions of carbon dioxide (CO_2) from incineration of fossil fuel, emissions of methane (CH_4), nitrous oxide (N_2O), refrigerants (HFCs) and emissions of fossil carbon dioxide in conjunction with preparation and handling of biofuels. The reported direct emissions are equivalent to scope 1 emissions in the GHG Protocol. All reported greenhouse gas emissions have been recalculated as carbon dioxide equivalents (CO_2e). Biogenic emissions amounted to 1.7 million tonnes of CO_2 in 2024.

The effect of the different gases is calculated in line with the following GWP (Global warming potential):

1 kg carbon dioxide (CO_2) = 1 kg CO_2e

1 kg methane (CH_4) = 28 kg CO_2e

1 kg nitrous oxide (N_2O) = 298 kg CO_2e

Indirect GHG emissions (scope 2) are calculated based on Holmen's electricity consumption. Reported indirect emissions include GHG emissions from purchased electricity and are equivalent to scope 2 emissions under the GHG Protocol. Holmen reports indirect emissions in line with both the location-based method and the market-based method. Location-based emissions in scope 2 are calculated using emission factors from the Association of Issuing Bodies (AIB). Market-based emissions in scope 2 are calculated using emission factors based on environmental product declarations (EPDs) from Vattenfall.

Indirect GHG emissions (scope 3) are reported for emissions related to purchased goods and services, capital goods, fuel and energy-related activities, upstream transport and distribution, business travel, employee commuting and downstream transportation. Calculating and reporting of Holmen's scope 3 emissions follow the GHG Protocol's guidance for calculating scope 3 emissions.

Holmen's scope 3 emissions largely comprise purchased goods and services and downstream transportation.

POLLUTION

Today the air in Europe is cleaner than it was half a century ago when the EU introduced stricter air quality controls in the form of preventive actions and measures to combat environmental pollutants. Access to clean water is vital to human health and well-being. Although levels of aquatic pollutants fell between 1990 and 2010, more than 50 per cent of the reported surface water in Europe has failed to attain good ecological status. Actions at European, national and local level have helped to reduce pollutants from the transport, industry and energy sectors. However, studies of real-time measurements show that air pollution still constitutes a risk to the environment and human health. Air quality in Sweden is good, also at regional level at Holmen's material sites, but pollutants to air and water can spread a long way and therefore are not only regional impacts.

Holmen's operations cause emissions to air and water and every material site requires an environmental permit for industrial production. The environmental permits set out approved emission levels for different substances and the total environmental impact of the operations is regulated in the individual permit process under the Swedish Environmental Code and the Industrial Emissions Ordinance, which states that the best available techniques (BAT) must be used. The environmental permit process works in a similar way in Sweden and the UK.

Impact, risk and opportunity management

Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

Holmen's impact on the environment and human health is established and assessed in the environmental permit process. When an operation applies for an environmental permit, the material site must identify its actual and potential pollution-related impacts. This is done in a statutory process with the stated supervisory authority. In Sweden, this is the responsibility of the County Administrative Board. Where environmentally hazardous operations are carried out, consultation documentation is produced describing at an overarching level how changes in the operations might impact on affected communities and the environment. Information in the consultation documentation forms the basis for a delimitation consultation where authorities concerned and the general public are given an opportunity to ask questions and voice opinions on the operations. Once the consultation is complete, a consultation report is written and the operation applying for a permit is given the opportunity to adapt its application in response to the concerns of the various parties. The next step in the permit process is for the applicant to produce a technical description and an environmental impact assessment. These two documents form the basis of the application for an environmental permit.

The technical description must set out how the applicant plans to implement changes at the site. The environmental impact assessment is extensive and requires investigations of the expected impact on air, water and soil, noise impacts, waste management and risk assessments. Biological studies may be required to investigate pollution-related impacts in aquatic areas at the site location, and permit requirements may include demands for follow-up studies. The permit application is then sent to the Land and Environment Court, where the applicant requests the desired conditions for its operations. When the Land and Environment Court considers that the application is complete, the application is circulated to a large number of government agencies, affected municipalities and other stakeholders for consultation. There may be several rounds of consultation in which statements on the application can be made, as the parties may have different views on which conditions should be imposed on the operations. Next there is a negotiation in the Land and Environment Court with all parties present, before a decision is made on the case. The parties involved in the process are also able to appeal against the decision to the Land and Environment Court.

Holmen's material risks of pollution of air, water and land are linked to legislation, technology and reputation. Production disruptions can cause breaches of the emission conditions set for the material site and have negative environmental impacts. Breaches of the conditions not only cause reputational damage but may, if they occur repeatedly, also lead to the supervisory authority deciding that the environmental permit must be reassessed. Updated conditions regarding best available techniques (BAT conclusions) in line with the Industrial Emissions Ordinance can mean that Holmen's material sites do not meet approved emission levels and may require investment. Under Swedish law, Holmen also has commitments to investigate and where necessary remediate discontinued material sites whose historic operations led to pollution of land and water.

Material sites with a permit to run environmentally hazardous operations are checked regularly by the supervisory authority in the form of inspection visits. At the inspection, any incidents that have occurred which have been reported to the authority are discussed, including their environmental impacts, if any. In cases where incidents lead to non-compliance with permit conditions, the operator may be charged an environmental penalty.

Neighbouring communities are affected by Holmen's operations and where the community has concerns, there are processes in place for every material site to receive and handle questions. For more information about contact channels, see the section on Affected communities on page 115.

Policies related to pollution

Holmen's industrial installations are under strict environmental controls. Besides Holmen's environmental and energy policy, risks and pollutants are regulated by acts and ordinances that every material site with environmentally hazardous operations must comply with. A complete list of the acts and ordinances that affect operations must be available at each material site.

Holmen's environmental and energy policy describes how the material site is to follow applicable standards and states that they must be ISO certified, with the aim of identifying, prioritising and tackling the operation's environmental impact. In its operations, Holmen is to work in line with the precautionary principle, such that harm and detriment to human health and the environment are prevented, hindered or mitigated. In the event of process disruptions, the environment takes precedence over production. In ongoing and discontinued operations, the environmental impact must be acceptable to humans and the environment. Investment needs must be taken into account before changes to environmental permits. The policy covers the whole Group. The President and CEO has overarching responsibility for the issues covered by the environmental and energy policy and these are delegated in writing in one or more steps.

All Holmen's material sites have ISO-certified environmental management systems. The purpose of ISO certification is to aim to constantly improve the environmental situation at the site location. Certification differs from the environmental permit in that the permit seeks to ensure an acceptable level for health and the environment, while the environmental management system seeks to develop the work of the material site on environmental matters. Certification means that environmental work must be part of all processes, from policies and procedures on environmental work to management responsibility and risk analyses. Certification requires internal audits to check that the criteria of the ISO standard are met. Audits are carried out regularly by external experts to check that the material site is complying with the certification.

Environmentally hazardous process chemicals are used at several of Holmen's site locations. To avoid incidents and emergencies, the Seveso legislation is in place setting out actions to prevent and limit the consequences of serious chemical accidents. The environmental permits for the site locations concerned contain conditions covering the handling of such process chemicals, and regular exercises are carried out to ensure that the operation complies with the legislation.

Actions and resources related to pollution

The environmental management system sets the framework for constant improvement efforts at every material site and requires analysis of key environmental aspects. The analysis results in an environmental aspects register which addresses the most important environmental matters. Based on this register, every material site must set up environmental targets, which may require actions to achieve. During the reporting period, actions regarding water treatment have been taken at the industrial installation in Workington and actions regarding dust treatment have been carried out at Linghem Sawmill.

An operation must prevent and control pollution so as to do no significant harm under environmental objective 4 of the EU's Taxonomy Regulation. For Holmen's taxonomy activity 1.3 Forest management, work is regulated by the Swedish Forestry Act, in which nature conservation and environmental values must be taken into consideration. There are also regulations and general advice on handling pesticides and nitrogen fertiliser for Holmen's forest certification. For activity 4.8, Electricity generation from bioenergy, Holmen's industrial installations are below the permitted thresholds in line with best available techniques.

Under Swedish law, Holmen also has commitments to investigate and, where necessary, remediate discontinued material sites. In consultation with the environmental authorities (County Administrative Board or municipality), Holmen investigates polluted industrial sites where Holmen previously conducted industrial operations. Remediation may involve future costs, and funds are earmarked for the costs judged to be incurred. In 2024, studies were in progress at different stages regarding the former sawmill in Stocka, the sulphite mills at

Strömsbruk, Domsjö, Loddby and Mariannelund, the paper mill at Silverdalen and the groundwood mill at Bureå. The former sawmill area in Lännaholm was remediated during the reporting period.

Metrics and targets

Targets related to pollution

Holmen's overarching objective is for operations to be run within the permits awarded and developed within the management system framework. The common environmental objective for Holmen's material sites is to restrict emissions to levels set in conditions for environmental permits and in line with best available techniques. Based on the analysis every site carries out regarding key environmental aspects in its operations, targets must also be set for prioritised environmental matters.

Pollution of air, water and soil

In 2006, a European pollutant emissions register was set up to demonstrate progress in reducing emissions and to provide the public with easily accessible information on environmental conditions and environmental trends in Europe. The register enables social, economic and health trends to be monitored and analysed in relation to emissions. The threshold for different pollutants is constantly updated to capture at least 90 per cent of emissions of every pollutant from operations with a duty to report. Holmen's operations are covered by this reporting obligation, which means that emissions to air, water and soil that are higher than the threshold for the pollutant must be reported to the register on an annual basis.

The table below shows emissions from Holmen's sites where emissions were higher for different parameters than the stated threshold value during the reporting period. During the year, there were 14 exceedances relating to emissions to air and water. Action was taken in all cases.

Emissions to air, tonnes	**2024**	2023
Sulphur dioxide (counted as sulphur, S)	59	54
Nitrogen oxides	946	892
Particulates	62	53
Methane	45	42
Nitrous oxide	39	37
Fossil carbon dioxide, '000 tonnes	46	41
Biogenic carbon dioxide, '000 tonnes	1 731	1 676

Emissions to water, tonnes	**2024**	2023
AOX (chlorinated organic matter)	34	36
Nitrogen	207	182
Phosphorus	20	18
COD (organic matter), '000 tonnes	17	17
Suspended solids (SS), '000 tonnes	3.0	3.8

The environmental permits contain conditions that require self-inspection programmes at the installations. These inspection programmes describe what is to be measured, at what times and by what method. The self-inspection programme must be approved by the supervisory authority. Where conditions require daily checks there are accredited laboratories at Holmen's production faclilities which perform these analyses. There are also automatic measurement systems that are constantly calibrated, as well as external accredited laboratories used for certain analyses. What all the analyses that are to be conducted under the self-inspection programme have in common is that they are performed in line with internationally adopted standards. Additionally, there are pollutants that require periodic measurement. Finally, there are measurement methods calculated based on public pollution factors, which refer to emissions of metals to air from boiler thermal input.

Complying with conditions laid down in permits requires significant efforts in collecting and measuring data. Each site has processes and procedures for measuring pollutants in line with the self-inspection programme stated. Data collected is used for internal and external reporting.

Holmen's operations are covered by the Industrial Emissions Ordinance, which seeks to reduce pollutants by applying the best available techniques, known as BAT conclusions. This applies to all industrial installations in the EU, and in the UK, which has implemented legislation on best available techniques. In Sweden, best available techniques apply in parallel with environmental permits.

BAT conclusions with emission levels, BAT Associated Emission Level (BAT-AEL), refer to emission levels and are stated as a range where the upper level for emissions is binding, unless special derogation has been granted, and the lower level shows emissions of the best installations in Europe. Holmen's UK site in Workington has been granted dispensation regarding emissions to water. Investments in a new water treatment plant have been made but there are still problems with exceeding levels at the end of the reporting period. The exceedance is not judged to have any significant impact on the environment. The site is constantly in contact with the supervisory authority in the UK.

The table below shows Holmen's site locations which, besides running operations that require a permit, also comply with the Industrial Emissions Ordinance and its associated conditions. It is also at these installations that emissions of pollutants to air, water and soil occur.

The years in the table denote the year in which the most recent environmental permit was obtained and when management system certificates were first issued. Certification means that procedures are in place for planning, implementation and follow-up, as well as actions to enable continuous improvement in the work on the various management systems. Certificates can be viewed at holmen.com.

Environmental permits and management system certification

		Certification			
Production facilities[1)]	**Environmental permits**	**Environment** ISO 14001	**Energy** ISO 50001	**Quality** ISO 9001	**Occupational health and safety** ISO 45001
Iggesund Mill[2,3)]	2018	2001	2005	1990	2016
Workington Mill[3)]	2022	2003	2015	1990	2005
Hallsta Paper Mill	2000	2001	2005	1993	2012
Braviken Paper Mill	2023	1999	2006	1996	2015
Iggesund Sawmill	2014	1999	2006	1997	2017
Braviken Sawmill	2010	2011	2011	2011	2017
Linghem Sawmill[4)]	2003	2023	2023		2020
Bygdsiljum Sawmill[4)]	2018	1999	2022		2023
Kroksjön Sawmill[4)]	2020	2005	2022		2023

1) Holmen Forest is certified under ISO 14001 and ISO 45001 and forest operations have forest management and chain-of-custody certification. All production installations at which wood raw material is used have chain-of-custody certification.

2) Port activity at Skärnäs Terminal, alongside Iggesund Mill, is included in the environmental permit. In addition, notifiable operations take place at the production unit in Strömsbruk. Certification includes the production unit in Strömsbruk and operations at Skärnäs Terminal.

3) Iggesund Mill and Workington Mill have been certified under the food safety management system FSSC 22000 since 2021.

4) Work is in progress to include Linghem, Bygdsiljum and Kroksjön in the business area Wood Products' ISO 9001 certificates. This is expected to be completed in 2025.

BIODIVERSITY

Strategy

Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Holmen owns 1.3 million hectares of land in Sweden, almost 1.2 million hectares of which is productive forest land. The large forest holding is the basis of operations, where at Holmen's own industrial sites, the growing trees are refined into everything from wood for climate-smart building to renewable packaging, magazines and books, while at the same time hydro and wind power are generated on Holmen's own land. Approximately half of the wood required by its industrial operations comes from Holmen's own forests, while other wood is bought in from private forest owners. Holmen's nature conservation strategy combines active and sustainable forestry with protecting the diversity of habitats and species. The strategy has been developed in partnership with other forest companies and Swedish government agencies to ensure robust and adaptable nature conservation that addresses biodiversity and ecosystem-related risks.

The nature conservation strategy is designed in line with the Swedish nature conservation model in which consideration is taken at several levels – from ecological landscape planning to taking individual stands and trees into consideration. Local conservation plans are used to identify and protect areas with high conservation value and in the managed forests, conservation is adapted to needs and the conditions of each stand. The basis for this work is the forest sector's common objectives for good environmental conservation, which are produced jointly with the Swedish Forest Agency based on current forest policy and industry knowledge and Sweden's targets in forest and environmental policy. Holmen's nature conservation strategy thus encompasses both identifying and managing areas of high conservation value and incorporating nature conservation into active forestry.

In total, approximately 20 per cent of Holmen's forest area is used for different types of environmental purposes. This includes voluntary set-aside productive forest land, tree-bearing non-productive land which is protected by law, and environmental conservation in the managed forest. Holmen's environmental conservation also includes renewable energy generation from wind and hydro power, which can impact biodiversity and therefore requires specific assessment processes and action plans.

Material impacts, risks and opportunities and their interaction with strategy and business model

Holmen's business depends on healthy ecosystems and the ability to pursue active forestry. Growing requirements to set land aside for purposes other than forestry can lead to lower harvests and pose a business risk. In the same way, legislation on land and water use can inhibit the expansion and generation of renewable energy, which can affect Holmen's opportunities to play its part in the transition to a fossil-free energy system.

