Sustainability Report Fiscal Year 2025

DOMSJÖ FABRIKER

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A message from our CEO

Domsjö Fabriker is a biorefinery that produces several products replacing fossil oil-based alternatives, thereby supporting the transition to a bioeconomy. Our main products are speciality cellulose, lignin and bioethanol. These products are produced from renewable and certified raw materials, primarily sourced from the nearby area. We're striving to make the most out of every tree.

In Fiscal Year 2024–2025 (FY25), market conditions continued to change, mainly driven by the closure of one of our competitors' speciality cellulose facilities the year before. Demand for speciality cellulose has remained quite strong throughout the year and we have continued to strengthen our speciality sales. For lignin the market experienced slower growth. Despite challenges, we continued to focus on our speciality segments and worked to enhance speciality sales. The bioethanol market has been quite strong and stable during the year with increased margins, mainly driven by the market for 2.0 G ethanol.

Production faced notable challenges, including a few breakdowns and a prolonged planned shutdown that impacted production. All this affected mainly our cellulose customers and necessitated product allocation. However, we managed to recover and finished the year quite strong, upcoming year looks promising.

Wood supply remained challenging and with strong competition, worsened by Russia's war against Ukraine. High demand from the local market and shortages in the domestic wood market led to continual price increases.

During the year we have continued our work with people culture and employer brand at Domsjö Fabriker. We have carried out several of activities together with our employees, our objective is to be the most attractive employer in the north part of Sweden.

BJÖRN VEDIN,
CEO DOMSJÖ FABRIKER

About the report

The Sustainability Report for Domsjö Fabriker AB (referred to from here on as Domsjö Fabriker or the company) for FY25, April 2024 – March 2025, is issued annually and follows the principles of stakeholder inclusiveness, materiality, sustainability context and completeness. This Sustainability Report is prepared as a separate document from the financial statement and is produced with reference to the international standards of the Global Reporting Initiative (GRI),

The boundary and scope of this report includes Domsjö Fabriker, for reasons of coverage within direct control and availability of data. The sustainability report has been reviewed by the auditing firm KPMG AB. For further information regarding the information in this report please contact the HSEQ Department.

The last Sustainability Report was published June 2024.

Find out more:
http://www.domsjo.adityabirla.com
http://www.adityabirla.com

Domsjö Fabriker

Location and local structure

Domsjö Fabriker is owned by an Indian conglomerate, Aditya Birla Group, and is located in the town of Örnsköldsvik, Sweden. Domsjö is both the base of operations and headquarters. Domsjö Fabriker has only one supplier of wood raw material, Domsjö Fiber AB, which is jointly owned by Domsjö Fabriker and Övik Energi AB. Domse Latvija is Domsjö Fabriker's subsidiary in Latvia and procures.

Sustainable businesses and products

According to Aditya Birla Group, a sustainable business is one that can live within the constraints of a two-degree sustainable world. A business that can reduce its impact on the externalities, as required by the shrinking legal space within which it must operate, as well as one that can adapt to external factors that are driven by global megatrends which will inevitably affect it.

Businesses operate according to management systems. Today, these management systems are often designed to meet limits set by local laws. However, these limits are not sufficiently restrictive to control our cumulative impact, such that we remain within the planet's safe operating limits.

In areas such as the production of greenhouse gases, notably carbon dioxide (CO_2), biodiversity management, nitrogen use, water management, land use, safety and health management, businesses will have to introduce greater levels of management control over time. By doing so, they will increase and standardise performance in these areas. In many cases, reduction will not suffice, and a complete transformation to new technologies or new methods will be required. This is especially true of the energy matrix, where reduction in the use of energy can only go so far towards reducing CO_2, before new fossil-free sources of energy must be introduced to our energy mix.

As a biorefinery, Domsjö Fabriker works in this direction through a wide range of products, all based on renewable and traceable raw materials. There is a motivation to find new and innovative products as well as new markets. Our products can be used to replace fossil-based products in the textile and chemical industries and thereby contribute to strengthening the bioeconomy and reducing the environmental impact of our own operations and products and those of our customers.

Governance structure

Domsjö Fabriker has been a part of the Aditya Birla Group (ABG) since 2011. ABG is an expanding Indian conglomerate with roots in the Indian textile industry. With over seven decades of responsible business practices, ABG have grown into global powerhouses in a wide range of sectors – from metals to cement, fashion to financial services and textiles to trading. Aditya Birla Group is anchored by a strong force of over 187,000 employees, representing 100 nationalities, and operates in 41 countries across 6 continents.

ABG has multiple businesses in the Fabric, Yarn, and Cellulosic Fibres sectors. Grasim Industries Limited (Grasim), a flagship company of the ABG and has a key stake in Domsjö Fabriker. Grasim is a leading global producer of Cellulosic Fibres, among other, in India. Grasim's subsidiary, Birla Cellulose, the pulp and fiber business of ABG, is a leading sustainability focused Man Made Cellulosic Fibres (MMCF) producer.

Domsjö Fabriker is one of four cellulose plants in the group. Two are situated in Canada and one in India. ABG has development laboratories and pilot equipment which enable the simulation of all industrial processes, from forest to fashion.

Viscose Staple Fibre, produced from cellulose, is not only used for different kinds of clothing it is also used in home textiles, dress materials, knit wears and non-woven applications, such as personal hygiene and medical purposes. Some of the leading brands of Birla Cellulose are Liva, Liva Eco, Liva Reviva, Birla Viscose, Birla Modal, Birla Excel, and Liva Navyasa. Liva, a cloth made from viscose fibre using a process controlled by ABG is also marketed in co-operation with several brands of textile manufacturers.

Board of Directors

The board of Domsjö Fabriker AB consists of:

- Kumar Mangalam Birla,
  Chairman, Aditya Birla Group
- Vadiraj Kulkarni,
  Business Head Cellulosic Fibres at Grasim Industries Limited
- Giancarlo Maroto,
  Chief Operation Officer, Pulp Operations
- Björn Vedin,
  CEO Domsjö Fabriker AB
- Maria Wallenius,
  Trade union representative, PTK
- Micaela Lundberg,
  Trade union representative, LO

FIGURE 1: OUR HOUSE OF CULTURE

Domsjö Fabriker is committed to Aditya Birla Group's corporate values, principles and policies. The values stand at the core of the Group and are implemented in Domsjö Fabriker according to the Swedish model, taking government laws and institutions into account.