Holmen has identified two main material impacts, risks and opportunities related to biodiversity and ecosystems: the impact of forestry on the local environment and water, and the impact of hydro power generation on landscapes and aquatic environments. Potential local impact on biodiversity from Holmen's production installations is described under Pollution.

Impacts of forestry on and dependency on biodiversity

Managing the forest can affect ecosystems and forest-dwelling species which are dependent on different habitats for their survival. Shorter times from regeneration to harvesting can, for example, lead to a loss of habitats if there is a reduction in the number of old and dead trees. Forestry can also affect the structure of the forest landscape by creating a more fragmented landscape with homogenous forest stands. In some cases, this can mean that species dependent on larger, connected and richly varied forests find it more difficult to spread and find suitable habitats. Modern forest management has also led to a reduction in natural disruption in the form of forest fires, which impacts negatively on some species as forest fires are a natural part of the ecosystems.

Systemic and physical risks related to biodiversity are closely interwoven with climate change. Higher temperatures and changing precipitation patterns increase the risk of pests such as fungi and insects, for example, which threaten the growth and quality of the forest. See the section on Climate change for more information about the impact of climate change.

The impact of energy production on biodiversity

Holmen's hydro power production affects water flows, which can disrupt natural habitats for fish and other aquatic organisms. Water regulation can also affect the reproduction and migration of species dependent on free migration routes in watercourses. Wind power development can lead to fragmentation of habitats and disturb species sensitive to changes in their habitat. At the same time, areas surrounding wind turbines can benefit some species, such as plants and insects, by creating more open environments with more light and more varied vegetation.

Impact, risk and opportunity management

Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

Holmen works systematically to assess impacts, risks and opportunities for biodiversity and ecosystems, both in forestry and in energy production. The impact of forestry on and dependency on thriving ecosystems is mainly determined by ecological landscape planning and nature conservation assessments, while environmental impact assessments and inspection programmes are used to understand the impact of energy generation on biodiversity. Wind and hydro power are also regulated by extensive permit processes that include impact on biodiversity.

Process to assess the impact of forestry on biodiversity

Ecological landscape planning and nature conservation assessments are important tools in Holmen's assessment of the impact of forestry on biodiversity and ecosystems. Landscape planning maps the existing environmental assets and local conservation plans identify areas with a lack of key habitats. The plans are constantly updated, providing a tool for understanding the impact of forestry over time. Nature conservation assessments supplement landscape planning by providing a detailed picture of the conditions in specific forest areas. Nature conservation assessments identify environments and structures that are important to biodiversity such as older forests and dead wood. These assessment criteria help Holmen to make informed decisions on how the forests are to be managed over the long term so as to protect existing natural assets and create new ones.

Holmen also uses the Swedish Species Information Centre as a tool for assessing the impact of forestry on biodiversity and ecosystems. The Swedish Species Information Centre publishes the Red List, which describes the state of species in Sweden, focusing on species that are declining or under threat. Using the Swedish Species Information Centre's data enables Holmen to identify and protect environments and structures that are important for the conservation of threatened species.

Holmen has also established four Knowledge Forests to increase knowledge about the impact of forestry. Holmen's Knowledge Forests are land specifically designated to collect and pass on knowledge about the forest. The Knowledge Forests are carefully selected for their unique biological conditions and are used for research on the ecosystem dynamics and the impacts of forestry.

Process to assess the impact of energy generation on biodiversity

Environmental impact assessments are conducted to investigate the impact of hydro power generation on aquatic ecosystems, including fish migration routes and water quality. These assessments follow the national plan for reviewing hydro power plant permits, where biodiversity is weighed against other societal benefits. Follow-up programmes are implemented to monitor how water flows and ecosystems are affected during power plant operation.

The permit process for new wind energy development begins with extensive environmental impact assessments, where the natural environment is surveyed to identify habitats and species that are particularly sensitive to wind power. To ensure compliance with the environmental conditions, operations are monitored via inspection programmes that incorporate monitoring the impact of operations on birds, bats and other wildlife.

Policies related to biodiversity and ecosystems

The organisation and management of environmental activities are stipulated in Holmen's environmental and energy policy. In the event of disruptions, the environment takes precedence over production. In ongoing and discontinued operations, the environmental impact must be acceptable to humans and the environment.

Holmen's forestry is to be conducted with the aim of achieving high-volume, sustainable production of raw material, so that the growing forest and its products make a positive contribution to the climate. The long-term productive capacity of the soil must be safeguarded, aquatic environments protected and historically valuable heritage environments preserved. Furthermore, the policy states that Holmen's forests are to be managed responsibly in a way that ensures the long-term survival of native species in the forest landscape. Similarly, the impact of wind and hydro power on biodiversity is to be taken into account.

Holmen's material sites are certified under the environmental management system ISO 14001. Furthermore, forest operations have forestry and chain-of-custody certification. All Holmen's production facilities at which wood raw material is used have chain-of-custody certification. Hydro power generation is regulated by water judgements, which set threshold values for water levels and rivers.

Due diligence is to ensure that Holmen's raw materials and products are deforestation free, to comply with the EU's upcoming Deforestation Regulation. The origin of all wood must be traceable. Wood purchasing must also comply with rules and guidelines from the Swedish Forest Agency and the relevant certification system where applicable. Environmental conservation objectives are observed in harvest contracting in Sweden unless otherwise agreed. The requirements of the Swedish Forestry Act are the minimum level of environmental conservation when buying wood. Before wood is bought from private forest owners in the form of felling rights in Sweden, the area's conservation value must be assessed and if a site has high conservation value, additional information must be obtained before a decision to purchase is made. Holmen will not buy wood from forests that:

- Are key habitats in Sweden according to the Swedish Forest Agency's definition and methodology.
- Are protected for nature conservation reasons.
- Are primary forests, that is to say layered natural forests of differing age with ample presence of old, large trees and ample dead wood in various stages of decomposition.
- Have been harvested illegally.
- Originate from genetically modified trees.
- Grow in areas in which human rights are actively impeded.
- Are High Conservation Value Forests.

Actions and resources related to biodiversity and ecosystems

Holmen's work for biodiversity is based on a mitigation hierarchy, which means seeking to avoid negative impacts on biodiversity, ecosystems and ecosystem services. When this is not possible, actions are taken to minimise impact, partly by creating or improving habitats. Holmen's nature conservation work is founded on three elements: environmental considerations in managed forests, conservation management and voluntary set-asides.

Environmental considerations in managed forests

Each year, Holmen invests approximately SEK 200 million in silviculture and constantly works to improve everything from seedlings to nature conservation through research, development and training.

Several actions are carried out as part of active forestry to preserve and strengthen biodiversity. High stumps and dead wood are saved to provide habitats for wood-living insects and fungi. Buffer zones along watercourses are preserved to protect aquatic species and improve water quality. During harvesting, buffer zones are also left with trees and bushes intact to protect biodiversity. Large trees, both living and dead, are left as important nesting and feeding sites for birds and insects.

Conservation management

As a natural part of forestry, Holmen also carries out actions to develop or strengthen nature conservation, for example by burning forests or removing invasive spruce trees to benefit broadleaves. Prescribed burnings are carried out under controlled conditions to create fire-damaged timber, an important habitat for many threatened species. Holmen also works to restore wetlands and create richly varied forest landscapes. Every year, Holmen carries out habitat management on approximately 400 hectares to improve biodiversity and help create healthy, resilient ecosystems.

Voluntary set-asides

Holmen works to increase biodiversity and strengthen ecosystems by performing actions in formally protected forest and voluntary set-asides. In formally protected areas, such as nature reserves, natural processes are allowed to continue unhindered, benefitting species that require untouched forest. Holmen has identified more than 9 000 areas that have voluntarily been chosen not to be harvested as they have high conservation value. The fact that these areas are set aside voluntarily or managed for purposes other than wood production sees Holmen relinquishing approximately 9 per cent of potential annual wood volume. The set-aside forests are spread across all of Holmen's forest holdings.

Energy generation actions

When generating hydro power, aquatic ecosystems are to be preserved by adapting water flows and protecting fish migration routes. Hydro power generation complies with strict environmental permits, known as water-rights court ruling, to ensure that impacts on ecosystems are minimised. Environmental impact assessments are carried out to assess the impact on aquatic species, and inspection programmes monitor water quality and ecosystem health.

When developing wind power, the actions include environmental impact assessments, where surveys identify sensitive species and environments that may be affected. This can lead to adapting the location of turbines to minimise impact on birds and bats, and adapting forestry in surrounding areas. Furthermore, inspection programmes are set up to monitor the impact of operations and ensure compliance with environmental requirements over time.

Metrics and targets

Targets related to biodiversity and ecosystems and impact metrics related to biodiversity and ecosystems change

Holmen's biodiversity and ecosystem target linked to forestry is that all naturally occurring species can thrive in the forest landscape in the long term.

Biodiversity is affected by several factors, but in order to monitor developments and evaluate actions carried out, Holmen bases its work on inventory data from the Swedish National Forest Inventory at the Swedish University of Agricultural Sciences (SLU). Five indicators have been identified showing how a selection of important forest habitats are developing:

- Area of old forest
- Area of old forest with specific indications of nature conservation value (SIN)
- Volume of dead wood per hectare
- Volume of large broadleaves per hectare
- Volume of broadleaves per hectare

The indicators represent different types of biotopes and substrates which together provide a broad picture of the conditions for biodiversity on Holmen's land. When choosing indicators, Holmen has also taken into account the Swedish Forest Industries Federation's biodiversity targets and has conducted a stakeholder dialogue to adapt the choice of indicators and make them comparable with other Swedish forest companies. The ambition is for the selected indicators to show a positive trend over time.

Because nature conservation is integrated in Holmen's forestry strategy, the biodiversity indicators have developed positively over the past 30 years. This is verified by statistics from independent surveys carried out by the National Forest Inventory at SLU.

The target for Holmen's energy production is to increase the generation of renewable energy on its own land with no negative impact on biodiversity. The boundaries for acceptable impact on affected ecosystems are determined by the environmental permit concerned.

Accounting principles

Biodiversity indicators

Data collection is based on sample areas in Holmen's own holdings of productive forest land. To obtain a representative reference and current value, the values are based on five-year rolling averages. 1996 is the first year in which the Swedish National Forest Inventory was able to report a five-year average, following the revision of the Forestry Act in 1993. The current value for 2021 is the most recent available five-year average.

Old forest is defined as forest over 140 years old in northern Sweden and over 120 years old in southern Sweden. Old forest with specific indications of nature conservation value (SIN) cover high stand age, large trees, dead wood and stratification. The first year with an available five-year average for SIN is 2005, which is why SIN has a different reference value.

Biodiversity indicators

Indicator	Holmen's starting point 1996	**Holmen's current situation 2021**	Holmen's development
Old forest, proportion of productive forest land	4.5%	6.3%	41%
Old forest with SIN, proportion of productive forest land	2%	3.5%	73%
Dead wood, m^3 growing stock, solid over bark/ha	5.6	10.2	81%
Broadleaves, m^3 growing stock, solid over bark/ha	14.4	16.5	15%
Large broadleaves (> 35 cm) m^3 growing stock, solid over bark/ha	0.8	1.2	61%

RESOURCE USE AND CIRCULAR ECONOMY

Impact, risk and opportunity management

Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

Holmen's business model is circular. The forest ecocycle provides a renewable raw material that is refined at Holmen's own industrial sites. As the lifecycle of the products draws to a close, they can be recovered and come back to life in a new form, or be put to use as bioenergy. Holmen's environmental management system identifies relevant environmental aspects linked to resource use, waste management and material flows for the respective material site. This covers analysing the products' lifecycles to assess reuse opportunities and whether and how the material can be recovered, reworked or reused in production. The assessment seeks to determine which environmental aspects have a significant or long-term impact and to identify the risks and opportunities that can be linked to material environmental aspects.

Holmen has identified two material impacts, risks and opportunities related to resource use and circular economy, which are described below.

Production of renewable products

In producing products from renewable raw material, which are designed to be reused and recovered, Holmen contributes towards a circular economy and a functioning recovered paper system. Where downgraded material arises in the production process, other potential areas of use are identified.

Waste generated by industrial production

Holmen uses by-products and waste as raw materials in its own processes, reducing the need for new raw materials and reducing the amount of waste that needs to be dealt with. By-products and waste that cannot be dealt with in Holmen's own processes are sold to external partners. The use of chemicals is necessary in the production of paperboard and paper to give products specific characteristics. Some of these chemicals form waste, some of which is classified as hazardous waste, which can pose environmental risks.

Policies related to resource use and circular economy

Holmen's environmental and energy policy covers resource use, chemicals, by-products and waste. The environmental and energy policy states that environmental and energy work is to be characterised by a holistic approach where the Group's forests, processes and products are part of a natural ecocycle. The policy further states that raw materials must be used efficiently, waste must be minimised, by-products arising in operations must be dealt with and used for different purposes and constant improvements must be sought.

Forestry is to be conducted with the aim of achieving high-volume, sustainable production of wood raw material, so that the growing forest and its products make a positive contribution to the climate. Forests should be managed responsibly in a way that ensures the long-term survival of native plants and animals in the forest landscape. The origin of all wood must be traceable.

Actions and resources in relation to resource use and circular economy

Holmen works with customers and industry organisations to develop products and processes that can make recycling easier and do their bit for the circular economy. The greatest value added governs what is manufactured from the different parts of the wood raw material. Sawing and drying are optimised at Holmen's sawmills to minimise waste. Investments in expanded capacity and processing have increased Holmen's production of wood products and timber products for construction and joinery. During the reporting period, an investment has been made in timber sorting and a new planing mill at Iggesund Sawmill, which will increase the sawmill's capacity by 20 per cent. In the same period, Holmen has also invested in increased capacity and a broader palette of paper products at Braviken Paper Mill.

Holmen has carried out several projects to identify alternative areas of use for the waste that arises in the production process. Following treatment, some waste, such as biological and chemical sludge from treatment plants and green liquor sludge from the sulphate pulp process, can be used as a soil improver, road construction material or to cap landfill sites. As a result of efforts to find alternative areas of use, the amount of waste sent to landfill has reduced and now constitutes only 2 per cent of the waste that arises at the production facilities.

Every year, contracts are procured with commercial recycling companies to deal with the waste that arises and the Group works constantly to separate different waste fractions to ensure that they can be recovered and used for meaningful material purposes as much as possible.

Constant work is carried out to monitor chemicals harmful to health and the environment, with a focus on chemicals containing substances listed in REACH (Registration, Evaluation, Authorisation and restriction of Chemicals). REACH also sets requirements on which substances hazardous products are allowed to contain, which are followed up regularly.

Metrics and targets

Targets related to resource use and circular economy

Holmen's operations are to be run within the permits awarded and developed within the management system framework. The wood products business is to grow through products and solutions for sustainable building, and the paperboard and paper business is to advance by developing and offering renewable products made from fresh fibre. The climate benefit that Holmen's wood products and paperboard and paper products contribute is reported in the section on Climate change, see page 101.

Holmen has no specific measurable targets for resource use and circular economy, and instead manages this work based on the Group's environmental and energy policy. Continuous monitoring of relevant key figures is carried out for every site and at Group level to follow up this work, providing an overview of the operation's amounts of waste, resource use and other environmental factors. Regular data collection and analysis is used to monitor developments, making it possible to identify trends, nonconformities or potential negative changes. Corrective action can be taken if necessary. Chemical handling is reviewed regularly by an external partner conducting periodic inspections, supervisory visits and audits, and risk analyses initiated by the site itself. Use of chemicals is reported to the supervisory authority annually.

Holmen conducts its operations within the framework of environmental permits, which means that each site location must comply with specific environmental requirements and conditions laid down by the Land and Environment Court. Each site annually submits environmental reports containing information about resource use, waste, actions and any noncompliances.

Environmental impacts such as resource use and waste are monitored and measured within the framework of the site location's environmental management system. The process includes regular internal and external audits and monitoring environmental aspects and impacts to ensure compliance and identify improvement potential.

Resource outflows

Products and materials

The forest ecocycle produces a renewable raw material which is refined into products that Holmen's customers can refine further in their turn. As the lifecycle draws to a close, the products can be reused or recovered and come back to life in a new form, or be put to use as bioenergy. Wood products can be reused as other wood products, while fresh fibre-based paperboard and paper products that are used for packaging, books and magazines and then recycled feed a recovered paper system that constantly needs topping up with fresh fibre in order to function. In this way, Holmen's products based on a renewable raw material contribute to a circular material flow. Holmen works with customers and industry organisations to develop products and processes that can make recycling easier and do their bit for the circular economy. Holmen also uses its large land holdings to produce renewable energy from wind and water.

Read more about Holmen's products on pages 18–33.

Products	2024	2023
Wood products, '000 m^3	1 418	1 447
Paperboard, '000 tonnes	575	462
Paper, '000 tonnes	932	888
Market pulp, '000 tonnes	76	76
Hydro and wind power, MWh	1 572 740	1 501 739
Electricity production at the mills, MWh	627 880	565 592

**See page 110 for accounting principles.*

Material use rate	2024	2023
Wood, million m³sub	5.93	5.94
Purchased pulp, ’000 tonnes	84	71
Plastic granules/foiling material, ’000 tonnes	3.1	2.6
Chemicals, ’000 tonnes	131	139
Filler, pigment, ’000 tonnes	199	184
Water use, million m³	69	68

Water use

Holmen uses surface water from lakes and watercourses to transport and wash fibres at the Group’s paperboard and paper mills. Water is also used for cooling and steam production. The same water is often used several times and is treated in several stages before it is discharged. Holmen’s total water use amounted to 69 (68) million m³ in the reporting period. Of the water used, approximately 4 per cent of the raw water intake is consumed by vaporisation or captured in products. The use of groundwater is negligible and no seawater, produced water or water from stressed sources is used at all. Access to surface water at Holmen’s production installations is good and amounts of precipitation are high as a rule, keeping watercourses topped up all year round.

Resource efficiency in the forest

Holmen manages the forest to produce as much wood as possible, and the greatest possible value added governs what is made from the different parts of the tree. In the first instance, planks and boards are sawn from the harvested tree. Half of the harvest consists of large logs that are used to produce construction material used for houses and interiors, for example. The narrower part of the tree and wood from thinning represent just under half of the harvest and are used with residual products from the sawmills in the form of wood chips to manufacture paperboard and paper. The remainder comprises branches, tops and bark, which are used to produce bioenergy.

A large proportion of the wood raw material comes from the local area around Holmen’s Swedish site locations. Harvests from Holmen’s own forests cover just over 45 per cent of wood needs. The remaining amounts are bought in, mainly from private forest owners in Sweden. Only a small proportion is imported. For the paperboard mill in Workington, in the UK, approximately a quarter comes from state-owned forests while the remainder is bought in from private forest owners. All wood purchasing is subject to chain-of-custody requirements.

Waste and waste streams

Holmen strives to minimise the amount of waste it produces and to use the highest proportion possible. Solid waste mainly comprises process waste, packaging, metal waste and electronic waste, where the greatest proportion is process waste, which in turn comprises green liquor sludge, chemical sludge, lime mud and fly ash. The process waste is largely recycled by being used as a raw material in other processes, such as in the production of construction material, or by being sent for energy recovery.

The single largest amount of waste is waste sent for energy and material recovery. Only a small amount goes to landfill. Of total materials supplied, only 2 per cent becomes waste sent to landfill, while 98 per cent goes to be recovered for energy and material purposes.

All sites separate waste, and employees and contractors are constantly trained in waste procedures. Holmen also works with external parties to reuse and recover end-of-life electronics such as computers, mobile phones and monitors.

Only a small proportion of the total waste is hazardous waste, which includes oil, paint, grease, solvents and electronics. The hazardous waste is dealt with by authorised recycling companies. Some waste fractions are recycled and others are destroyed under controlled conditions.

Waste, tonnes	2024	2023
Hazardous waste	1 515	1 501
To energy recovery	553	421
To material recovery	898	958
To landfill	64	122
Non-hazardous waste	101 257	92 406
To energy recovery	19 067	14 131
To material recovery	80 289	77 101
To landfill	1 901	1 174
Total waste	102 772	93 907

Accounting principles

Products

Reported amount of product refers to sold volume. Data is collected manually from production reports at unit level and compiled at Group level. Hydro and wind power refers to self-generated production from wholly and partly owned power plants.

Material use rate

At Group level, wood consumption is computed net, taking into account internal deliveries, which include roundwood and pulp chips from the sawmills.

Chemicals and fillers are stated as dry substance.

Waste

Waste generated by Holmen’s consolidated operations, reported after waste management. The amount of waste data is collected from the waste reporting conducted by the production units in line with the Swedish Environmental Protection Agency’s environmental reporting regulations.

Waste is measured at weighed weight and data is largely provided by the supplier who deals with the waste.

OWN WORKFORCE

Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model

Holmen has identified material impacts, risks and opportunities related to its own workforce.

Industrial production involves a risk of accidents

Work in sawmills and paperboard and paper mills, and at power stations and in forests are all jobs with an inherent risk of accidents. Incidents and accidents in the workplace have an effect on human life and health. This can also lead to production disruptions and increased costs. Workplaces where accidents occur can impact on Holmen's opportunity to attract and retain a workforce.

Employees working in production are those who are most at risk of accidents. The most significant areas of risk involve work with overhead cranes and and vehicles with people in movement. Workers who are not employees but who are affected by Holmen's operations are found throughout the business. When these people are working at Holmen's sites, Holmen is responsible for managing their work and providing a safe work environment for them too. Contractors working on harvesting, silviculture and planting in the forest, ground work for Holmen's roads, transport workers, contractors working during planned downtime and port personnel at Holmen's ports are all workers in Holmen's value chain.

Need for skilled workers

Skilled and motivated employees are key to being able to conduct business operations with good profitability over the long term. There is a structural shortage of many occupational groups, including employees trained in forestry and automation technology. Recruiting skilled labour at Holmen's site locations in sparsely populated areas is also a challenge. Skilled labour shortages can delay work and disrupt production.

It is important for Holmen to work actively on talent management and to create stimulating workplaces to retain and attract a skilled workforce.

Impact, risk and opportunity management

Policies related to own workforce

Holmen's ambition is for no work-related accidents to occur and Holmen's work environment policy states how work-related injuries and illness are to be prevented. The policy sets out how both preventive and operational work is to be conducted, working with employees and their representatives in all areas, focusing on risks and safe behaviours. Safety equipment must always be in place and there must be procedures for all health and safety activities, describing what is to be done, how it is to be done and who is to do the work. Accidents, incidents and observed risks must be reported and analysed, and result in corrective actions. Sites with production must have certified management systems and Holmen is to constantly improve health and safety management systems.

Holmen's HR policy complies with relevant processes on own workforce in line with the UN's Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The policy states that all employees at Holmen should be able to feel a sense of security, job satisfaction and commitment, and have the same rights, obligations and opportunities irrespective of their status under the statutory protected grounds for discrimination. Holmen is to work for a good relationship with trade unions representing the workforce. In line with Holmen's guidelines, each business area is to prepare a long-term talent management plan each year, where recruitment needs are identified based on the development of operations, skills shortages at Holmen and on the labour market, as well as age structure, gender distribution, employee turnover and other factors involved. The plan is to describe long-term and short-term actions. Additionally, each material site is to draw up an equal treatment plan identifying risks of discrimination and harassment and other barriers to equal treatment. The plan also describes processes and procedures to combat discrimination and promote equal treatment. Any cases of discrimination arising must be investigated and remedied immediately.

The guidelines on diversity and inclusive culture state that cases of victimisation must be investigated as soon as possible, followed up and remedied. The nature of the potential remedy is assessed based on what is considered appropriate. See the section on Processes to remediate negative impacts below.

Both the work environment and HR policies cover all of Holmen's own workforce. Other policies and guidelines affecting Holmen's own workforce and how it is to act are found in Holmen's Code of Conduct for its own workforce, which describes Holmen's approach to business conduct. The environment and energy policy describes how work is to be carried out in line with the precautionary principle to avoid injury and detriment to human health and the environment.

Procedures for contact with workers

Systematic health and safety work is carried out together with employees and their representatives in all areas, focusing on risks and safe behaviours. Holmen's Work Environment Network meets quarterly and initiates activities, plans actions to prevent accidents and draws up indicators based on identified risks and risk assessments. Risk areas are followed up and reported to Group management. Accidents must be investigated on the day they occur and reported incidents are followed up at team meetings and local health and safety meetings. All identified risks are tackled within the framework of each business area's management system.

Holmen advocates engagement and the opportunity to exert influence. Therefore, employees are encouraged to engage in direct dialogue with their line manager where necessary. There is also an opportunity to consult an immediate superior, HR or a trade union representative at the workplace. Managers must have an appraisal talk with their employees at least once a year.

Heads of the business areas and HR Directors are jointly responsible for providing operational information and liaising with the trade union representatives, and for ensuring that appraisal talks and employee surveys are carried out.

There are trade union representatives at each material site in Sweden, the UK and the Netherlands who are informed about developments at the unit or undertaking on an ongoing basis. Trade union cooperation in other countries is in line with the law and other forms of collective employee engagement based on local standards. Employees are represented on the Group Board by three members and three deputy members. The unions meet regularly in consultation groups at Group, business area and workplace level and participate in or act as consultation bodies on various issues.

Recurring surveys of employee engagement are conducted and the results of these surveys are compared with indices to provide an indication of the effectiveness of contact with Holmen's own workforce.

Processes to remediate negative impacts and channels for own workers to raise concerns

Dialogues are conducted on remedying negative impacts regarding own workforce in cooperation with the trade union representatives. Initially situations are discussed in general and in the first instance Holmen tries to achieve consensus regarding solutions. Where a trade union considers that the employer is in breach of agreements, a fine may be charged or the incident may be reported to the Swedish Work Environment Authority, which can lead to disciplinary measures and compensation. Holmen follows up on whether the actions taken have been successful in consultation with the unions. If an employee suffers illness or an accident at work, processes and procedures are in place for rehabilitation and support in returning to work.

Employees can contact their line manager or another manager at Holmen, HR or their union representative to raise concerns. As part of the systematic preventive health and safety work, employees can report accidents in an online health and safety information system (IA reporting system). Employees can also use Holmen's whistleblower function. There is information on Holmen's intranet stating how an employee can report an issue, and Holmen's Code of Conduct states that Holmen will not tolerate any kind of reprisals against anyone who has reported an incident in good faith.

Taking action on material impacts on own workforce

Holmen works systematically on health and safety to facilitate a good work environment as part of its strategy. All material sites and forest operations have health and safety certification (ISO 45001) Committees and other groups carry out preventive safety work to combat incidents, accidents and work-related illness. Holmen's employees must not be under the influence of alcohol or drugs in the workplace. There are processes for sick leave, rehabilitation and work adaptation on returning to work. Employees are also offered a fitness allowance and regular health checks.

In 2024, a Group-wide project was launched to improve the safety culture in the Group. Holmen's Work Environment Network is tasked with managing and coordinating this work, which is expected to be concluded by the end of 2025. The aim of the project is to create commitment and greater consideration for each other's health and safety. Success is measured in accident statistics and recurring employee surveys which include questions about health and safety at work.

Talent management is handled within the respective business area, which produces action plans based on the needs of each material site. As the needs of different material sites may vary, no Group-wide key actions have been identified or taken. To strengthen the brand and attract labour, Holmen works to ensure a consistent, true and transparent picture of Holmen as a company at Group-wide level. Holmen actively involves company ambassadors representing a diversity of backgrounds, occupational roles and geographical areas. Additionally, Holmen works with other organisations in the same sector on how future needs to attract a skilled workforce can be met. Success is measured in brand surveys, external rankings and indices and interest at different events attended by Holmen.

The industry is currently overwhelmingly male and Holmen is working to achieve a more even gender distribution among all employees. In recruitment processes, Holmen strives to bring in more candidates from the underrepresented sex for vacancies where this is possible. When recruiting for summer jobs, the aim is an equal distribution of men and women. Efforts are monitored by gender distribution indicators. Holmen draws up action plans and annual pay surveys as part of work to create an inclusive workplace in which everyone is given the same development opportunities.

Metrics and targets

Targets related to own workforce

Holmen's workforce must develop and thrive. A healthy culture and a safe work environment go without saying and Holmen is to be an attractive employer that develops its employees by giving them stimulating duties and new challenges.

Indicators are linked to this target to measure whether Holmen is on track. Accident statistics indicate that appropriate actions are creating a safer and more secure working environment. The ambition is for zero accidents. Sickness absence, employee turnover and Employee Net Promotor Score (eNPS) are indicators that show the health of Holmen's employees and how they feel. The ambition is to attract and retain the right employees to secure future talent management.

It is important to Holmen to have committed and satisfied employees. One of the ways in which Holmen measures this is through regular employee surveys, which form the basis for an Employee Net Promotor Score (eNPS). This is monitored against industry indices and every department analyses the results together, an action plan is then drawn up and further monitoring carried out. The heads of the business areas are responsible for the survey in their respective business area and Holmen's HR Director and the CEO follow up outcomes for central functions at Holmen.

In the reporting period, the average eNPS amounted to 26 (25). This is a strong result compared with the industry index for 250 companies in different sectors, which reached 16 for the most recent two-year period (2022/2023). This indicates that Holmen's work for satisfied employees is focusing on the right areas.

Characteristics of the undertaking's employees

The number of employees in the reporting period was 3 498 (3 546). The proportion of women was 22.4 (22.3) per cent in the same period.

Number of employees, head count	**2024**	2023
Female	838	816
Male	2 786	2 804
Total no. of employees	**3 624**	3 620

Total number of employees per country, head count	**2024**	2023
Sweden	3 094	2 981
UK	383	407
Netherlands	73	72
Other countries	74	86
Total no. of employees	**3 624**	3 546

	2024			2023		
Number full-time equivalent*	Female	Male	Total	Female	Male	Total
Permanent employees	658	2 536	**3 194**	664	2 600	**3 264**
Part-time employees	60	41	**101**	55	34	**89**
Temporary employees	66	137	**203**	73	120	**193**
Total full-time equivalent (FTE)	**784**	**2 714**	**3 498**	**792**	**2 754**	**3 546**

**Full-time equivalent calculated taking into account absence and overtime.*

Employee turnover*	**2024**	2023
Employee turnover, %	7.3	7.4
Number of employees who left the undertaking during the reporting period	264	267
Recruitments	199	253

**Relates to permanent employees.*

Collective bargaining coverage and social dialogue

In the reporting period, the proportion of Holmen's employees covered by collective bargaining agreements amounts to 98 (95) per cent. The calculation is based on Holmen's permanent and fixed-term employees in Sweden, the UK and the Netherlands who have collective bargaining agreements. In other countries, there are national standards for collective labour arrangements, which Holmen backs.

Diversity indicators

Information on the gender distribution at top management level is shown in Note 4 on page 74, and on pages 56–58.