Our values

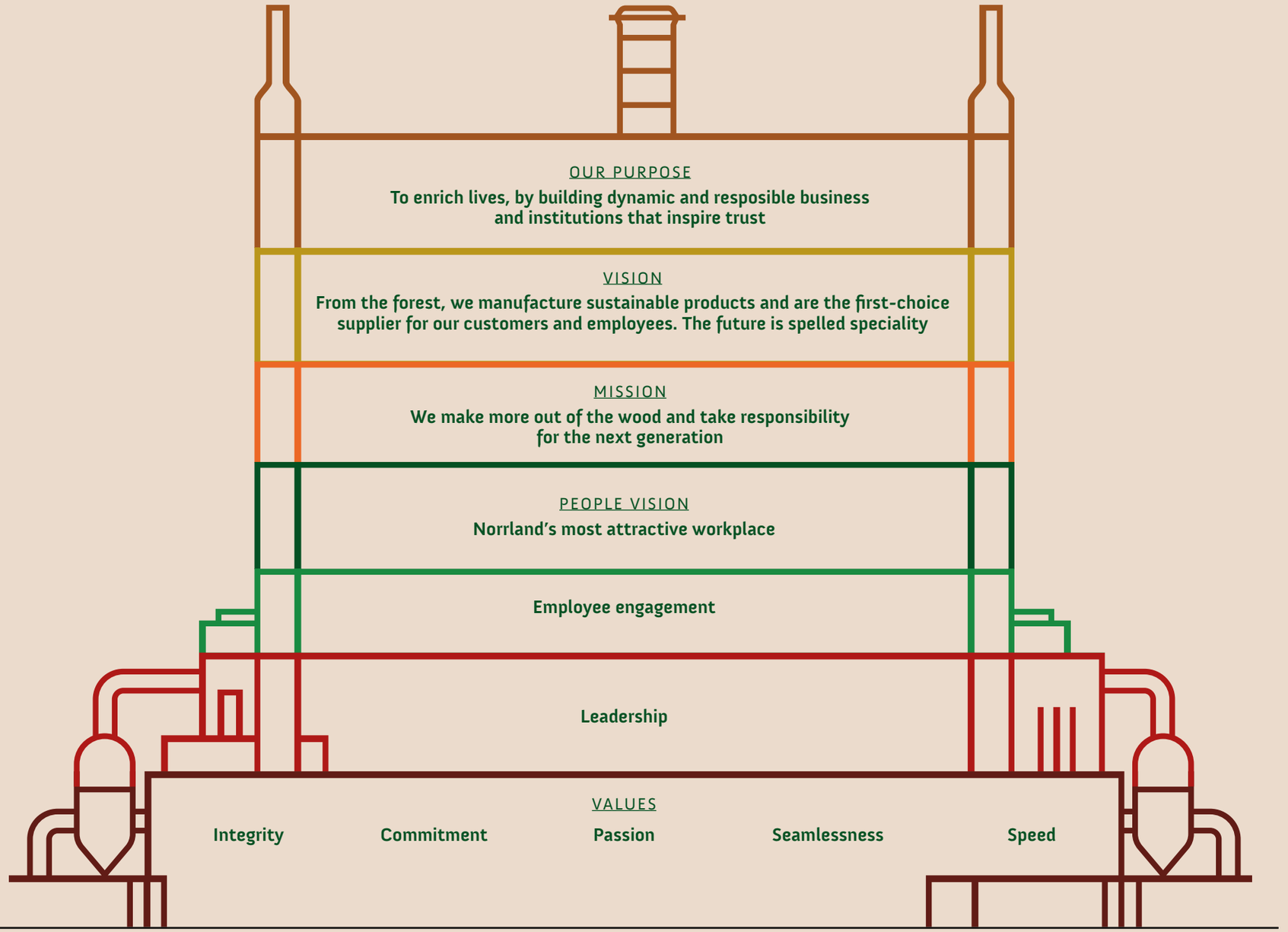
INTEGRITY: Acting and making decisions in a fair and honest manner, upholding the highest standards of professionalism, and being recognized for doing so. For us, integrity encompasses not only financial and intellectual integrity but also all other commonly understood forms.

COMMITMENT: Building on the foundation of integrity, we do everything necessary to deliver value to all stakeholders. This includes being accountable for our actions and decisions, as well as those of our team and the organisation for which we are responsible.

PASSION: Fuelled by an energetic, intuitive zeal that stems from emotional engagement with the organisation, making work a source of joy and inspiring every individual to give their best. We pursue goals and objectives voluntarily, spontaneously, and relentlessly with the highest level of energy and enthusiasm.

SEAMLESSNESS: Collaborating and working together across functional groups, hierarchies, businesses, and geographies. We leverage diverse competencies and perspectives to harness the benefits of synergy while promoting organisational unity through sharing and collaborative efforts.

SPEED: Responding to both internal and external customers with a sense of urgency. We continually strive to complete tasks ahead of deadlines and choose the most effective rhythm to optimise organisational efficiencies.



The governance structure for implementation of sustainability consists of three levels, which supports the management systems and processes that sets the groundwork for the changes that needs to be made at group, business and site level, see figure 2.

The Group Apex Sustainability Committee provides advice and guidance on implementing the framework. The Group Sustainability Cell provides technical support to business and helps leadership teams. Business Sustainability Committees are responsible for integration across their operations. To ensure the implementation at site level, there are Site Manager-Led Sustainability and safety committees.

FIGURE 2: SUSTAINABILITY GOVERNANCE STRUCTURE

GROUP LEVEL

Group Apex Sustainability Committee

It comprises the Chief Executive, Chief Financial, Chief Human Resources and Chief Sustainability Officers from the Group, and is appointed by the Chairman.

Group Sustainability Cell

IIt contextualises and embeds international standards into the ABG SBF, oversees the methodology of self-assurance for businesses, provides technical support to businesses via webinars, workshops and site visits, and helps leadership teams through Horizon Scanning and Future Proofing.

BUSINESS LEVEL

Business Sustainability Committees

Led by their Business Leader, CEO or Deputy CEO, these committees are responsible for the overall integration of the SBF across their operations and the initiatives that drive it through the business.

SITE LEVEL

Site Manager-Led Sustainability & Safety Committees

They ensure that the ABG SGF is being implemented on the ground. They are mandated to deliver the requirements outlined in the Group policies appropriately for the site, complete the self-assessment questionnaires and put action plans in place to meet ABG Standards.

The sustainability vision and framework have been developed at the Aditya Birla Group level and cascade down to different businesses and plants. The main components of the framework include a sustainability vision, policies and standards to be applied by group companies.

The purpose of the framework is to proactively build relationships with stakeholders, monitor performance against various standards, and drive results to ensure long-term sustainability of the organisation. The framework is driven by the Aditya Birla sustainability model, the sustainability framework rests on three pillars of sustainable growth: responsible stewardship, stake-holder engagement and future proofing, see figure 3 to the right. These pillars consist of different policies, technical standards and programmes of activity, see figure 4 on next page.

By adopting an evidence-based approach ABG is ensuring rigour and consistency in its processes. The unit must provide evidence, such as reports, photographs, documents and registers, to demonstrate their compliance as a part of the SAQs (Self-Assessment Questionnaires), see figure 5 on page 10.

Those that rank themselves >80% are reviewed off-site and the highest performers >95% are visited to verify the consistency of their results. ABG has also introduced a series of Assurance Principles to guide the self-assessment and verification process. Domsjö Fabriker was assessed on site regarding legal requirements, occupational health, first aid and WASH (Water, Sanitary and Hygiene) in 2018 and continually monitors the SAQs from ABG.

FIGURE 3: ADITYA BIRLA SUSTAINABILITY FRAMEWORK.

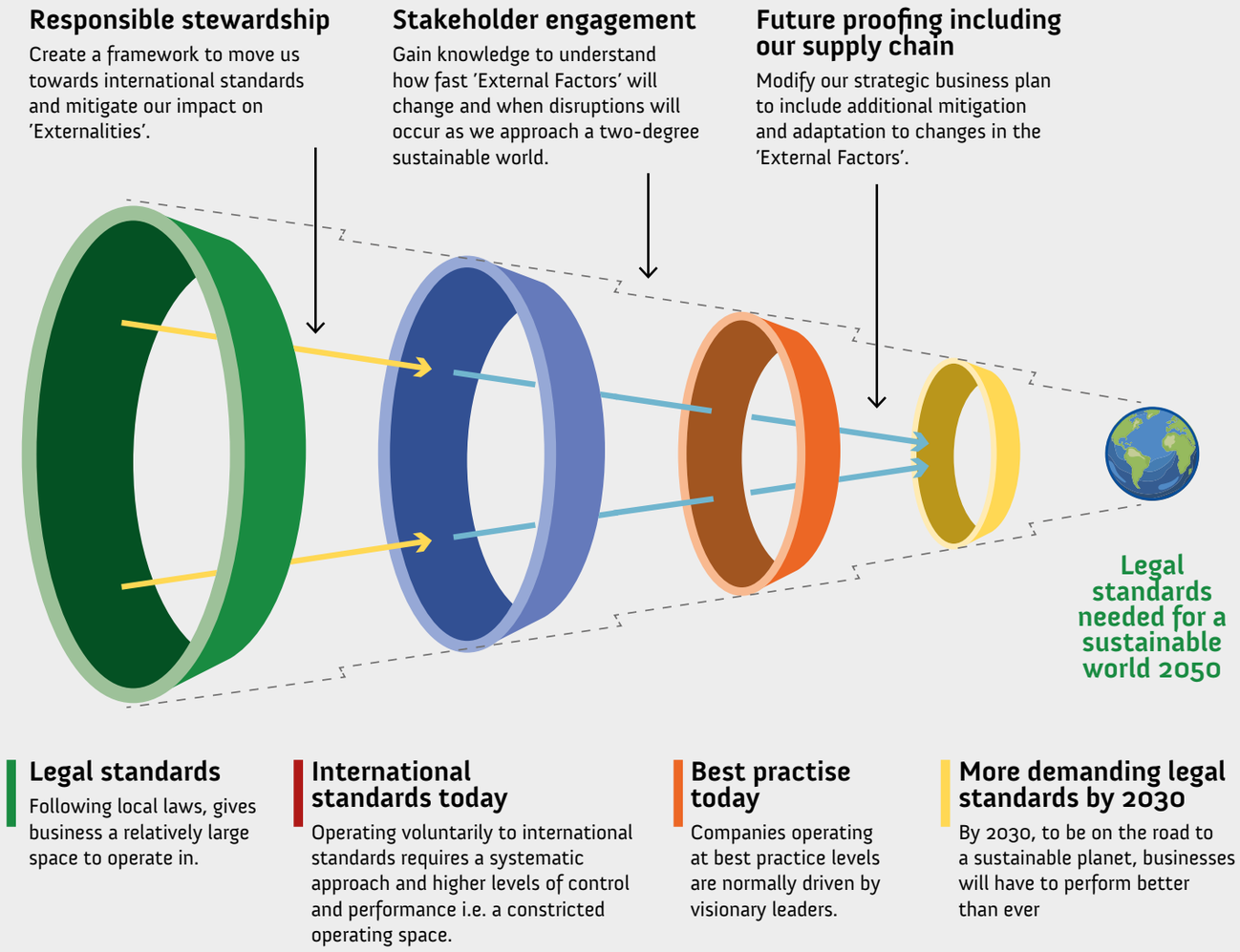
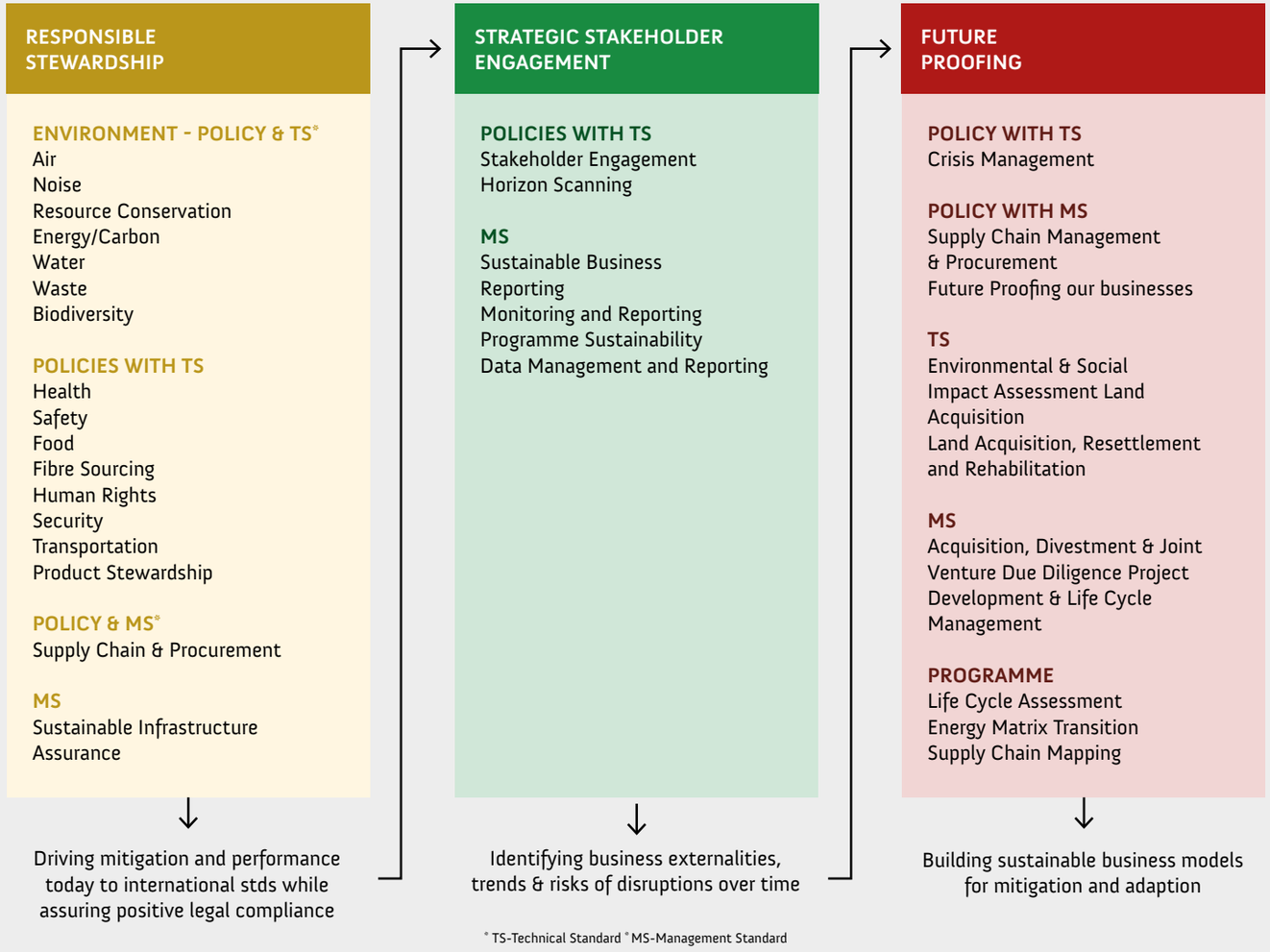


FIGURE 4: FRAMEWORK POLICIES AND PROGRAMMES. Source: building sustainable businesses fit for a sustainable world



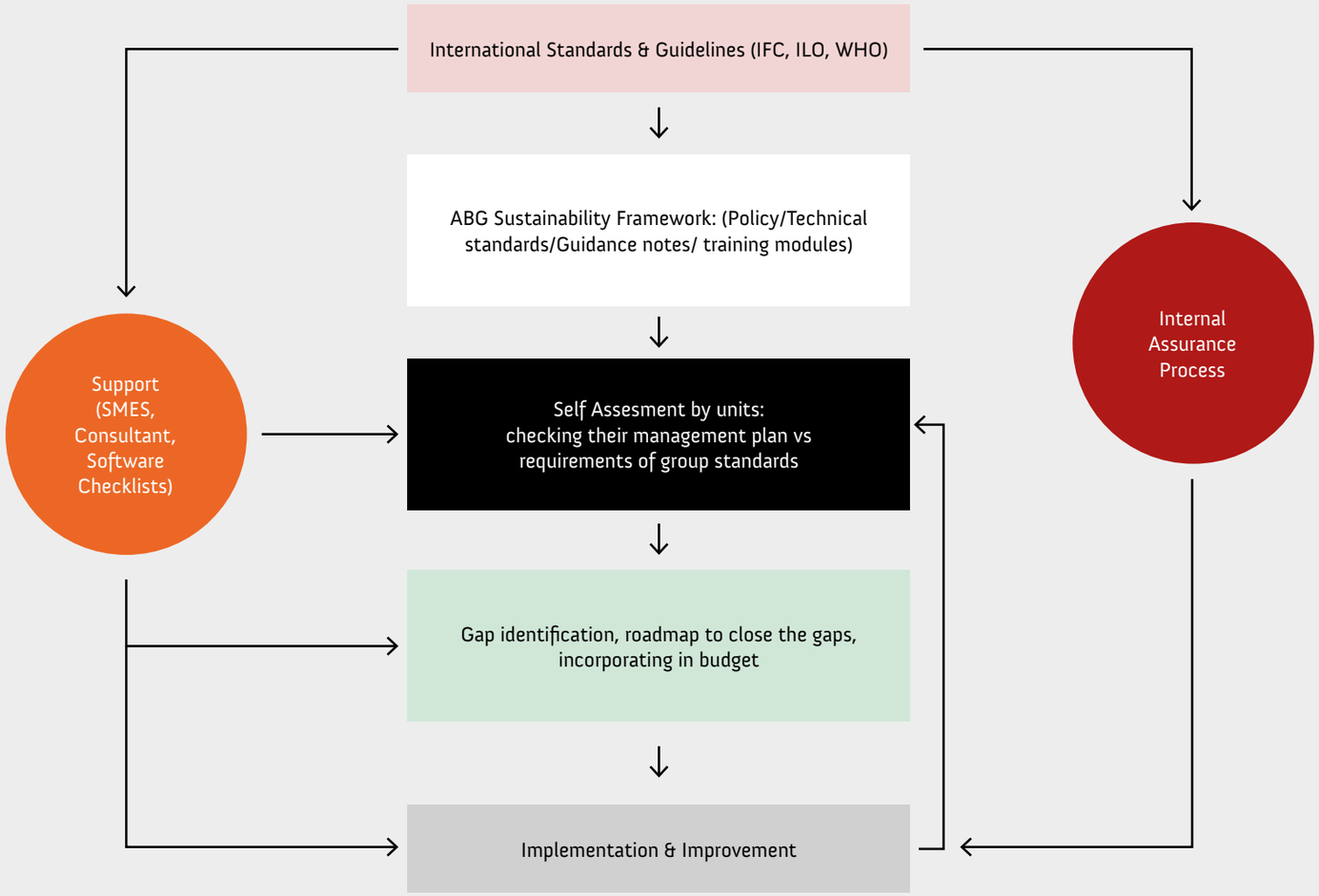
* TS-Technical Standard * MS-Management Standard

Domsjö Fabriker has implemented the standards ISO 9001 (Quality), ISO 14001 (Environment), ISO 17025 (Testing and calibration laboratories) and FSC® (FSC-C124657) and PEFC (PEFC/05-33-253) regarding chain of custody for wood material.