Age distribution of employees, FTE*	**2024**	2023
Under 30	404	446
30–50	1 581	1 623
Over 50	1 209	1 196

**Calculated based on FTE taking into account absence and overtime for permanent employees.*

Training and skills development metrics

Employee development is taking place at all levels to safeguard Holmen's current and future skills needs. Many employees complete regular compulsory training to maintain skills in specific areas. Training in business conduct is carried out on the basis of Holmen's Code of Conduct. Holmen offers Group-wide leadership programmes and programmes for new and more experienced managers, and for specialists. Ongoing competence development sees Holmen paving the way for employee development with stimulating duties and new challenges.

New employees at Holmen's material sites are trained in health and safety, and employees complete regular online health and safety training based on the risks and competence requirements of the site concerned. Contractors undergo training before being granted access to Holmen's material sites.

Health and safety metrics

During the reporting period, all Holmen employees are covered by statutory health and safety requirements. During the reporting period, 38 work-related accidents were recorded, 20 of which were considered to be severe. Of the total work-related accidents, 31 accidents involved employees in Holmen's own workforce. The accident frequency for own workforce was 5.3 (5.2) accidents per million hours worked. The most common accidents were slips, trips and crush injuries. None of the accidents which occurred during the period led to fatalities. Holmen defines an accident that leads to more than seven days of sickness absence as severe.

Total sickness absence is an indicator of employee health and well-being and a way for Holmen to measure progress. Sickness absence is divided into short term and long term (more than 15 days). Sickness absence linked to recordable work-related ill-health is difficult to identify and Holmen considers that total sickness absence describes the health of Holmen's own workforce in general.

Sickness absence, %*	**2024**	2023
Total	4.7	4.6
Of which long-term sickness absence**	2.4	1.9

**Number of days of accidents in relation to total number of hours worked.*

***From 2024 onwards, long-term sickness absence is calculated as more than 15 days. Previously it was calculated as more than 60 days. Hence the increase in long-term sickness absence in 2024 compared with the previous period.*

Compensation metrics (pay gap and total compensation)

Holmen is to pay market salaries and apply differentiated and individual pay setting, within the limits set by pay agreements, based on the difficulty and responsibilities of the position and the individual's performance. Minimum wage requirements, statutory or contractual, must be complied with. Action plans and annual pay surveys are drawn up in line with the Swedish Equality Act as part of Holmen's work to create an inclusive workplace in which everyone is given the same development opportunities. Where unwarranted pay differences have been discovered, action plans have been adopted in consultation with the unions.

For information about the total remuneration ratio, see Holmen's remuneration report for 2024 which is available at holmen.com.

Incidents, complaints and severe human rights impacts

No cases of human rights incidents related to the undertaking's employees have occurred during the year (or in the previous year). Also see information on the whistleblower function in the section on Business conduct, page 116. No issues of discrimination were reported via this function during the year.

WORKERS IN THE VALUE CHAIN

Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model

Holmen works with many suppliers of goods and services, but it is from suppliers in forestry that impacts on workers in the value chain are judged to be material.

Forestry is dependent on subcontractors

Holmen's forestry is largely dependent on contracted services in harvesting and silviculture (thinning, site preparation and planting). In recent decades Holmen has switched from carrying out its own harvesting and silviculture to hiring contractors. Streamlining their operations better enables contractors to develop efficient working methods with greater flexibility through the year. Forestry uses a high proportion of migrant labour and seasonal labour. Workers from other countries can find it especially difficult to know what rights they have and the labour law conditions that apply in Sweden. Silviculture work in Holmen's forests employs approximately 1 000 seasonal workers every year and it is important that Holmen hires and works with responsible contractors.

If difficulties arise in accessing labour to carry out silviculture services, for example in the event of external events that mean migrant labour is unable to travel, Holmen's dependence on contractor services may have financial effects. Operations may be affected in the form of reduced forest growth and poorer forest management. Additionally, Holmen's reputation may be harmed if the human rights of value chain workers are not upheld.

Impact, risk and opportunity management

Policies related to value chain workers

For many years now, Holmen has worked with a Supplier Code of Conduct which sets out what Holmen expects of its suppliers. The policy is based on the UN's Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. Areas addressed are business conduct, human rights and labour conditions, the environment and climate and suppliers working to ensure that due diligence is demonstrated in their operations regarding impacts in these areas. The Code of Conduct specifically states that neither child labour nor forced labour may occur. The Code of Conduct requires that working conditions and pay are respected in line with legislation or agreements. Compliance with the Code of Conduct is a contractual condition for Holmen and if irregularities arise, Holmen has the right to terminate the agreement with the supplier concerned. Holmen's Supplier Code of Conduct is included in new contracts with suppliers and in agreements with forestry contractors. The Code of Conduct covers all types of suppliers to Holmen and also requires that the supplier ensures that their sub-suppliers follow the code.

Holmen's management system for forest operations includes a specific procurement process adapted to the forest supply chain which seeks to ensure that everyone carrying out silviculture work for Holmen receives contractual pay and has a good work environment and decent terms of employment. Besides requiring compliance with Holmen's Supplier Code of Conduct, Holmen's fundamental requirements regarding forestry contractors are that they comply with Swedish law, apply collective agreements and are certified for sustainable forestry in line with PEFC's contractor certification. The certification commits the contractor to operate in line with certain sustainability requirements and have procedures in place for administration, health and safety, handling hazardous waste, risk prevention and further training.

Holmen's management system also includes a process for monitoring and management during the performance of the contract. During the contract, social checks on forestry contractors are carried out by on-site visits on a sample basis.

The head of the business area is the person ultimately responsible for the process of procuring forestry contractors.

Processes for engaging with value chain workers about impacts

When hiring forestry contractors, Holmen conducts ongoing dialogue with the supplier, the supplier's employees and trade union representatives, both before procurement and during procurement and performance of the contract.

As part of Holmen's supplier approval process, information is obtained from the forestry contractor in line with a separate protocol with a specific focus on health and safety and compliance with decent conditions for workers, in line with the requirements of Holmen's Supplier Code of Conduct. Where suppliers hire sub-suppliers, the supplier is responsible for ensuring that the information and the requirements cover sub-suppliers.

Holmen works with the union GS, which covers the forest industry, the wood industry and the graphic industry, regarding which forestry contractors are to be hired ahead of each season. Supplier approval and decisions are taken in consultation with the union representative concerned and potential views from the GS union must be obtained and taken into account. All forestry contractors hired must be reported to the GS union via the union's main bargaining representative.

All forest workers are trained in forestry by Holmen using training provided by the forestry training organisation Skogsbrukets yrkesnämnd (SYN). Training is provided both on site in the forest and online. The training covers Holmen's instructions and work procedures. The safety and quality of the work is vitally important to Holmen and therefore the training is predominantly provided by Holmen's own workforce. Additionally, forestry contractors are to complete the online silviculture training course 'Skötselskolan', which provides information on workers' rights, including access to healthcare. Skötselskolan also includes information about ways to report suspected or actual irregularities. All planters and thinners must have completed and passed the training before being allowed to work in the forest, no matter how long the contract is for. The training is provided in seven languages.

During the contract, site visits are made to forestry contractors in line with a process drawn up and field visits are made to the forestry contractors' work teams, in which Holmen conducts a dialogue with both managers at the forestry contractor and their workers. A survey is handed out to all workers present, which is to be answered anonymously. The answers are taken in and analysed.

Processes to remediate negative impacts and channels for value chain workers to raise concerns

Compliance with the Supplier Code of Conduct is a contractual condition for Holmen. If the supplier has caused or contributed to material negative impacts for workers in the value chain, Holmen is to be informed promptly. In the event of failings caused by the supplier, the supplier is to immediately present an action plan for corrective action, and take action and provide adequate evidence of improvements. Action plans and corrective actions are followed up.

The forestry contractor and its employees are informed of where they should turn if they suspect irregularities. It is also made clear that Holmen will not tolerate any form of reprisals against anyone who reports to Holmen's whistleblower function in good faith.

Any nonconformities noted at site visits and field visits, or through other channels, are analysed and an action plan is produced. Corrective actions are followed up, even if the nonconformities do not qualify as a breach of the Supplier Code of Conduct.

Taking action on material impacts on workers in the value chain

In the reporting period, site visits were made to 26 (27) per cent of Holmen's cleaning and planting work teams. No suspected breaches of the Supplier Code of Conduct were noted during the site visits. No contractual employees reported any experienced irregularities via the channels provided by Holmen.

During the reporting period, a Group-wide project was run with the aim of reviewing Holmen's due diligence process, based on Holmen's material sustainability risks in the supply chain. Among other things, the purchasing policy and its associated guidelines have been revised in terms of work with risk-based due diligence in the supply chain. Procedures for risk assessments related to sustainability have been introduced with the aim of implementing a more Group-wide approach. In 2025, work will continue to deepen knowledge of risks related to human rights in Holmen's supply chain and to follow up on whether existing working methods are sufficiently effective. The actions cover the whole Group.

Metrics and targets

Targets related to value chain workers

Holmen builds long-term relationships based on responsible business conduct. It is important that Holmen's suppliers have a safe and healthy work environment and provide good working conditions.

Within the framework of procurement of forestry services, constant improvement efforts are made in which the management process for procuring forestry contractors is reviewed each year. Work is partly based on any nonconformities and issues noted during the year, and on the views and information that have emerged in contacts with suppliers, their employees, union representatives and other stakeholders.

During the reporting period, no reports have come in of disregard for the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises covering workers in Holmen's own value chain. Of the suppliers in the value chain that Holmen has evaluated during the period, there is no increased risk related to the principles in Holmen's Supplier Code of Conduct. No supplier collaboration has been terminated due to shortcomings in the supply chain.

AFFECTED COMMUNITIES

Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model

Holmen's operations affect local residents and local stakeholders, including commercial actors, while its operations in their turn are affected by the surrounding community. The greatest impact comes from Holmen's own operations, particularly forestry, which also affects Sami interests in the form of reindeer husbandry. Holmen depends on the consent of Sami reindeer herding associations to carry out forestry in the areas that overlap the association's reindeer grazing lands. Developing and generating wind and hydro power can impact on local residents due to changed land use and regulating water flows. Wind power generation on Holmen's land is an important element in the climate transition, but the permit process is often long and dependent on the support of municipalities and local residents, which can lead to demands for compensation and affect the projects' viability. The production of wood products, paperboard and paper can cause odours and noise in nearby communities. Transport of wood can also cause noise in neighbouring communities.

Holmen creates conditions that enable thriving rural communities and gives people the opportunity to work, live and enjoy quality of life outside the city regions. Holmen's operations contribute to local communities by providing jobs and tax income and as a major employer in several locations, Holmen also works with other local companies and associations to promote social and economic development. Local presence is important to Holmen and affected communities. Holmen's need for labour and contractors is crucial to the success of its operations, while Holmen's operations contribute to thriving rural communities as the forest industry is a central element in the local economy in many locations. Forestry also makes the forest easily accessible for outdoor recreation and there are good opportunities for hunting and fishing on Holmen's land.

Impact, risk and opportunity management

Policies related to affected communities

Holmen's environmental and energy policy states that operations must be carried out in line with the precautionary principle to prevent injury and detriment to human health and the environment. Environmental impact must be acceptable to people and nature both in ongoing and discontinued operations, and in the event of process disruptions the environment takes precedence over production. Holmen takes reindeer husbandry into consideration through dialogue with representatives from Sami reindeer herding associations as laid down by law. The policy covers the communities in which Holmen operates.

Holmen has steering documents setting out procedures concerning reindeer husbandry, including consultation meetings and communication with Sami reindeer herding associations affected. Mutual understanding of the conditions in which the respective businesses operate is fundamental to good collaboration. In the joint planning process, the parties seek shared solutions for silviculture work. Joint planning of silviculture must be conducted in good faith, and reindeer grazing must be taken into consideration, as must cultural sites, such as trees bearing carvings.

Holmen must support and respect protection of internationally recognised human rights, including rights under the UN Convention on the Rights of the Child. Holmen's policies, combined with the Code of Conduct, require responsible business conduct. Holmen conducts an ongoing dialogue with the local community, including local representatives, politicians and the local business community.

Processes for engaging with affected communities about impacts

Good relations with local communities around Holmen's material sites are important and there is a desire to maintain dialogue, as contact with the local community is extremely important in working to minimise the impact on Holmen's surroundings. At the sites where operations take place, there is continuous contact with local representatives, and in permit cases work is coordinated with the authorities affected. Operational responsibility for contact with affected communities rests with Holmen's business areas, and internal monitoring is carried out to evaluate whether the contacts are effective.

Local consultations are held to maintain contact with affected Sami reindeer herding associations. At these consultations, representatives of Holmen's field operations and representatives of the Sami reindeer herding association meet to discuss planned operations and potential impact on reindeer husbandry. An online tool gives the Sami reindeer herding associations access to relevant information ahead of the consultation. Dialogue with the affected Sami reindeer herding association is always required in permit processes and notifiable activities such as wind power development and notification of harvesting.

Processes to remediate negative impacts and channels for affected communities to raise concerns

There are different actions that can be taken to remediate negative impacts on affected communities caused by Holmen. The majority of such events are handled in direct dialogue with those affected, while certain situations may demand legal processes to investigate responsibility. Different events may demand different types of consideration and depend on the specific situation.

Where operations require a permit, action is directly required regarding reindeer husbandry, especially when land is being used for wind power production. To reduce any impact on reindeer husbandry, fences and feeding stations are built for the reindeer, and in some cases it may be necessary to temporarily shut down wind turbines. Consultation with representatives of the Sami reindeer herding association concerned creates an opportunity to find solutions that meet the needs of both parties.

To enable complaints or reporting of irregularities, affected communities can contact representatives from Holmen directly or use Holmen's whistleblower function. More information is provided in the section on Business conduct.

Holmen's material sites have established procedures and processes to tackle complaints from affected communities, and an ongoing dialogue is maintained by local representatives for Holmen to enable effective handling of incoming concerns. At several material sites, there is an opportunity for local residents to get in touch with Holmen quickly via a dedicated phone number and online contact channels. It is also possible to contact Holmen via its website. It is necessary to continue developing these processes to make sure that concerns are handled efficiently and transparently.

Taking action on material impacts on affected communities

No needs for action related to negative impacts on affected communities were identified in the reporting period. Impacts on affected communities are largely linked to the operations that require permits, and in the event of nonconformities there are other processes for handling such situations.

A project is in progress to review and improve the joint planning processes regarding operations that affect the reindeer husbandry community. This involves more effective consultation meetings, developing actions taken out of consideration, greater access to resources and improved communication with the affected Sami reindeer herding associations.

Metrics and targets

Targets related to affected communities

In line with business conduct, Holmen must build long-term relationships and operations must develop within the framework of environmental permits and certifications. Impact on humans and the environment must be acceptable in line with Holmen's environmental and energy policy. The effectiveness of the policy in relation to affected communities is evaluated by ensuring that levels of noise and pollutants to air, water and soil laid down in permits are met.

BUSINESS CONDUCT

Governance

See the corporate governance report on pages 44–48 for the responsibilities of the administrative, supervisory and management bodies.

Impact, risk and opportunity management

Description of the processes to identify and assess material impacts, risks and opportunities

Business conduct helps to create a more competitive economy. Holmen operates in a global market and sells products to many countries around the world. Holmen is exposed to political risks, risks of corruption and risks in the value chain, for example. Nationally and internationally, customers and partners make demands of Holmen as a stable and reliable supplier that stands for good business conduct and clear sustainability principles. Deviations from principles and policies could have a negative impact on the Group's reputation and business relationships.

A good reputation as a responsible and trustworthy company is fundamental to Holmen's business. The collaborations that Holmen enters into must be in line with the Group's fundamental values on sound business ethics and follow internal steering documents on business conduct. External requirements governing Holmen's responsibility for behaviour in the value chain may be changed by new legislation. Changes in laws and regulations may affect conditions for Holmen's operations and lead to increased costs for regulatory compliance.

Business conduct policies and corporate culture

Holmen supports the ten principles of the UN Global Compact, the core conventions of the International Labour Organization (ILO) and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. Holmen's Code of Conduct, which is based on these principles, provides guidance day to day and makes clear what every employee can expect from their colleagues in the areas of business ethics, information management, human rights, workers' rights and the environment.

Holmen's business ethics policy, with its associated guidelines, supplements the Code of Conduct and contains rules linked to business conduct, anti-corruption, tax, money laundering and other business conduct-related areas. Holmen does not tolerate any form of corruption. Employees may not give, promise, offer, request or receive payment or benefits that are contrary to applicable legislation, good business practice or which may affect, or be considered to affect, the objectivity of decisions. Employees must manage contact with competitors with caution and in a manner that ensures compliance with competition rules.

By working actively with steering documents, Holmen creates a responsible corporate culture. Alongside the Code of Conduct and the business ethics policy, there are internal documents describing the business model, governance model, values and views of leadership and employeeship. Holmen also works with the values of courage, commitment and responsibility, which are to develop employees in the Group but also build further on Holmen's strong culture.

Holmen holds recurring training on the Code of Conduct for all employees. New employees must complete training in the Code of Conduct as part of their induction. Additionally, themed training is run for departments where there is a greater risk of corruption and bribery, such as sales staff, purchasers and managers. In 2024, training was held for all employees in personal data protection law and themed training on competition law was held for one group of sales staff.

Holmen has a whistleblower function and established functions for receiving reports that come in under the Swedish Act on the Protection of Persons Reporting Irregularities (the Whistleblowing Act), which covers Holmen. Holmen's whistleblower function can be accessed via Holmen's intranet and Holmen's external website, and makes it possible for employees and other stakeholders to report suspected breaches of the law, other irregularities or serious misconduct either anonymously or openly.

During the reporting period, Holmen replaced a previous internal whistleblowing tool with an external service which includes functions for case management and handling data protection issues. Holmen's Group instruction for the whistleblower function describes the process. During the year, training on the Whistleblowing Act was held for the functions receiving whistleblowing reports, including rules on protection for whistleblowers and investigation procedures.

Cases received by the whistleblowing service are reviewed by the respective receiving function. The reviewers must have a sufficiently independent role in the Group. If the case concerns people in a leadership role, for example, an external investigator will normally be hired. The case must be investigated in a satisfactory way and feedback must be provided to the whistleblower. The reviewers can also propose preventive actions if necessary. The conclusion of a case at Holmen does not preclude information being handed over to an external authority.

Management of relationships with suppliers

Under Holmen's Purchasing policy, Holmen is to apply good business ethics and all purchasing must ensure objectivity and competition. Holmen's purchasing functions are to contribute to the company's long-term profitability by ensuring a sustainable supply of goods and services. This assumes good forward planning and effective cooperation between the purchasing function and operations. The purchasing function is also tasked with identifying, evaluating and preventing risks in Holmen's supply chain.

Holmen has had a Supplier Code of Conduct for many years now. The Supplier Code of Conduct follows the UN's principles and includes the requirement that Holmen's suppliers must respect internationally recognised principles concerning anti-corruption, human rights, health and safety, and environmental impact. The Supplier Code of Conduct is based on these principles and clarifies what Holmen expects of its suppliers. It states that the supplier is to seek to ensure that due diligence is shown in their operations regarding the consequences for human rights, the environment and the climate, which involves identifying potential and actual negative impacts and taking action to tackle such impacts.

Purchasers at Holmen are trained in Holmen's purchasing policy and Supplier Code of Conduct on an ongoing basis.

Holmen hires an external body, EcoVadis, to conduct an in-depth assessment of how well certain suppliers are complying with the principles of the Supplier Code of Conduct. This includes climate, environment, labour law, human rights, business conduct and sustainable purchasing. At the end of 2024, 112 (130) suppliers had undergone an EcoVadis assessment. 100 (97) per cent of Holmen's assessed suppliers scored above the Group's pass level. Of the suppliers evaluated and followed up in 2024, no supplier has been found to have a heightened risk related to the principles in Holmen's Supplier Code of Conduct. In 2024, no supplier collaboration was terminated due to shortcomings in the supply chain.

Holmen works with local suppliers and suppliers that hold various certifications. The contractors used in forestry are subject to a fundamental requirement that the supplier complies with Swedish law and applies collective bargaining agreements, and is certified for sustainable forestry under PEFC's contractor certification.

Holmen's purchasing guidelines state that payment times should follow the practice for the product or service and country in which purchasing takes place.

Prevention and detection of corruption and bribery

Holmen's steering documents, in the form of the business ethics policy with its associated guidelines and the Code of Conduct for employees, provide information and guidance on how employees should act in business conduct matters. Employees must be familiar with the Code of Conduct and this is ensured through recurring training. A Supplier Code of Conduct is to be included in all new supplier agreements and compliance is a requirement. If a supplier fails to comply with the Code of Conduct, this constitutes breach of contract. The majority of customer agreements also include anti-corruption compliance requirements.

Besides being able to contact their manager, HR or union representatives or bring up issues at regular appraisal talks, employees are able to use the whistleblower function to supplement other channels for reporting irregularities regarding corruption and bribery.

Metrics and targets

Whistleblower function

Six cases were reported in 2024 that were deemed to constitute whistleblowing as defined by law. As at 31 December 2024, one case was open and under investigation. Other cases were closed after appropriate investigation. No cases of corruption or bribery were identified. No issues of discrimination were reported via this function during the year. Labour law issues were handled by following standard HR procedures.

Confirmed incidents of corruption and bribery

No cases of corruption or bribery were identified during the reporting period. Holmen has not been convicted of or fined for breaking the law regarding corruption or bribery.

Political influence and lobbying activities

To promote the climate transition, Holmen is active via dialogue, responding to consultations and engaging in contingency planning and lobbying, on Holmen's own behalf and together with industry organisations. Holmen is a member of national and international industry organisations in order to promote Holmen's position and opinion on issues relevant to Holmen's business. In the locations in which Holmen operates, Holmen is in ongoing dialogue with the general public, for example at consultation and information meetings.

In 2024, Holmen has worked to increase awareness of the climate benefit of the forest industry in order to publicise the risks Holmen sees in the EU's Forest Strategy, which may mean limiting the climate benefit of the forest industry. In addition, ongoing dialogue is conducted regarding LULUCF, EUDR, Nature Restoration and the Swedish Species Protection Ordinance, all of which may impact on future opportunities for sustainable and profitable forest management in Sweden.

In its wind and hydro power operations, Holmen has worked to create lasting ground rules in Sweden with shorter permit processes and a wind power examination process in line with the rule of law, and asserted that it is necessary that the Government safeguard environmental permit processes regarding hydro power in Sweden so that the result is acceptable from an electricity system perspective.

Holmen has also engaged in lobbying regarding the EU's new emission allowances system ETS, so that the right incentives are in place to continue prioritising investments to reduce fossil energy use.

Holmen does not engage in party politics and does not support political parties, candidates or their representatives financially. Holmen's employees are free to engage in political activities. However, such engagement must not be able to be seen as being supported by Holmen.

The Senior Vice President Sustainability and Communications bears overarching responsibility for Holmen's lobbying work and standpoints. Holmen's work on issues that affect its business must be derived from Holmen's overall strategy and direction, and be coordinated with Group Sustainability and Communications.

Payment practices

Holmen has used employee numbers as the selection method for reporting payment deadlines for small and medium-sized enterprises. The average time Holmen takes to pay an invoice from the date when the contractual or statutory term of payment starts to be calculated is 31.6 days.

Suppliers with up to 9 employees: 28 days

Suppliers with up to 49 employees: 29 days

Suppliers with up to 249 employees: 31 days

As at 31 December 2024, Holmen has no legal proceedings currently outstanding for late payments.

A holistic approach to sustainability

Holmen has been part of the UN Global Compact and its corresponding Nordic network since 2007. Every year we report on our work and on the progress made in line with its ten principles. Information on how Holmen is working in line with and fulfilling the principles of the UN Global Compact is provided at holmen.com.

»*We have a holistic approach to responsible business and our work draws on the UN Global Compact. We see it as natural to support its ten principles on human rights, social and environmental responsibility, and anti-corruption.*«

Henrik Sjölund
President and CEO of Holmen

TAXONOMY

The EU Taxonomy Regulation is a classification tool that will provide guidance to financial operators on the identification of economic activities that significantly contribute to the EU complying with its environmental objectives and green growth strategy. In 2023, the Taxonomy Regulation was extended to cover all six environmental objectives.

Companies must report the proportion of their turnover, capital expenditure and operating expenditure for activities covered by the Taxonomy Regulation, and the proportion that meets the requirements to be considered sustainable. Each activity is tested against the technical criteria in the regulation to determine the extent to which it makes a substantial contribution and does no significant harm. Sustainable activities must also comply with minimum social safeguards. In addition, fundamental human rights must be respected and good business practices followed.

Detailed information about Holmen's operations that are covered by the taxonomy can be found in the tables below. For the financial year, the share of taxonomy-aligned turnover was 9 (10) per cent, capital expenditure 34 (16) per cent and operating expenditure 27 (20) per cent. All activities fulfil the criteria to be called sustainable.

The key figures have been calculated in accordance with the definitions in the Taxonomy Disclosures Delegated Act. In short, this means that the turnover, capital expenditure and operating expenditure that are covered by the taxonomy (the numerators) must be divided by the Group's total turnover, capital expenditure and operating expenditure (the denominators). The following sections describe the calculation principles applied by Holmen.

Allocation of turnover, capital expenditure and operating expenditure to the denominators

The total turnover in accordance with the taxonomy's definition corresponds to the Group's sales as presented in the income statement, which are defined in accordance with IFRS 15, and some of the Group's other operating income as presented in Note 3. Sales of by-products, renewable energy certificates, emission allowances and silviculture contracts, and some rent and land lease income and other items are included in the denominator according to the definition in the Taxonomy Regulation and amount to SEK 2 000 (1 895) million. Internal sales from activities covered by the taxonomy are not factored in.

Total capital expenditure relates to investments and acquisitions for the current year in line with Note 9 Forest assets, Note 10 Intangible assets, Note 11 Property, plant and equipment, and Note 12 Right-of-use assets (leases). No capital expenditure is related to CapEx plans.

The total operating expenditure that is applicable to Holmen under the taxonomy relates to repairs and maintenance and research and development. For the financial year, operating expenditure totalled SEK 1 747 (1 718) million.

Allocation of turnover, capital expenditure and operating expenditure to the numerators

Holmen's operations that are covered by the taxonomy are the harvesting of our own forests (NACE code 02.20) and electricity production from wind power, hydro power and bioenergy (NACE code 35.11). These operations correspond to taxonomy activities 1.3 (harvesting of own forests), 4.3, 4.5 and 4.8 (electricity production from wind power, hydro power and bioenergy). Holmen generates

Turnover for 2024

Economic activities (1)	Code (2)	Turnover (3)	Proportion of turnover, year 2024 (4)
Unit		SEKm	%
A. Taxonomy-eligible activities			**9**
A.1 Environmentally sustainable activities (taxonomy-aligned)			
Harvesting of own forest	CCM 1.3	811	3
Wind power	CCM 4.3	169	1
Hydro power	CCM 4.5	454	2
Bioenergy	CCM 4.8	784	3
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		**2 218**	**9**
Of which enabling			-
Of which transitional			-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)			
Not applicable		-	-
Operating expenditure of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		-	-
Total (A.1 + A.2)		**2 218**	**9**
B. Taxonomy-non-eligible activities			
Turnover of taxonomy-non-eligible activities (B)		22 541	91
Total (A + B)		**24 759**	**100**

Taxonomy-related turnover amounts to SEK 2 218 million, most of which is attributable to the Group's turnover and is shown in the income statement on page 60. The taxonomy-aligned turnover from other operating income totals SEK 784 million and relates to bioenergy.

CCM = Climate Change Mitigation

no external turnover from other NACE codes (economic activities) that are covered by the Taxonomy Regulation. All the activities have been judged to contribute to environmental objective 1, Climate change mitigation. Capital expenditure relating to suppliers whose operations are covered by the taxonomy, but that does not relate to Holmen activities 1.3, 4.3, 4.5 or 4.8, known as category C investments, is negligible and is not included. There were no changes in major taxonomy-aligned activities during the financial year.

Turnover from the harvesting of our own forests above all consists of external sales of logs and pulpwood, but excludes what is processed by Holmen's own industrial facilities. Capital expenditure includes purchases of forest machinery, the construction of forest roads and acquisitions of forest properties. Operating expenditure includes the development and maintenance of our own forests in the form of thinning, road maintenance, clearing and fertilisation.

Turnover derived from electricity production consists primarily of external sales of electricity, ancilliary services for the stabilisation of the electricity grid, guarantees of origin and green electricity certificate revenue. Capital expenditure includes upgrades, new installations and acquisitions. Operating expenditure consists of minor renovations and the maintenance of equipment for electricity production, and various forms of development work, such as the designing of new wind farms.

In the 2024 reporting period, the taxonomy-aligned share of capital expenditure increased from 16 per cent to 34 per cent, mainly related to the construction of wind power. The share of operating expenditure increased from 20 per cent to 27 per cent due to higher silviculture costs. The change in the taxonomy-aligned share of turnover was marginal.

Taxonomy-aligned activities within Holmen are able to be separately identified in the company's financial reporting, which prevents any double counting of turnover, capital expenditure and operating expenditure.

Evaluation of compliance with the criteria

Holmen annually evaluates the technical screening criteria to determine whether the economic activities are considered to significantly contribute to climate change mitigation and not cause significant harm to any of the other environmental objectives under the Climate Delegated Act. The Group's forestry plan, along with the climate benefit analysis prepared that shows increased carbon storage and that the legislation ensures continued land use for forestry, are considered together to meet the requirements for substantial contributions relating to forest management. Forest management takes place in accordance with the Group's certifications, which, along with the legal requirements and the climate adaptation plan prepared, ensures that the forest management does no significant harm. Third-party audits were carried out during the year in accordance with the technical screening criteria. With regard to the Group's production of wind and hydro power and bioenergy, an analysis of each power plant's individual design and characteristics has been conducted and climate adaptation plans prepared for each operation.

Compliance with minimum social safeguards has been evaluated in keeping with the guidance from the Platform on Sustainable Finance. Holmen complies with labour and human rights laws and has processes in place to ensure the existence of minimum social safeguards relating to the prevention of corruption, and fair competition and taxation, according to the OECD's six-step framework for human rights due diligence. See also pages 111–117 for further information.

Substantial contribution criteria						Does Not Significantly Harm (DNSH) criteria									
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)	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)
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
Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	3	-	-
Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	-	Y	Y	Y	1	-	-
Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	-	-	Y	Y	3	-	-
Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	-	Y	Y	3	-	-
100	**-**	**-**	**-**	**-**	**-**								**10**	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
						-	-	-	-	-	-	-	-		-
													10	**-**	**-**

Capital expenditure 2024

Economic activities (1)	Code (2)	Capital expenditure (3)	Proportion of capital expenditure, year 2024 (4)
Unit		SEKm	%
A. Taxonomy-eligible activities			**34**
A.1 Environmentally sustainable activities (taxonomy-aligned)			
Harvesting of own forest	CCM 1.3	221	10
Wind power	CCM 4.3	503	22
Hydro power	CCM 4.5	67	3
Bioenergy	CCM 4.8	-	-
Capital expenditure of environmentally sustainable activities (taxonomy-aligned) (A.1)		**791**	**34**
Of which enabling			-
Of which transitional			-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)			
Not applicable		-	-
Capital expenditure of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		-	-
Total (A.1 + A.2)		**791**	**34**
B. Taxonomy-non-eligible activities			
Capital expenditure of taxonomy-non-eligible activities (B)		1 520	66
Total (A + B)		**2 310**	**100**

Taxonomy-aligned capital expenditure amounts to SEK 790 million. For harvesting of own forests, SEK 170 million relates to investments in forest assets, SEK 37 million in property, plant and equipment and SEK 14 million in leases. Wind power includes investments in property, plant and equipment totalling SEK 503 million, which relate to the construction of wind power production. Hydro power includes SEK 66 million of investments in property, plant and equipment. The percentage deriving from acquisitions in the financial year relates to purchases of forest properties to the amount of SEK 30 million.