Domsjö Fabriker is also certified according to the GMP+ standard for lignosulphonate, since the company works systematically with products that are used in animal feed markets. Since March 2022 the company has been certified according to the international standard ISCC (International Sustainability & Carbon Certification) for bioethanol production. Internal and external audits are conducted in accordance with ISO 9001/14001 and other standards. All employees are educated about the standards and environmental issues in general.

The working process of the management team has been revised to widen the scope in line with the new environmental standard and Aditya Birla sustainability framework. To align with the goals of the Paris Agreement, ABG is committed to implement scientifically grounded and measurable target. By focusing on reducing the greenhouse gas emissions, ABGs goal is to reach Net Zero emissions across all their businesses by 2050. Sustainability efforts focus on decarbonisation, energy efficiency, renewable energy adoption, and the creation of sustainable products.

FIGURE 5: PROCESS FOR SELF-ASSESSMENT TO COMPLY WITH THE ABG FRAMEWORK. Source: building sustainable businesses fit for a sustainable world



1. Making more from the tree

Supply chain

We all have a responsibility for the planet's resources and how they are used. As an important member of society, Domsjö Fabriker wants to contribute not only through our products, but also by providing a safe and healthy work-place. Our sustainability work is a natural part of our business and a significant competitive advantage.

Based on traceable forestry, our products meet all the requirements to contribute to the transition to a sustainable, bio-based society in which fossil raw materials and energy sources are replaced by renewable alternatives.

Together with its stakeholders, Domsjö Fabriker wants to make a difference. The ambition is to improve existing operations and create new application fields for the growing forest, thus contributing to reduced environmental impact, increased growth and more job opportunities. Basically, all products made from fossil-based material can be produced using wood-based material. The processes used by Domsjö Fabriker are able to refine renewable forest raw materials into valuable products while also reducing the negative impact that fossil oil has on the environment and climate.

Domsjö Fabriker has over the years transformed and developed into a bio-refinery that produces multiple products using the various components of wood, cellulose, hemicellulose and lignin.

What is a biorefinery?

EuropaBio – the European Association for BioIndustries, defines biorefineries as follows: "Biorefineries exploit all of the elements of biomass, recycling secondary products and wastes of the reaction into valuable products, even producing the very energy which powers the process itself. In this respect, the concept is analogous to a petroleum refinery, where oil is refined into many marketable products including chemicals, energy, and fuels. However, there is a crucial difference: biorefineries are based on the use of renewable materials as a feedstock whereas today's petroleum refineries are based on the use of non-renewable materials such as fossil fuels."

"Together with the stakeholders, Domsjö Fabriker want to make a difference"

Products from Domsjö Fabriker have different end uses, but one factor they have in common is that they all contribute in a positive way to less impact on the environment, both locally and globally. Domsjö Fabriker is at the beginning of a textile value chain that culminates in the production of apparel using natural fibres. The products are made from renewable raw material and the processes are designed to minimise the environmental impact of the products along the value chain. Sustainable forestry and "making more from every tree" are crucial to keep this value chain sustainable.

Domsjö Fabriker engages with the value chain through innovation, knowledge sharing, responsible sourcing and the use of unique processes to produce environmentally sound products from renewable raw material. Customers are supported by providing technical support on how to use the products and by understanding customers' needs, now and in the future.

The Aditya Birla Group has a supply chain and procurement policy that stress the importance of using alternative materials and renewable energy, water stewardship, safety, health, respect for human rights and elimination of child labour and forced labour across the value chain. Domsjö Fabriker is also committed to this policy. The company uses bio-based raw materials to produce its products and thermal energy. There is no lack of water where Domsjö Fabriker is located, and the quality of the water is good.

Human rights and anti-corruption

Domsjö Fabriker follows a Code of Conduct and anti-corruption policy which it also extends to its supply chain. The Code of Conduct applies both to internal employees and business partners that have dealings with Domsjö Fabriker, and its purpose is to protect the business and inform stakeholders about the company's expectations. It contains principles, values and rules of behaviour that should guide the organisation and its stakeholders in a desired ethical and moral direction.

Domsjö Fabriker has adapted Sida's definition of corruption as "abuse of trust, power or position for improper gain". The anti-corruption policy is intended to promote sustainable and responsible relationships with our stakeholders.

The operations of Domsjö Fabriker not only affect its direct employees but also a large number of local contractors that work more or less on a daily basis at the mill. It is important to build this long-term relationship with local companies and expertise in order to develop the business. Domsjö Fabriker also cooperates with similar companies within the area by sharing resources to maximise efficiency and sustainability.

The main market for the supply of raw materials is western Europe, with some exceptions, *see Table 1*.

"Domsjö Fabriker uses biobased raw materials to produce its products and heat energy."

TABLE 1: SUPPLY CHAIN DATA.

RAW MATERIAL PROCURED	COUNTRIES OF ORIGIN	TYPE OF SUPPLIERS
Wood	Sweden, countries in northern Europe	Forest owners and Forest owners' associations through Domsjö Fiber AB
Sulphur	Sweden	Trader
Chemicals (caustic, lime, etc.)	The Netherlands, Finland, Sweden	Producer
Packaging material	Sweden, Czechia, Slovakia, Germany, Asia	Producer
Fuels (diesel, fuel oil etc.)	Sweden	Producer

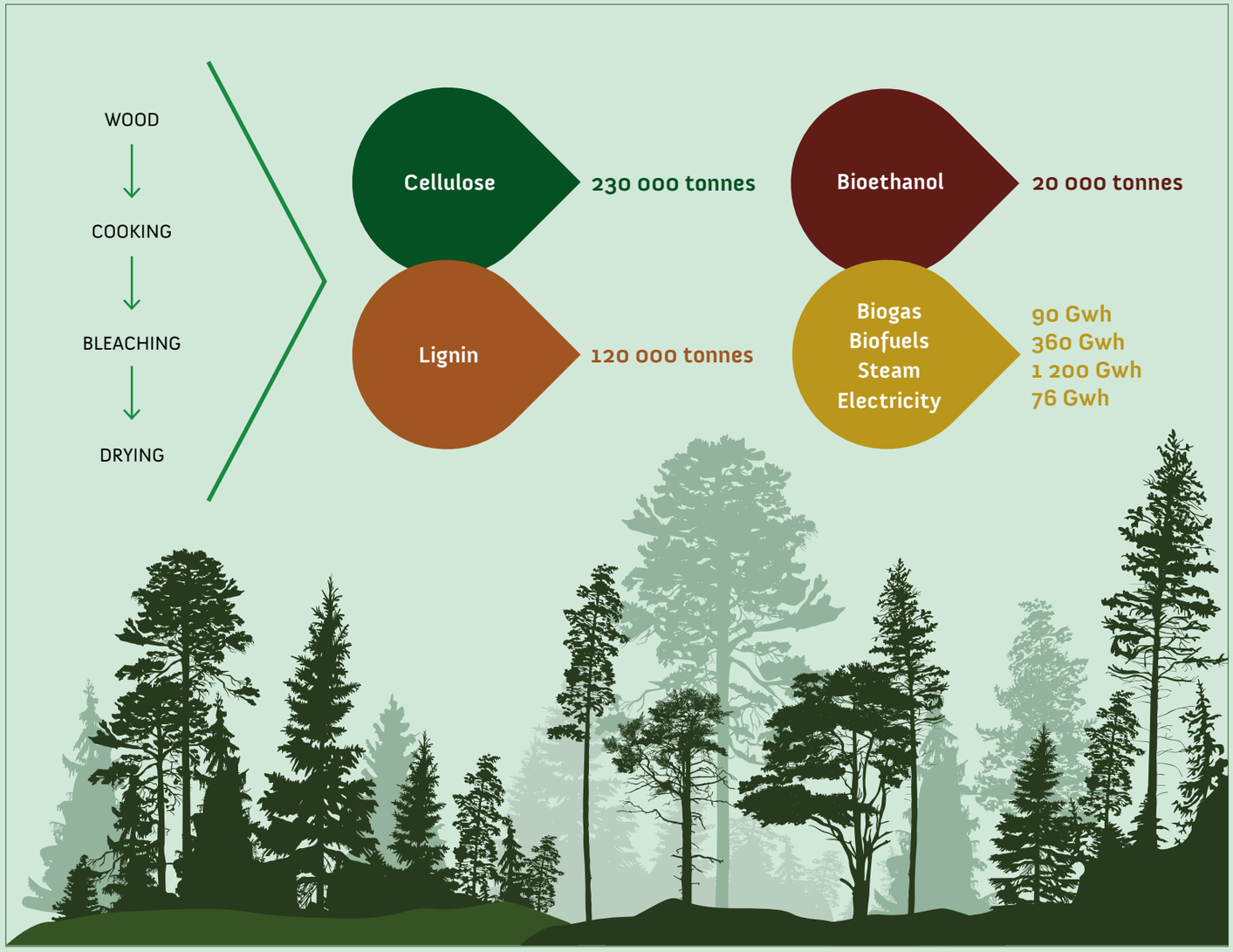
Forest and wood raw material

The main raw material used in the process is wood originating from forests. The forest and its products are part of the solution to the climate and environmental issues of our time, as more and more people see the opportunities of a bioeconomy, instead of an economy largely based on fossil raw materials. Through the transition to a resource-efficient economy based on renewable raw materials produced through sustainable forestry our collective carbon footprint is reduced. Forest industry products are refined in many different areas and often replace materials and products made from fossil raw materials. In addition to a high degree of refining, important jobs are also created, not only in the forest industries but also in the supply chain.

There is a clear picture of the conditions necessary for development of a sustainable bioeconomy. The Swedish Forest industry has an important role as the world's second-largest exporter of forest products, and because of its wealth of expertise and advanced research in this field. Swedish companies are at the very forefront of development in new wood and cellulose-based products, such as bioplastics, biocomposites, carbon fibre materials and textile fibres. Breakthroughs in the development of chemicals and refined fuels are also imminent. *Figure 6* illustrates the way Domsjö Fabriker utilises wood.

A prerequisite for a sustainable bioeconomy is increased access to renewable raw materials. Sweden has a long tradition of well-managed forests that has resulted in large areas of forests that are growing even larger. Swedish forests are developed instead of being exploited, with a level of harvesting that is far below the rate of growth and thus guarantees future access. About 25% of the forest area is excluded from forestry for nature conservation reasons.

FIGURE 6: WE MAKE MORE FROM THE TREE.



According to Swedish Forest Industries:

- In Sweden alone, forest covers 70 per cent of the surface. There are 87 billion trees.
- There is now twice as much wood in Sweden as there was 100 years ago.
- One percent of our forest is felled annually. Nonetheless, growth outpaces felling.
- For every tree harvested at least two new are planted.
- Sweden is one of the world's largest exporters of forest-based products.
- 80 percent of our forestry-based products are exported.
- The substitution effect of Swedish forest industry products is equivalent to almost twice Sweden's annual carbon dioxide emissions.
- Environmental and production targets in forestry are brought in line with each other since the Swedish Forestry Act was updated in 1993.
- Sweden's forest industry uses almost no fossil fuels in its processes.
- The forest industry is one of Sweden's most important business sectors, directly employing 70,000 individuals across the country. When considering all subcontractors, the sector provides employment to a total of 140,000 people.

Domsjö Fabriker consumes approximately 1.3 million cubic meters of wood from spruce and pine (solid under bark) each year. Predominantly from northern Sweden, but also from the middle part of Sweden and imports from the Baltics and other countries in northern Europe. Domsjö Fiber is responsible for the supply of all wood to the biorefinery, which is sourced through contracts with forest companies and associations of forest owners both nationally and internationally. The wood is transported mainly by road but also by sea or rail. The production process results in high-quality, environmentally sound products. All wood supplied is covered by the ABG Wood Fibre Sourcing Policy and is considered as FSC® Controlled Wood or PEFC Controlled Sources as a minimum. The traceability of the wood is audited annually according to Chain of Custody certification for FSC® (FSC-C124657) and PEFC (PEFC/05-33-253).

Sustainable forest management is vital to maintain sustainable forests and a sustainable value chain, and all incoming wood is therefore sourced in accordance with the ABG Fibre Sourcing Policy and controlled through Chain of Custody audits in line with the requirements of the FSC® and PEFC standards. The wood is traceable and does not originate from any illegal sources. Seventy-one percent of the wood consumed originates from Sweden and mainly from local areas. Forestry methods are non-toxic and do not require agricultural land nor irrigation.

The forest and its products are part of the solution to the climate and environmental issues of our time as more and more see the opportunities of a bioeconomy instead of an economy largely based on fossil raw materials. Through the transition to a resource-efficient economy based on renewable raw materials produced through sustainable forestry our collective carbon footprint is reduced. Forest industry products are refined in many different areas and often replace materials and products made from fossil raw materials. In addition to a high degree of refining, important jobs are also created.

Further, the Aditya Birla Pulp and Fibre Business has partnered with Canopy, a not-for-profit environmental organisation working towards forest conservation and sustainability. Canopy works with businesses to develop innovative solutions that make their supply chains more sustainable and to help protect the world's endangered forests. One of Canopy's flagship campaigns is the CanopyStyle initiative through which Canopy partners with various viscose producers, fashion brands and designers to ensure that sustainable forestry is practised when making viscose-based clothing.

Every year, as part of the CanopyStyle initiative, Canopy releases a Hot Button Report which is highly anticipated by 500+ global brands, retailers and fashion designers. It ranks the world's largest viscose producers based on their progress and commitment towards eliminating endangered forests from their supply chain. In the Hot Button Report for 2024, Aditya Birla (The Aditya Birla Group owner of Grasim Industries and Birla Cellulose), secured the top position and was awarded the "Dark Green" color shirt for the fifth consecutive year. The report highlights Birla Cellulose's continuous improvement in the ranking over the years, underscoring the sustainable wood sourcing practices, efforts to address endangered forest fiber in the viscose supply chain, and advancements in next-generation fibers.

Operations

Environmental work and the production process have been in focus for many years. Environmental measures in both processes and treatment plants have gradually reduced our environmental impact. We were the first in the world to bleach to the highest brightness without chlorine-containing chemicals. Today, Domsjö Fabriker is alone in the world in having a closed-loop bleaching plant without any emissions to water.

The process at Domsjö Fabriker

Logs come mainly from local areas and are transported by trucks. The logs are debarked, chipped and fed into the digesters together with cooking chemicals. The bark is incinerated and provides energy in the form of steam, electric power and district heating. After cooking, the cellulose is washed and bleached using only hydrogen peroxide. The bleaching plant is the world's only chlorine-free, closed-loop bleaching plant. After bleaching, the bleached cellulose is dried and shipped. The entire process, from tree to finished cellulose bale, takes about 40 hours. During cooking, hemicellulose and lignin are dissolved. The sugars from the hemicellulose are fermented and distilled to produce bioethanol.

The cellulose process also produces spent liquor containing lignin and chemicals, most of which are used when producing energy and the chemicals are later recovered during cooking liquor preparation and recycled again in the process. The remaining lignin is used when producing lignosulphonate. Most of the lignosulphonate is dried and packed in either small or large bags and sold to external markets. *Figure 7* illustrates the process at Domsjö Fabriker.