Operating expenditure 2024

Economic activities (1)	Code (2)	Operating expenditure (3)	Proportion of operating expenditure, year 2024 (4)
Unit		SEKm	%
A. Taxonomy-eligible activities			**27**
A.1 Environmentally sustainable activities (taxonomy-aligned)			
Harvesting of own forest	CCM 1.3	381	22
Wind power	CCM 4.3	15	1
Hydro power	CCM 4.5	35	2
Bioenergy	CCM 4.8	38	2
Operating expenditure of environmentally sustainable activities (taxonomy-aligned) (A.1)		**469**	**27**
Of which enabling			-
Of which transitional			-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)			
Not applicable		-	-
Operating expenditure of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		-	-
Total (A.1 + A.2)		**469**	**27**
B. Taxonomy-non-eligible activities			
Operating expenditure of taxonomy-non-eligible activities (B)		1 277	73
Total (A + B)		**1 747**	**100**

Taxonomy-aligned operating expenditure amounts to SEK 469 million. Mostly attributable to maintenance and repairs.

Substantial contribution criteria						Does Not Significantly Harm (DNSH) criteria									
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)	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)
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
Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	13	-	-
Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	-	Y	Y	Y	0	-	-
Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	-	-	Y	Y	3	-	-
Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	-	Y	Y	0	-	-
100	**-**	**-**	**-**	**-**	**-**								**16**	**-**	**-**
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
						-	-	-	-	-	-	-	-		-
													16	**-**	**-**

Substantial contribution criteria						Does Not Significantly Harm (DNSH) criteria									
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)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1.) or eligible (A.2.) operating expenditure, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
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
Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	17	-	-
Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	-	Y	Y	Y	0	-	-
Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	-	-	Y	Y	2	-	-
Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	-	Y	Y	1	-	-
100	**-**	**-**	**-**	**-**	**-**								**20**	**-**	**-**
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
						-	-	-	-	-	-	-	-		-
													20	**-**	**-**

	Nuclear energy related activities	Yes/No
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 the 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	Yes/No
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

GRI INDEX

Statement of use	Holmen AB has reported the information cited in this GRI content index for the period 1 January–31 December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

			Omission		
GRI standard / other source	**Disclosure**	**Page reference**	**Require-ment omitted**	**Reason**	**Explanation**
General disclosures					
GRI 2: General disclosures 2021	2-1 Organisational details	4, 132			
	2-2 Entities included in the organisation's sustainability reporting	90-91, Note 22, 98			
	2-3 Reporting period, frequency and contact point	4, 59, 98			
	2-4 Restatements of information	98			
	2-5 External assurance	126			
	2-6 Activities, value chain and other business relationships	8-9, 10, 16, 43, 99			
	2-7 Employees	75, Note 4, 112, 131	2-7 b-ii 2-7 b-iii 2-7 b-iv 2-7 b-v	Not applicable	Holmen has not reported employees by region broken down by type of employment during the reporting period as this information is not considered relevant.
	2-8 Workers who are not employees	113			
	2-9 Governance structure and composition	44-48, 54-58, 74			
	2-10 Nomination and selection of the highest governance body	44-46, 54-58			
	2-11 Chair of the highest governance body	45			
	2-12 Role of the highest governance body in overseeing the management of impacts	45-47			
	2-13 Delegation of responsibility for managing impacts	45-47			
	2-14 Role of the highest governance body in sustainability reporting	45-47, 96			
	2-15 Conflicts of interest	44-47, 116			
	2-16 Communication of critical concerns	47-48			
	2-17 Collective knowledge of the highest governance body	45-44, 56			
	2-18 Evaluation of the performance of the highest governance body	45			
	2-19 Remuneration policies	45-46, 73-74 (Note 4)			

			Omission		
GRI standard / other source	**Disclosure**	**Page reference**	**Requirement omitted**	**Reason**	**Explanation**
General disclosures					
GRI 2: General disclosures 2021	2-20 Process to determine remuneration	45-46, 73-74, Note 4			
	2-21 Annual total compensation ratio	73-74, 113			
	2-22 Statement on sustainable development strategy	7, 117			
	2-23 Policy commitments	47-48, 101-102, 105, 107-109, 111, 113, 115-116 https://www.holmen.com/en/about/Corporate-governance/code-of-conduct-and-policies/holmens-code-of-conduct/			
	2-24 Embedding policy commitments	47, 101-102, 105, 107-109, 111, 113, 115-116			
	2-25 Processes to remediate negative impacts	47-48, 102, 105, 108-109, 111-112, 114-115			
	2-26 Mechanisms for seeking advice and raising concerns	47-48, 116			
	2-27 Compliance with laws and regulations	51, 113, 116-117			
	2-28 Membership associations	116-117			
	2-29 Approach to stakeholder engagement	99, 111, 114			
	2-30 Collective bargaining agreements	112			
Material topics					
GRI 3: Material topics 2021	3-1 Process to determine material topics	100-101, 105, 107, 109, 111, 113, 115-116			
	3-2 List of material topics	100			
Economic performance					
GRI 3: Material topics 2021	3-3 Management of material topics	44-48, 98			
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	71-72			
Anti-corruption					
GRI 3: Material topics 2021	3-3 Management of material topics	116			
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	116			
Materials					
GRI 3: Material topics 2021	3-3 Management of material topics	109			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	110			

			Omission		
GRI standard / other source	**Disclosure**	**Page reference**	**Requirement omitted**	**Reason**	**Explanation**
Renewable Energy					
GRI 3: Material topics 2021	3-3 Management of material topics	103			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	103	302-1 c. iii 302-1 c. iv 302-1 d. iii 302-1 d. iv	Not applicable	Holmen has not reported the steam consumed as it is self-produced and is produced from the reported fuels. Accounting for steam consumed would have resulted in double counting. Holmen has not purchased cooling. Holmen has not sold steam or cooling.
Water and effluents					
GRI 3: Material topics 2021	3-3 Management of material topics	110			
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	110			
	303-2 Management of water discharge-related impacts	105-106			
	303-3 Water withdrawal	110			
Biodiversity					
GRI 3: Material topics 2021	3-3 Management of material topics	107-108			
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	108			
Emissions					
GRI 3: Material topics 2021	3-3 Management of material topics	101-102, 105-106			
GRI 305: Emissions 2016	305-1 Direct (scope 1) GHG emissions	103-104			
	305-2 Energy indirect (scope 2) GHG emissions	103-104			
	305-3 Other indirect (scope 3) GHG emissions	103-104			
	305-7 Nitrogen oxides (NO_x), sulphur oxides (SO_x), and other significant air emissions	106			
Waste					
GRI 3: Material topics 2021	3-3 Management of material topics	109-110			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	109-110			
	306-2 Management of significant waste-related impacts	109-110			
	306-3 Waste generated	109-110			
Supplier environmental assessment					
GRI 3: Material topics 2021	3-3 Management of material topics	114, 116			
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	114, 116			
	308-2 Negative environmental impacts in the supply chain and actions taken	114, 116			
Employment					
GRI 3: Material topics 2021	3-3 Management of material topics	111, 113-114			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	112	401-1 a 404-1 b	Not applicable	Holmen has not reported the number or proportion of new employees or employee turnover by age group or region during the reporting period, as this information is not considered relevant.

			Omission		
GRI standard / other source	**Disclosure**	**Page reference**	**Requirement omitted**	**Reason**	**Explanation**
Occupational health and safety					
GRI 3: Material topics 2021	3-3 Management of material topics	111-114			
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	111, 113-114			
	403-2 Hazard identification, risk assessment, and incident investigation	111, 114			
	403-3 Occupational health services	112, 114			
	403-4 Worker participation, consultation, and communication on occupational health and safety	111-112			
	403-5 Worker training on occupational health and safety	111			
	403-6 Promotion of worker health	111			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	111, 114 Comment: There are no sites where Holmen does not have control over the work and workplace.			
	403-8 Workers covered by an occupational health and safety management system	106, 111			
	403-9 Work-related injuries	112-113	403-9 a. v 403-9 b. v	Not applicable	Holmen has not reported the number of hours worked by employees or non-employed workers, as this information is not considered relevant.
Training and education					
GRI 3: Material topics 2021	3-3 Management of material topics	111-112			
GRI 404: Training and education 2016	404-2 Programmes for upgrading employee skills and transition assistance programmes	112-113	404-2 b	Not applicable	Holmen has not reported end-of-career management as we have not had any major redundancies or retirements.
Diversity and equal opportunity					
GRI 3: Material topics 2021	3-3 Management of material topics	111-112			
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	75 Note 4, 112	405-1 a. ii	Not applicable	Holmen has not reported the proportion of individuals within Holmen's governance bodies by age group, as the age of Holmen's governance bodies can be found on pages 56 and 58.
Non-discrimination					
GRI 3: Material topics 2021	3-3 Management of material topics	111-112			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	113			
Local communities					
GRI 3: Material topics 2021	3-3 Management of material topics	115			
GRI 413: Local communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	115			
Supplier social assessment					
GRI 3: Material topics 2021	3-3 Management of material topics	116			
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	116			
	414-2 Negative social impacts in the supply chain and actions taken	116			

AUDITOR'S LIMITED ASSURANCE REPORT ON HOLMEN AB'S SUSTAINABILITY REPORT AND STATEMENT ON THE STATUTORY SUSTAINABILITY REPORT

To the annual general meeting of Holmen AB, corporate identity number 556001-3301

Introduction

We have been engaged by the Board and Group Management of Holmen to undertake a limited assurance of Holmen's Sustainability Report for the year 2024. The statutory sustainability report is defined on page 2, which also constitutes the statutory sustainability report.

Responsibilities of the Board and Group Management

The Board of Directors and Group Management are responsible for the preparation of the Sustainability Report, including the statutory sustainability report, in accordance with the applicable criteria and the Annual Accounts Act in the older version that applied before 1 July 2024. The criteria are described on page 2 of the Sustainability Report, and consists of the parts of the sustainability reporting framework issued by the GRI (Global Reporting Initiative) Sustainability Reporting Standards which are applicable to the Sustainability Report, as well as the accounting and calculation principles that Holmen has developed. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to provide a statement on the statutory sustainability report. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. We have conducted our examination regarding the statutory sustainability report in accordance with FAR's recommendation RevR 12, the Auditor's Opinion on the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 have a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Holmen according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement and an examination according to RevR 12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement and an examination in accordance with RevR 12, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria as suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

A Statutory Sustainability Report has been prepared.

Stockholm, 25 February 2025

PricewaterhouseCoopers AB

Magnus Svensson Henryson

Authorised Public Accountant
Auditor in Charge

KEY FIGURES

Holmen uses performance measures in its reporting in addition to the metrics defined by IFRS, or directly in the income statement and balance sheet, in order to illustrate the company's financial position and performance and to increase comparability between different periods and other companies. Below are the calculations used to arrive at the performance measures used within the Group. For further information, also see Definitions.

The ESMA's (European Securities and Markets Authority) 'Guidelines – Alternative Performance Measures' are applied. The alternative performance measures published in this report should not be regarded as replacing the financial metrics defined by IFRS, but rather as a complement, and they do not need to be comparable with performance measures with the same names published by other companies.

Reconciliation of key figures, SEKm	2024	2023	2022	2021	2020
Operating profit/loss, EBITDA and items affecting comparability					
EBITDA	**5 110**	6 114	8 607	5 321	3 651
Depreciation and amortisation according to plan	**-1 388**	-1 360	-1 345	-1 261	-1 172
Operating profit/loss excluding items affecting comparability	**3 721**	4 755	7 262	4 061	2 479
Items affecting comparability*	**-**	-	266	-330	-
Operating profit	**3 721**	**4 755**	**7 527**	**3 731**	**2 479**
Operating margin					
Operating profit/loss excluding items affecting comparability	**3 721**	4 755	7 262	4 061	2 479
Net sales	**22 759**	22 795	23 952	19 479	16 327
Operating margin, %	**16.4**	**20.9**	**30.3**	**20.8**	**15.2**
Capital employed					
Equity	**57 370**	56 923	56 950	46 992	42 516
Net financial debt	**3 397**	1 869	2 145	4 101	4 181
Capital employed	**60 767**	**58 793**	**59 095**	**51 093**	**46 697**
Return on capital employed					
Operating profit/loss excluding items affecting comparability	**3 721**	4 755	7 262	4 061	2 479
Average capital employed	**59 613**	56 046	54 570	47 557	44 128
Return, %	**6.2**	**8.5**	**13.3**	**8.5**	**5.6**
Return on equity					
Profit after tax	**2 861**	3 697	5 874	3 004	1 979
Average equity	**56 746**	54 140	51 299	43 326	40 718
Return, %	**5.0**	**6.8**	**11.5**	**6.9**	**4.8**
Net financial debt					
Non-current financial liabilities	**2 502**	1 902	2 902	3 911	3 919
Non-current liabilities relating to right-of-use assets	**132**	160	158	173	175
Current financial liabilities	**953**	1 021	1 039	736	605
Current liabilities relating to right-of-use assets	**95**	91	89	71	112
Pension obligations	**9**	9	7	24	48
Non-current financial receivables	**-46**	-61	-97	-268	-290
Current financial receivables	**-15**	-50	-18	-39	-43
Cash and cash equivalents	**-234**	-1 202	-1 935	-507	-346
Net financial debt	**3 397**	**1 869**	**2 145**	**4 101**	**4 181**
Debt/equity ratio					
Net financial debt	**3 397**	1 869	2 145	4 101	4 181
Equity	**57 370**	56 923	56 950	46 992	42 516
Net debt as % of equity	**6**	**3**	**4**	**9**	**10**
Equity/assets ratio					
Equity	**57 370**	56 923	56 950	46 992	42 516
Assets	**81 548**	79 719	81 436	68 101	62 543
Equity/assets ratio, %	**70**	**71**	**70**	**69**	**68**

See page 128 for what items affecting comparability refers to.