FIGURE 7: THE PROCESS AT DOMSJÖ FABRIKER

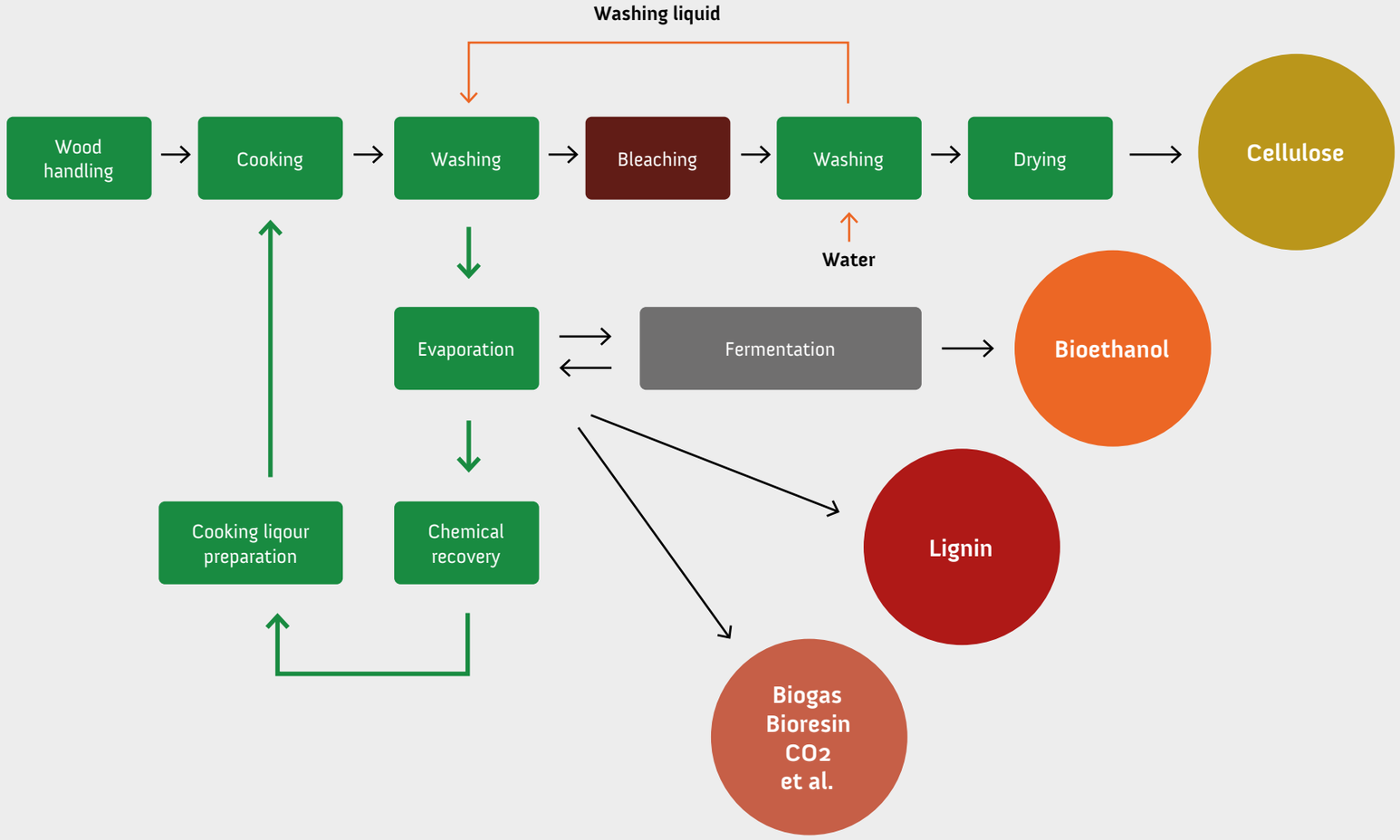
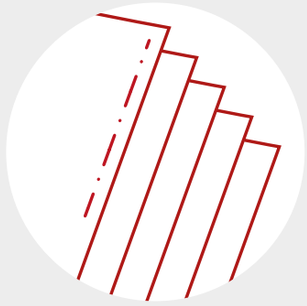


FIGURE 8: DOMSJÖ PRODUCTS.

Products

Speciality cellulose, lignosulphonate and bioethanol are the main products. The use of renewable raw material, the company's commitment to sustainable sourcing of wood and the unique process minimise the environmental footprint of products.

Domsjö Cellulose



Fashion

Textile

Hygiene

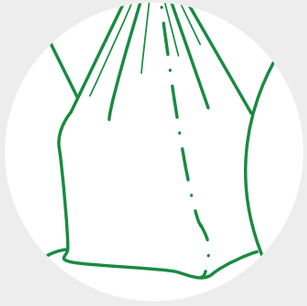
Food

Medical tablets

Paint

Sausage casings

Domsjö Lignin

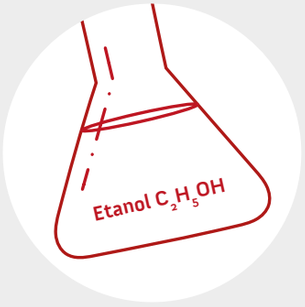


Concrete additivies

Binder in the mineral and food industries

Additivies for geotechnical drilling

Domsjö BioEthanol



Heat transfer media

Chemical products

Bio fuels

Screen Washer fluid

Paint additivie

Domsjö Energy

Bark

Biogas

Bioresin

Knots

Saw dust

Speciality cellulose

Domsjö cellulose, based on softwood, has proven its excellence over many years in very demanding applications such as the production of acetate, technical cord, pharmaceutical tablets, sausage casings, viscose filaments and viscose staple fibre. The main markets are Europe, Indonesia, India and China. The cellulose from the unique process is specially formulated to meet customers' requirements. Domsjö Cellulose is bleached in a unique, totally chlorine-free and closed-loop bleaching plant, resulting in high-brightness cellulose.

End-use products based on Domsjö cellulose can in many cases replace oil-based alternatives where the main end use, viscose, is a sustainable alternative to cotton and polyester in textiles. The large amounts of water and pesticides used in making cotton mean it has a high environmental impact, while polyester is derived from oil. Domsjö Fabriker has a long-term commitment to providing superior cellulose that combines high quality, in-depth expertise and reliability. The production of speciality cellulose during FY25 was 184, 987 tonnes.

Lignin

The unique process results in a modified lignin, i.e., lignosulphonate. It is used as a dispersant agent or as a binder in various applications such as agrochemicals, animal feed and in oil and gas drilling. The most common application area is admixtures for concrete. The lignin improves the concrete's flow properties and thus reduces the need for cement in concrete structures while retaining strength characteristics. Adding lignin to concrete benefits the environment because cement production emits large amounts of carbon dioxide. Estimates show that adding one kilogram of lignin to concrete reduces the carbon dioxide emissions from cement production by 20 kilograms.

The annual lignin capacity at Domsjö Fabriker is 120,000 tonnes, which, if all used in concrete, would reduce the need for cement equivalent to 2.4 million tonnes less carbon dioxide emission from the cement industry. The lignin from our process is dried using biogas from the biological treatment process and shipped to customers in over 60 countries around the world. The production of dried lignin for FY25 was 79 391 tonnes. The lignin is packed either in small or big bags depending on the market and customer requirements.