TEN-YEAR REVIEW, FINANCE

SEKm	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Income statement										
Net sales	**22 759**	22 795	23 952	19 479	16 327	16 959	16 055	16 133	15 513	16 014
Operating expenses**	**-18 563**	-17 249	-15 865	-14 622	-13 250	-13 961	-12 984	-13 379	-12 626	-13 348
Change in value of biological assets	**907**	562	509	464	579	487	425	415	315	267
Share of profits of associates and joint ventures	**7**	6	10	0	-6	0	-9	-12	-22	7
EBITDA	**5 110**	**6 114**	**8 607**	**5 321**	**3 651**	**3 486**	**3 488**	**3 157**	**3 179**	**2 940**
Depreciation and amortisation according to plan	**-1 388**	-1 360	-1 345	-1 261	-1 172	-1 141	-1 012	-991	-1 018	-1 240
Operating profit/loss excluding items affecting comparability	**3 721**	**4 755**	**7 262**	**4 061**	**2 479**	**2 345**	**2 476**	**2 166**	**2 162**	**1 700**
Items affecting comparability*	**-**	-	266	-330	-	8 770	-94	-	-232	-931
Operating profit	**3 721**	**4 755**	**7 527**	**3 731**	**2 479**	**11 115**	**2 382**	**2 166**	**1 930**	**769**
Net financial items	**-62**	-49	-87	-39	-42	-34	-25	-53	-71	-90
Profit/loss before tax	**3 660**	**4 705**	**7 441**	**3 691**	**2 437**	**11 081**	**2 356**	**2 113**	**1 859**	**679**
Tax	**-798**	-1 008	-1 567	-688	-458	-2 351	-89	-445	-436	-120
Profit/loss for the year	**2 861**	**3 697**	**5 874**	**3 004**	**1 979**	**8 731**	**2 268**	**1 668**	**1 424**	**559**
Diluted earnings per share, SEK***	**18.0**	23.0	36.3	18.5	12.2	52.6	13.5	9.9	8.5	3.4
Net sales										
Forest	**9 318**	7 996	7 342	6 509	5 883	6 286	5 944	5 535	5 302	5 481
Renewable Energy	**642**	1 070	1 226	488	378	378	319	315	314	359
Wood Products	**3 896**	4 075	5 015	4 872	2 222	1 695	1 747	1 562	1 342	1 314
Board and Paper	**15 238**	14 965	15 105	11 702	11 066	11 986	11 356	10 934	10 682	11 620
Group-wide costs and eliminations	**-6 335**	-5 311	-4 737	-4 092	-3 222	-3 385	-3 311	-2 214	-2 128	-2 760
Group	**22 759**	**22 795**	**23 952**	**19 479**	**16 327**	**16 959**	**16 055**	**16 133**	**15 513**	**16 014**
Operating profit										
Forest	**1 947**	1 523	1 401	1 495	1 367	1 172	1 185	1 069	1 001	905
Renewable Energy	**265**	697	1 006	347	215	336	181	135	120	176
Wood Products	**2**	6	1 237	1 668	185	62	246	80	-3	9
Board and Paper	**1 702**	2 730	3 796	743	886	944	1 018	1 053	1 192	772
Group-wide costs and eliminations	**-194**	-202	-178	-193	-174	-168	-154	-170	-148	-163
	3 721	**4 755**	**7 262**	**4 061**	**2 479**	**2 345**	**2 476**	**2 166**	**2 162**	**1 700**
Items affecting comparability*	**-**	-	266	-330	-	8 770	-94	-	-232	-931
Group	**3 721**	**4 755**	**7 527**	**3 731**	**2 479**	**11 115**	**2 382**	**2 166**	**1 930**	**769**
Cash flow										
Profit/loss before tax	**3 660**	4 705	7 441	3 691	2 437	11 081	2 356	2 113	1 859	679
Adjustment items	**494**	766	966	346	544	-8 208	540	418	965	1 802
Income tax paid	**-425**	-160	-1 639	-662	-569	-147	-396	-221	-504	-398
Changes in working capital	**-412**	494	-1 284	-145	46	158	-214	199	-360	443
Cash flow from operating activities	**3 317**	**5 805**	**5 484**	**3 229**	**2 457**	**2 884**	**2 286**	**2 509**	**1 961**	**2 526**
Cash flow from investing activities**	**-2 066**	**-1 653**	**-1 352**	**-1 332**	**-1 924**	**-1 050**	**-1 005**	**-644**	**-123**	**-824**
Cash flow after investments	**1 251**	**4 153**	**4 132**	**1 897**	**533**	**1 834**	**1 281**	**1 865**	**1 838**	**1 702**
Dividends paid	**-1 831**	-2 592	-1 862	-1 741	-567	-1 134	-1 092	-1 008	-882	-840
Share buy-backs	**-647**	-1 119	-	-	-	-1 430	-	-	-	-

**Items affecting comparability:*
2022: Insurance compensation, and the costs and loss of revenue, associated with the turbine breakdown in Workington (SEK 266 million).
2021: Increased energy costs of SEK -330 million due to the turbine breakdown in Workington.
2019: Revaluation of biological assets amounting to SEK 9 079 million, impairment loss for associates of SEK -109 million and provisions of SEK -200 million.
2018: Restructuring costs of SEK -94 million.
2016: Disposal of the mill in Spain and insurance compensation of SEK -232 million for the reconstruction of Hallsta Paper Mill following a fire.
2015: Impairment loss on non-current assets, provision for costs and the effects of a fire totalling SEK -931 million.
***Net after other operating income.*
****Historical figures have been adjusted because of the share split (2:1) in 2018.*
*****Net after disposals and before changes in non-current financial receivables.*

For a ten-year review of the data per share, see page 55.

SEKm	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Balance sheet										
Forest land and biological assets	**57 843**	56 348	52 151	47 080	43 202	41 345	18 701	17 971	17 595	17 340
Other non-current assets*	**13 659**	12 781	12 477	12 251	11 784	10 781	10 586	10 780	11 106	12 184
Current assets	**9 750**	9 277	14 758	7 956	6 878	6 264	6 845	5 710	5 852	5 607
Financial receivables	**295**	1 313	2 050	814	679	950	781	430	338	325
Total assets	**81 548**	**79 719**	**81 436**	**68 101**	**62 543**	**59 340**	**36 912**	**34 891**	**34 891**	**35 456**
Equity	**57 370**	56 923	56 950	46 992	42 516	40 111	23 453	22 035	21 243	20 853
Deferred tax liabilities	**14 252**	13 858	13 490	11 610	10 570	10 299	5 839	5 650	5 613	5 508
Financial liabilities and interest-bearing provisions	**3 692**	3 182	4 195	4 915	4 860	4 733	3 587	3 366	4 283	5 124
Operating liabilities	**6 234**	5 755	6 801	4 584	4 597	4 196	4 033	3 840	3 752	3 971
Total equity and liabilities	**81 548**	**79 719**	**81 436**	**68 101**	**62 543**	**59 340**	**36 912**	**34 891**	**34 891**	**35 456**
Capital employed										
Forest	**45 978**	44 768	41 354	37 300	34 230	32 718	14 830	13 824	13 536	13 401
Renewable Energy	**4 588**	4 283	4 618	4 069	3 351	3 058	3 082	3 115	3 153	3 075
Wood Products	**2 375**	2 139	2 067	2 278	1 846	1 000	927	862	859	897
Board and Paper	**8 019**	7 625	7 571	6 806	7 246	7 491	7 387	7 626	8 053	8 964
Group-wide and other	**-192**	-22	3 485	640	24	-372	34	-455	-410	-684
Capital employed	**60 767**	**58 793**	**59 095**	**51 093**	**46 697**	**43 895**	**26 261**	**24 972**	**25 190**	**25 653**
Key figures										
Operating margin, %**										
Wood Products	**0**	0	25	34	8	4	14	5	0	1
Board and Paper	**11**	18	25	6	8	8	9	10	11	7
Group	**16**	21	30	21	15	14	15	13	14	11
Return on capital employed, %**										
Industry (Wood Products, Board and Paper)	**16**	27	52	26	12	12	15	13	13	6
Group	**6**	8	13	9	6	9	10	9	9	6
Return on equity, %	**5**	7	11	7	5	35	10	8	7	3
Net debt as % of equity	**6**	3	4	9	10	9	12	13	19	23
Deliveries										
Own forests, '000 m^3sub	**2 643**	2 702	2 813	2 833	2 841	2 699	2 816	2 883	2 945	3 132
Hydro and wind power, GWh	**1 728**	1 658	1 639	1 230	1 352	1 109	1 145	1 169	1 080	1 441
Wood products, '000 m^3	**1 348**	1 498	1 435	1 373	1 052	879	828	852	776	730
Paperboard and paper, '000 tonnes	**1 424**	1 343	1 498	1 573	1 426	1 534	1 561	1 643	1 630	1 824

**Excluding non-current financial receivables.*
***Excluding items affecting comparability.*

FIVE-YEAR REVIEW, SUSTAINABILITY

	2024	2023	2022	2021	2020
Production					
Paperboard, '000 tonnes	**575**	462	513	529	551
Market pulp, '000 tonnes	**76**	76	77	80	84
Paper, '000 tonnes	**932**	888	1 016	998	891
Wood products, '000 m^3	**1 418**	1 447	1 468	1 465	1 021
Hydro and wind power, GWh[1)]	**1 573**	1 502	1 561	1 230	1 352
Electricity production at the mills, GWh	**628**[2)]	566	520	445	621
Material use rate					
Wood, million m^3sub[3)]	**5.93**	5.94	6.36	6.34	5.62
Purchased pulp, '000 tonnes	**84**	71	77	77	78
Plastic granules/foiling material, '000 tonnes	**3.1**	2.6	3.0	3.3	2.8
Energy purchased or acquired, GWh[4)]	**7 638**	7 428	8 416	8 754	7 875
Water use, million m^3 [5)]	**69**	68	71	70	69
Chemicals, '000 tonnes[6)]	**131**	139	147	147	147
Filler, pigment, '000 tonnes[6)]	**199**	184	162	162	156
Emissions to air, tonnes					
Sulphur dioxide (counted as sulphur, S)	**59**	54	49	50	64
Nitrogen oxides	**946**	892	899	811	902
Particulates	**62**	53	49	52	33
Methane	**45**	42	47	33	41
Nitrous oxide	**39**	37	48	46	51
Fossil carbon dioxide, '000 tonnes	**46**	41	42	81	63
Biogenic carbon dioxide, '000 tonnes	**1 731**	1 676	1 657	1 423	1 545
Emissions to water, tonnes					
AOX (chlorinated organic matter)	**34**	36	36	39	38
Nitrogen	**207**	182	162	187	210
Phosphorus	**20**	18	12	16	19
COD (organic matter), '000 tonnes	**17**	17	19	19	20
Suspended solids (SS), '000 tonnes	**3.0**	3.8	3.6	3.2	3.5
Waste, '000 tonnes[7)]					
Hazardous waste	**1.5**	1.5	1.8	2.0	2.3
To energy recovery	**0.6**	0.4			
To material recovery	**0.9**	1.0			
To landfill	**0.1**	0.1			
Non-hazardous waste	**101**	92			
To energy recovery	**19**	14			
To material recovery	**80**	77			
To landfill	**1.9**	1.2			
External energy supplies, GWh					
Solid biofuels	**2 311**	2 587	2 004	1 907	1 638
Tall oil	**138**	146	156	164	158
District heating[8)]	**29**	25	26	23	11
Externally supplied energy[9)]	**144**	127	123	44	114

1) Own production of hydro and wind power refers to both wholly owned power plants and Holmen's share in partly owned power plants. 2) 622 GWh was bio-based electricity production. 3) At Group level, wood consumption is computed net, taking into account internal deliveries, which include roundwood and pulp chips from the sawmills. 4) As of 2023, energy recovered in Holmen's processes is not included. 5) Surface water from lakes and rivers is used almost 100 per cent. 2.9 million m^3 was consumed out of 69 million m^3. 6) Expressed as dry matter. 7) From 2023 onwards, more key figures have been included for waste, to align reporting with ESRS requirements. Hence, data is only reported for the current year and the previous year. As a result of new key figures for waste, the figure for hazardous waste in 2023 has also been updated from 1.4 to 1.5. 8) Refers to thermal energy supplied by Hallsta Paper Mill and Iggesund Mill. 9) Refers to electricity supplied from the mill in Workington.

	2024	2023	2022	2021	2020
Employees					
Employees, head count[1)]	**3 624**	3 620	3 520	3 514	3 436
of whom women	**838**	816	757	725	687
of whom men	**2 786**	2 804	2 763	2 789	2 749
of whom in Sweden	**3 094**	3 064	2 975	2 975	2 905
of whom in the UK	**383**	398	382	376	371
of whom in the Netherlands	**73**	75	79	82	83
of whom in other countries	**74**	84	84	81	77
Employees, FTE[2) 3)]	**3 498**	3 546			
Permanent employees women	**658**	664			
Permanent employees men	**2 536**	2 600			
Part-time employees women	**60**	55			
Part-time employees men	**41**	34			
Temporary employees women	**66**	73			
Temporary employees men	**137**	120			
Employees under 30 years of age[4)]	**404**	446			
Employees aged 30–50[4)]	**1 581**	1 623			
Employees over 50 years of age[4)]	**1 209**	1 196			
Employee turnover, %	**7.3**	7.4	8.3	8.9	7.3
Total number of employees who left the company	**264**	267			
New recruitments	**199**	253			
Sickness absence, %					
Total	**4.7**	4.6	4.7	4.1	4.3
of which long-term sickness absence[5)]	**2.4**	1.9	1.4	1.4	1.7
Number of work-related accidents[6)]					
Work-related accidents, more than 8 hours of absence, per million hours worked	**5.3**	5.2	7.6	5.6	4.3

1) Number of employees calculated as the average number of permanent employees for the reporting period. 2) From 2023 onwards, the key figures for employees have been updated to align reporting with ESRS requirements. Hence, data is only reported for the current year and the previous year. 3) See page 74 Note 4. 4) Relates to permanent employees. 5) From 2024 onwards, long-term sickness absence is calculated as more than 15 days. Previously it was calculated as more than 60 days. Hence the increase in long-term sickness absence in 2024, compared with the previous period. 6) Relates to employees. No work-related accidents with a fatal outcome occurred during the year.

Greenhouse gas emissions scope 1–3, '000 tonnes CO_2e	2024	2023	2022	2021	2020
Scope 1: Direct GHG emissions	**61**	54	58	97	79
Scope 2: Indirect GHG emissions from purchased electrical energy[1)]	**0.5**	12	29	60	38
Scope 3: Emissions in the value chain	**708**	609	604	550	460
of which category 1: Purchased goods and services	**227**	196	191	136	100
of which category 2: Capital goods	**150**	116	95	120	80
of which category 3: Fuel and energy-related activities[2)]	**58**	40	40	38	36
of which category 4: Upstream transportation	**72**	54	54	56	56
of which categories 6 and 7: Travel[3)]	**4**	4	4	4	4
of which category 9: Downstream transportation	**197**	199	220	196	184
Total emissions	**769**	675	691	707	577

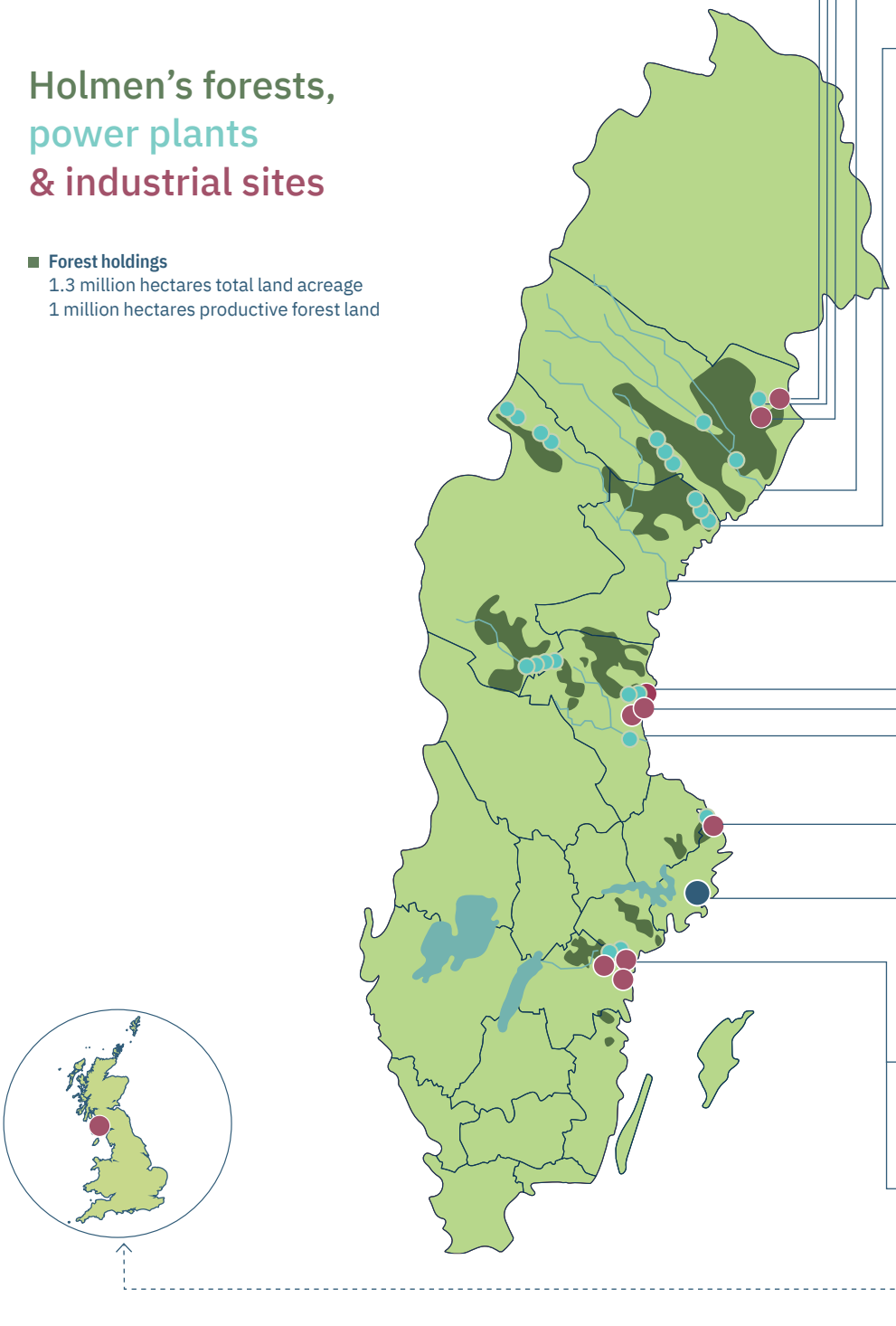
1) In 2024 Holmen updated the method for calculating gross market-based GHG emissions. Emissions from the value chain for the production of market-based electricity were previously in scope 2. These emissions have been moved to scope 3, category 3, in line with the GHG Protocol. 2) Increased due to updated calculation method. From 2024, emissions in the value chain from electricity production are also included. 3) Based on the travel survey conducted by Holmen in 2019.