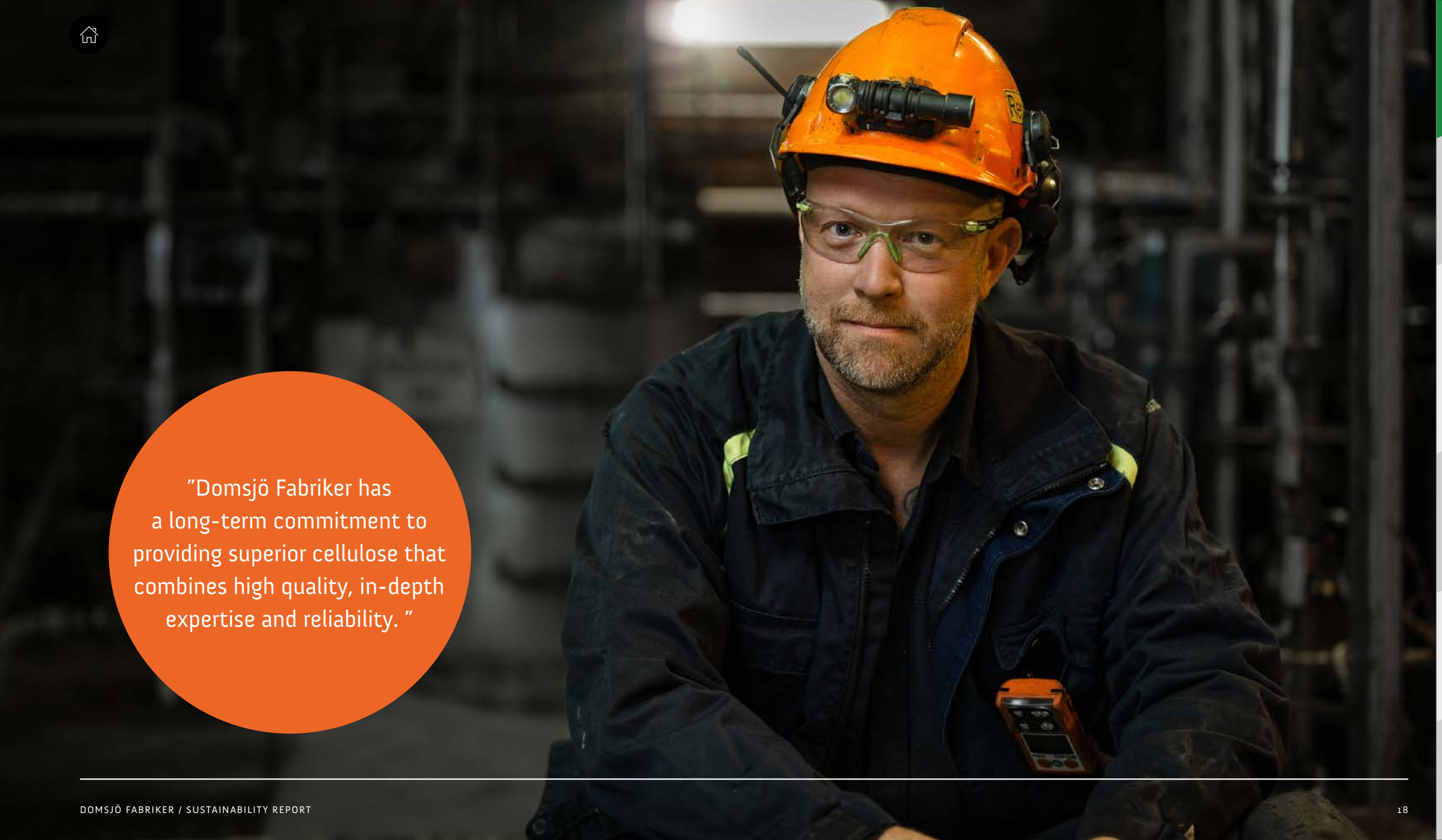
Bioethanol

The unique cooking process releases hemicellulose as sugar, which is fermented in the ethanol plant. In the fermentation process bioethanol is produced. The bioethanol is mainly used as car fuel, blended into petrol. About 10 percent is used as raw material for producing green chemicals. Ethanol is a good solvent and has many other applications, such as water-based paints, pharmaceuticals, perfumes, cleaning products, paints and inks. Ethanol is also used as a coolant in heat pumps and in screen washer fluid.

Ethanol is an interesting raw material for the chemical industry, as it replaces oil as the feedstock for various kinds of plastic and chemicals. In the chemical industry's shift towards more renewable raw materials, ethanol from forest biomass can play an important role. The bioethanol is delivered to a customer on site producing green chemicals. The production of bioethanol during FY25 was 13,800 tonnes (100%).

By-products

Domsjö Fabriker also produces by-products. Bark from wood handling and bioresin and other reject materials from the cellulose process are sold as biofuel. Carbon dioxide is generated in the bioethanol production process and is utilised in the production of carbonic acid. The biological treatment plant produces biosludge that can be used in soil-improving material. There is also a fraction from the pulp production process that is being tested for use as an insulation material.



”Domsjö Fabriker has a long-term commitment to providing superior cellulose that combines high quality, in-depth expertise and reliability. ”

2. Assessment of material topics

During production, precautionary measures are always considered and taken to minimise the environmental impact and use of resources. This also plays a key part in the ISO14001 environmental management system when addressing continuous improvement and a life cycle perspective in operations and activities.

Domsjö Fabriker has a system for collecting, handling and closing deviations that affect the environment and health and safety. Domsjö Fabriker records and analyses all kinds of non-conformities, not just accidents and incidents, to further improve operations and increase transparency. The company also records risk analyses and audits in the same system to address actions and to collect all documentation in one place.

The significance of materiality assessment

The Aditya Birla Group has developed a sustainability model to achieve its sustainability vision. Responsible Stewardship, Stakeholder Engagement and Future Proofing are identified as key components of this framework, to be practised by the Group's businesses. The second step defined by the model is Stakeholder Engagement.

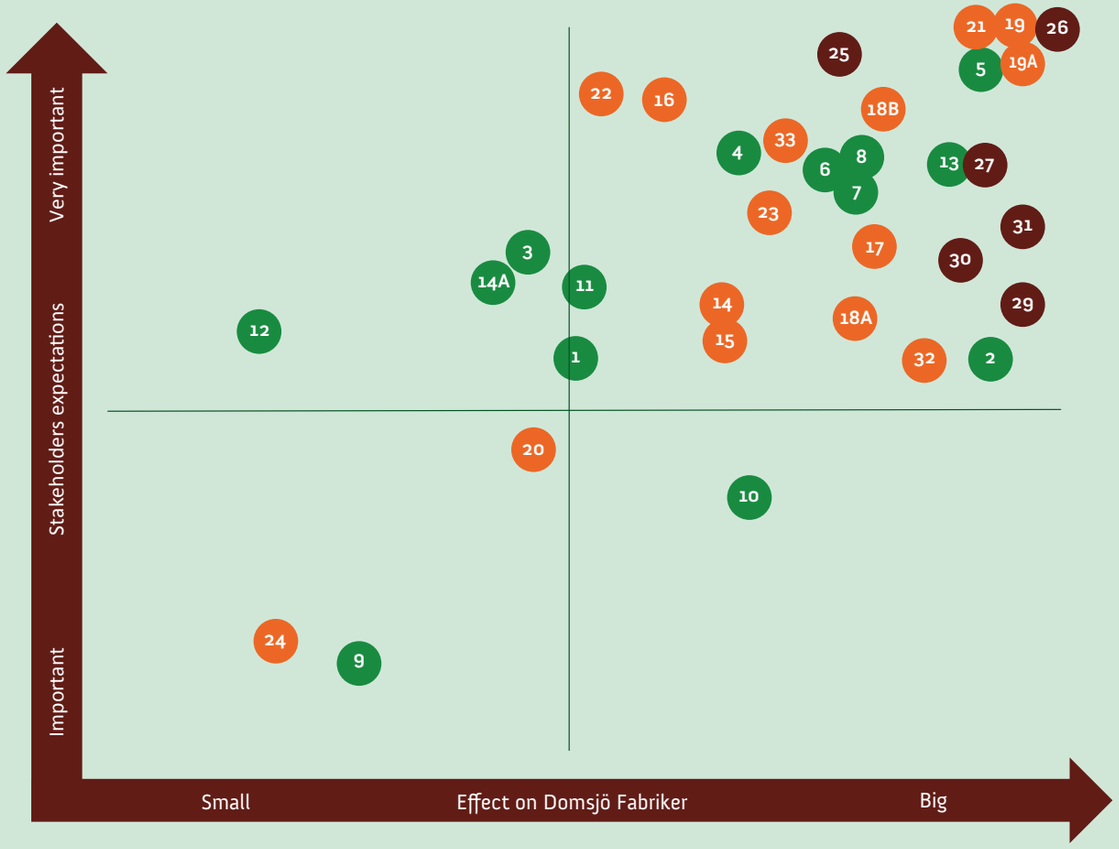
The goal for Domsjö Fabriker is to build strong relationships with stakeholders and key technical experts. By doing so it is expected to learn which trends are most likely to affect the businesses in the future and how they might change. To succeed, it is vital that materiality assessments are carried out as a part of the stakeholder engagement to allow identification of strengths, weaknesses, priority risks and opportunities linked to the business. This enables Domsjö Fabriker to focus its resources and monitoring activities on sustainability aspects that are most relevant to the business and to stakeholders.

Process for materiality assessment:

A materiality assessment has been carried out in recent years and is updated on a yearly basis together with representatives from each department, including environment, health and safety, process and operations, supply chain, finance, and human resources.

The input comes from stakeholder assessments, environmental topics and from earlier materiality assessments. Additional issues identified by the participants are collated and ranked based on the risk assessment according to stakeholder requirements and expectations. *Figure 9* on next page shows the results from the materiality assessment.