HOLMEN 2024

Holmen gives quality-conscious customers across the world access to renewable products from the Swedish forests.

Holmen's forests, power plants & industrial sites

Forest holdings
1.3 million hectares total land acreage
1 million hectares productive forest land



Kroksjön Sawmill
Blåbergsliden Wind Farm
Bygdsiljum Sawmill

Umeälven
Harrsele
Tuggen

Gideälven
Stennäs
Gammelbyforsen
Björna
Gideå
Gidböle
Gideåbacka

Faxälven
Linnvasselv
Junsterforsen
Gäddede
Bågede

Strömsbruk
Strömsbruk
Converting Plant

Iggesundsån
Pappersfallet
Iggesund Power Station

Iggesund
Iggesund Mill
Iggesund Sawmill

Ljusnan
Sveg
Byaforsen
Krokströmmen
Långströmmen
Ljusne Strömmar

Hallstavik
Hallsta Paper Mill
Varsvik Wind Farm

Stockholm
Head Office

Norrköping
Braviken Paper Mill
Braviken Sawmill
Linghem Sawmill

Motala Ström
Holmen
Bergsbron-Havet

UK
Workington Mill

Forest holdings

Holmen's forests 2024

Total land acreage	1 303 000 ha
Total forest land acreage*	1 160 000 ha
– of which nature conservation areas	211 000 ha
Productive forest land**	1 045 000 ha

Total volume of standing timber on productive forest land ..... **127 million m³ growing stock, solid over bark**

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

***Forest land that can produce 1 m³ growing stock, solid over bark per hectare and year (on average during the growth period of the forest stand) according to Holmen's stand catalogue.*

Power plants

River	Hydro power plant	%[1)]	GWh[2)]	Commissioned
Umeälven	Harrsele	49	489	1957
	Tuggen	22	98	1962
Gideälven	Stennäs	10	3	1989
	Gammelbyforsen	10	1	1993
	Björna	10	8	1986
	Gideå	10	9	1986
	Gidböle	10	6	1985
	Gideåbacka	10	8	1995
Faxälven	Linnvasselv	7	16	1962
	Junsterforsen	100	130	1961
	Gäddede	30	22	1974
	Bågede	100	71	1974
Iggesundsån	Pappersfallet	100	6	1915
	Iggesund Power Station	100	22	2009
Ljusnan	Sveg	20	22	1975
	Byaforsen	20	21	1975
	Krokströmmen	9	42	1952
	Långströmmen	11	32	1961
	Ljusne Strömmar	7	17	1976
Motala Ström	Holmen	100	106	1990
	Bergsbron-Havet	100	8	1923
Wind power	Varsvik Wind Farm	100	149	2014
	Blåbergsliden Wind Farm	100	430	2021

1) Holmen's share of production. 2) Holmen's share of production in a normal year.

Production facilities

Iggesund Mill
Products: Solid Bleached Board. Multi-layered paperboard made from bleached chemical pulp (SBB).
Brands: Invercote and Inverform.

Workington Mill
Products: Multi-layered paperboard, surface layer of chemical pulp, core of mechanical pulp (FBB).
Brand: Incada.

Strömsbruk Converting Plant
Products: Converted paperboard products for the packaging of cosmetics, confectionery, food, etc.

Braviken Paper Mill
Products: Paper for books, magazines, advertising, newspapers and transport packaging.

Hallsta Paper Mill
Products: Paper for books, magazines, advertising and packaging.

Braviken Sawmill
Products: Spruce and pine construction products.

Iggesund Sawmill
Products: Spruce and pine products for joinery and construction.

Linghem Sawmill
Products: Spruce and pine construction products.

Bygdsiljum Sawmill
Products: Spruce and pine products for joinery and construction plus glulam and CLT for the construction market.

Kroksjön Sawmill
Products: Spruce products for builders' merchants and the construction industry.

Business area	Products	Customer segment	Primary markets	Competitors
Forest	Logs, pulpwood and biofuel	Sawmills, pulp mills, board and paper mills	Sweden	SCA, Sveaskog and a number of large forest owner associations
Wood Products	Construction and joinery timber, CLT and glulam, plus wood for pallets and packaging	Construction and joinery industry, builders' merchants, and packaging industry	Europe, Middle East & North Africa, North America	Moelven, SCA, Setra, Södra, Vida and a large number of foreign companies
Board and Paper	Premium paperboard for consumer packaging and paper products for books, magazines, advertising and transport packaging	Brand owners, converters, wholesalers, publishers, printers and retailers	Europe, Asia, North America	Metsä Board, Mayr-Melnhof, Norske Skog, Smurfit Westrock, Stora Enso, UPM
Renewable Energy	Renewable energy from hydro and wind power	Nordic electricity market		Fortum, Statkraft, Vattenfall, Uniper

Definitions and glossary

Definitions

Capital employed
Net financial debt plus equity, which corresponds to fixed assets (excluding non-current financial receivables) plus working capital less the net sum of deferred tax liabilities and deferred tax assets. Average values are calculated on the basis of quarterly data.

Cash flow after investments
Cash flow from operating activities less cash flow from investing activities.

Debt/equity ratio
Net financial debt divided by total equity.

Earnings per share (EPS)
Profit for the year divided by the weighted average number of shares outstanding, adjusted for buy-back of shares, if any, during the year. Diluted EPS means that any diluting effect from outstanding call options has been taken into account.

EBITDA
Earnings before interest, taxes, depreciation, amortisation and impairment, excl. items affecting comparability.

Equity/assets ratio
Equity expressed as a percentage of total assets.

Financial assets
Non-current and current financial receivables and cash and cash equivalents.

Items affecting comparability
Used to clarify how the earnings measures are affected by matters outside normal business operations, such as impairment, disposal, closure and major restructuring measures, plus alterations to assumptions in the valuation of biological assets. The effects of maintenance and rebuilding shutdowns are not treated as an item affecting comparability. Page 128 states which items have been treated as items affecting comparability over the past 10 years.

Net financial debt
Non-current and current financial liabilities, non-current and current liabilities regarding right-of-use assets, and pension obligations, less financial assets.

Operating margin
Operating profit/loss (excluding items affecting comparability) expressed as a percentage of net sales.

Operating profit
Profit before net financial items and tax.

Return on capital employed
Operating profit/loss (excluding items affecting comparability) expressed as a percentage of average capital employed, based on quarterly data.

Return on equity
Profit for the year expressed as a percentage of average equity, calculated on the basis of quarterly data.

Glossary

Biofuel
Renewable fuels such as wood, black liquor, bark and tall oil. Fuels that do not generate any net emission of carbon dioxide into the atmosphere, since the quantity of carbon dioxide formed during combustion is part of the carbon cycle.

Biotope and substrate
A biotope is an area with specific habitats. Substrate is the surface on which an organism lives.

Bulk
Measure of the paper's volume. Paper of the same grammage can have different thicknesses depending on the paper's bulk. High bulk means thick, but relatively light, paper.

Carbon dioxide (CO_2)
Carbon is the building block of life and is part of all living things. Biogenic carbon dioxide is released when biological material decays or is burned. Fossil carbon dioxide is released when coal, oil or fossil gas is burned.

Carbon dioxide equivalents (CO_2e)
Carbon dioxide equivalents include the effects from greenhouse gases other than just carbon dioxide, such as methane and nitrous oxide.

Climate adaptation plan
Plan to manage climate-related risks and adapt operations to climate change.

COD
Chemical oxygen demanding substances. A measure of the amount of oxygen needed for the complete decomposition of organic material in water.

CSRD (Corporate Sustainability Reporting Directive)
EU law requiring large and listed companies to report their sustainability impact.

Environmental Impact Assessment
A systematic analysis of the environmental impacts of a planned activity or measure.

ESRS (European Sustainability Reporting Standards)
Standards that companies must follow when reporting under the CSRD.

FBB
Folding Box Board. Multi-layered paperboard made from mechanical and chemical pulp.

Filler
Fillers, such as ground marble and kaolin clay, are used to give the paper bulk and make it more uniform in structure and brighter.

Fossil fuels
Fuels based on carbon and hydrogen compounds from sediment or sedimentary bedrock – mainly coal, oil and fossil gas.

GRI (Global Reporting Initiative)
International cooperation body, in which many different groups of stakeholders in society have drawn up global guidelines for how companies are to report on activities encompassed by the umbrella term of sustainable development.

ISO 9001
An international standard for quality management systems. Primarily aimed at companies and organisations that wish to improve two aspects of their operations, i.e. to ensure more satisfied customers and lower costs.

ISO 14001
An international standard for environmental management. Important principles in ISO 14001 include regular environmental audits and a gradual increase in the requirements.

ISO 45001
A series of international standards regarding a management system for health and safety. The management system includes monitoring, evaluating and reporting on health and safety work.

ISO 50001
An international energy management systems standard that provides a framework for energy efficiency measures.

m^3 growing stock, solid over bark
Cubic metre growing stock, solid over bark. The volume of tree stems, including bark, from stump to top. Generally used as a measure for growing forest.

m^3sub
Cubic metre solid volume under bark. The actual volume (no gaps between the logs) of whole stems or stemwood excl. bark and treetops. Generally used as a measure for harvested wood.

National Forest Inventory
A national inventory of Sweden's forests that provides data on the state of the forest and changes over time.

Nitrogen (N)
An element contained in wood. Nitrogen emissions to water may cause eutrophication.

Nitrogen oxides (NO_x)
Gases that consist of nitrogen and oxygen that are formed in combustion. In moist air, nitrogen oxides are converted into nitric acid, which creates acid rain. Nitrogen oxides also have a fertilising effect.

Particulates
Particles of ash formed in incineration of bark or liquor, for example.

Phosphorus (P)
An element contained in wood. Excessive phosphorus in the water may cause over-fertilisation (eutrophication) and oxygen depletion.

Precautionary principle
Persons who pursue an activity or take a measure, or intend to do so, shall implement protective measures, comply with restrictions and take any other precautions that are necessary in order to prevent, hinder or combat damage or detriment to human health or the environment as a result of the activity or measure. For the same reason, the best available techniques shall be used in connection with professional activities.

SBB
Solid Bleached Board. Multi-layer paperboard made from bleached chemical pulp.

Skogforsk
Forestry Research Institute of Sweden.

Substitution factor
A measure of how much greenhouse gas emissions are reduced when fossil raw materials are replaced with renewable materials.

Sulphate pulp
Chemical pulp that is produced by cooking wood under high pressure and at a high temperature together with white liquor (sodium hydroxide and sodium sulphide).

Sulphur dioxide (SO_2)
A gas consisting of sulphur and oxygen that is formed in combustion of sulphur-containing fuels, such as oil. In contact with moist air, sulphur dioxide is converted into sulphuric acid, which creates acid rain.

Suspended solids (SS)
Waterborne substances consisting of fibres and particles that can largely be removed using a fine mesh filter.

Transition plan
Describes how an organisation will reduce its climate impact and achieve its climate objectives.

Tall oil
By-product of the sulphate pulp process used for making soft soap, paints, biodiesel and other products.

Good rating in CDP's annual assessment

CDP is an independent organisation that analyses climate data from more than 24 000 companies every year. The companies that report their sustainability work to CDP are assessed on disclosure, awareness and management of climate-related risks and opportunities. Holmen has reported to the CDP Climate Program since 2007 and to the CDP Forest Program since 2013. The results show that we have a good strategy and management to mitigate negative impacts of climate change. In the 2024 assessment, Holmen was rated A- in the CDP Climate Program and B in the CDP Forest Program.

Top EcoVadis rating

On their most recent assessment, all Holmen's paperboard and paper mills were awarded a Platinum rating by the international analysis company EcoVadis. Holmen's two paperboard mills were awarded EcoVadis Platinum in 2024 for their successful sustainability work, and in 2023 the two paper mills received the same high rating. This award places Holmen among the top percentage of the more than 150 000 companies examined worldwide. EcoVadis assesses how companies work on the environment, sustainable purchasing, ethics, workers' rights and human rights.

Holmen contributes towards the UN's Sustainable Development Goals

We have been building our experience for 400 years and we constantly work to find long-term solutions to current challenges. Thanks to sustainable use of our forests' ecosystems, today we are able to operate a circular, renewable and bio-based business that benefits our customers, shareholders, employees and local communities. Our production, business and organisation contribute to the UN's Sustainable Development Goals and thus also to the 2030 Agenda.

The Biodiversity Intactness Index

Description of the Biodiversity Intactness Index on page 39

Ahead of the UN biodiversity conference in Montreal in 2022 (COP15), a research group at the UK's Natural History Museum launched the *Biodiversity Trends Explorer.* This is a free tool open to everyone which can be used to see how biodiversity is being affected by human activity. The change is stated as a *Biodiversity Intactness Index* showing what percentage of a region's natural biodiversity remains. The index can assume values between 0 and 100, where 100 means that the function of an ecosystem is intact and that the ecosystem is functioning as it always has, while 0 indicates an ecosystem that is completely depleted. The desirable level in an area should be at least 90 per cent, which can be seen as a threshold value that biodiversity must exceed.

The Biodiversity Intactness Index is based on the world's largest database of how ecological communities have been affected by mankind. The database contains more than 4.7 million data points from over 41 000 places and represents 58 000 species of plants, fungi and animals worldwide.

For the period 1970–2014, the index values are based on the actual values contained in the database. From 2015 onwards, the index values are modelled from available data in the database.

Sources: Natural History Museum. Global Forest Watch.

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