FIGURE 9: MATERIALITY ASSESSMENT



ENVIRONMENT

1 Contributing to enhanced bioeconomy, *High environmental concern*
2 Reduced energy consumption
3 Reduced fossil dependency
4 Reduced odour
5 Legal conformity
6 Low emissions to air
7 Low emissions to water
8 No disturbing noises
9 Reduced water use
10 Reduced waste
11 Soil contamination
12 Reduced forest impact
13 Satisfying emergency management
14 A: Reduced carbon footprint (GHG)

QUALITY
(INCLUDING FINANCIAL TOPICS)

14 Correct documentation (customers)
15 Correct documentation (suppliers)
16 Payment security
17 Clear Long Term Strategies
18 A: Delivery reliability IN
B: Delivery reliability OUT
19 Poduct quality 19 A: Production volume
20 Need for certified wood
21 Fulfil financial expectations, return on capital
22 Financial information/material
23 Hosted relationships
24 Innovations
32 Flexible process
33 Customer satisfaction

SOCIAL

25 Safe workplace
26 Safe working environment
27 Follow our values/principles, create commitment
28 –
29 Competence development
30 IT-security
31 Good leadership

Summary of Materiality Topics

From the identified topics in figure 9, the five most important topics were listed: Legal conformity, Product quality, Fulfil financial expectations, Safe working environment and production volume. Production volume is a new topic. Attractive workplace (topic 28) was removed, it is included in the other social topics. All the topics are being worked with within the organisation.

Environment

LEGAL CONFORMITY #5

Domsjö Fabriker complies with the environmental regulations but exceeded the permit for phosphorus, dust from the gas scrubber and noise in 2024. There is a group within the company which is continuously informed about new regulations and laws that affect the pulp and paper industry. When new regulations are going to be introduced, the group informs the responsible department and, through dialogue, they come up with what needs to be done to fulfil the new rules. This function is followed up during the management review every year.

Quality (including financial topics)

PRODUCT QUALITY #19

Product quality is one of the focus areas for the mill. Increased focus on quality is a key factor for success. This is followed as a target.

PRODUCTION VOLUME #19A

Production volume is one of the focus areas for the mill.
This is followed as a target.

FULFIL FINANCIAL EXPECTATIONS, RETURN ON CAPITAL #21

Focus on making our own money to secure future investments and improvements.

Social

SAFE WORKING ENVIRONMENT #26

Domsjö Fabriker believes that healthy and safe employees are vital for operational efficiency and sustainability. The company wants its employees to feel safe when working in the mill, knowing that all their concerns are listened to and addressed at the highest level within the organisation. Domsjö Fabriker has a system for handling issues relating to health and safety. Accidents are examined through MTOK investigations (human, technical, organisation and cultural causes) to prevent them from happening again.
There is a general target of zero accidents and a target of twelve or more reported incidents (near misses and risk observations) per accident. This target is monitored, and the target number will be raised to thirteen for FY26.

The materiality assessment is a tool to help the organisation to understand the most important questions to focus on. The most important material topics are addressed through the management review once a year and corrective action is taken when required.

"Domsjö Fabriker believes that healthy and safe employees are vital for operational efficiency and sustainability."

3. Performance disclosures of key sustainability aspects

Environmental impact of Domsjö Fabriker's operations

As a part of its sustainability efforts, Domsjö Fabriker has conducted a systematic assessment of the environmental impacts associated with its operations. Among the significant environmental aspects identified is the impact on water quality, particulary related to discharges of nutrients such as nitrogen and phosphorus. The largest proportion of these nutrients originates from the feeding of micro-bacteria in the biological treatment plant. Considerable effort is ongoing to optimising this concentration.

The recipient outside Domsjö Fabriker has a long industrial history and emissions from that time can still be found in sediments and fibre banks in Örnsköldsviksfjärden and could possibly also affect the quality of the water in general. This is a general situation for many companies in the forest industry that have a long history of operations along the Swedish coast. This is something that is being investigated in a variety of projects initiated by stakeholders that include the Swedish Forest Industries.

In the case of environmental objectives for air, the main factors that affect the environment are emissions of sulphur dioxide, nitrogen oxide, particles and carbon dioxide. Although emissions to the air from Domsjö Fabriker affect the objectives, no environmental quality standards are exceeded. The objective for a good built environment is also affected when it comes to noise and smell. Domsjö Fabriker has set up projects to address these two parameters and the target is to minimise the emissions that cause them.

Regarding the objectives for reduced climate impact, Domsjö Fabriker has a relatively small impact since the use of fossil fuels is almost negligible. Fossil oil is mainly used during shutdowns and start-ups of the recovery boilers. From a life cycle perspective, use of the end products could also contribute to reduced climate impact, since cellulose could replace more resource-intensive cotton production; lignosulphonate could be used to produce concrete; and ethanol could be used as a fuel instead of fossil fuel.

Regarding the objectives that are affected indirectly, the quality of ground-water is mainly affected by historical emissions, while sustainable forests are vital for the long-term operations of Domsjö Fabriker.

The environmental year – the short version

Negotiations for a new environmental permit took place in October 2018. We received a partial ruling on 10 December 2018. That partial decision said that 15 issues needed further investigation and presentation to the Environmental Court on different dates spanning until 2029.

During FY25, a lot of effort has been put into these investigations, but it remains to be seen which environmental improvements that will be decided.

4. Environmental responsibilities

A. Emissions, effluents and waste

1. EMISSIONS TO WATER

Domsjö Fabriker monitors effluents and waste to ensure that the environmental requirements are met. Water is a prerequisite for production and only surface water is used. All care is taken to ensure that water is used efficiently and that effluents are monitored. The total water effluents were 22.9 million m^3 during FY25. Wastewater is treated in a biological treatment plant and sedimentation basins. The treated water is discharged into the river Moälven and Örnsköldsviksfjärden (a narrow coastal inlet connected to the Baltic Sea). The emissions discharged to water are shown in the table below, *see table 2* to the right.

Investigations are ongoing with regards to the biological treatment plant, partly due to upcoming connection of additional effluents, and partly with the aim of optimizing operation to reduce total emissions with particular focus on nutrient emissions.

TABLE 2: EMISSIONS TO WATER.

PARAMETER	QUANTITY FY22	QUANTITY FY23	QUANTITY FY24	**QUANTITY FY25**
COD	12,992 tonnes	12,203 tonnes	10,674 tonnes	**14,524 tonnes**
TSS Suspended solids	447 tonnes	587 tonnes	815 tonnes	**1,020 tonnes**
Nitrogen	117 tonnes	120 tonnes	104 tonnes	**115 tonnes**
Phosphorus	20 tonnes	13 tonnes	12 tonnes	**22 tonnes**

2. EFFLUENTS TO WATER

Surface water from the river Moälven is the main source of water used in the process. In addition, water is procured from the municipality for drinking, washing and showers. The total water usage during FY25 was 26.7 million cubic metres. The water is reused and recirculated at different stages in the production process. The river Moälven has enough water, and no negative impact has been reported as a result of water withdrawal from the river, *see table 3*.

3. EMISSIONS TO AIR

Sulphur dioxide (SO_2), nitrogen oxides (NOx) and particulate matter are released from the process into the air, mainly from the recovery boilers. The lignin dryers and some other sources cause minor emissions. To decrease emissions to air, flue gas scrubbers and electrostatic precipitators have been in use for many years. An important part of the cleaning processes is that heat is recovered and used in the process. Efforts to optimise the equipment and minimise emissions of sulphur dioxide are ongoing, including using scrubber liquor with a higher pH level. This leads to a decrease in SO_2 emissions. *Table 4* shows the emissions to air.

The quantity and content of emissions to air is monitored and there are various ongoing measures to reduce emissions. The total fossil direct greenhouse gas (GHG) emissions from the process during FY25 amounted to 2,286 tCO_2e (tonnesof carbon dioxide equivalent) mainly due to consumption of LDO and fossil content in additive

TABLE 3: WATER SOURCES BY TYPE.

WATER SOURCE	QUANTITY FY22	QUANTITY FY23	QUANTITY FY24	**QUANTITY FY25**
River	25.3 M m^3	26.1 M m^3	26.1 M m^3	**26.6 M** m^3
Municipality	66.7 K m^3	47.9 K m^3	52.5 K m^3	**93.7 K** m^3
Total	25.4 M m^3	26.1 M m^3	26.1 M m^3	**26.7 M** m^3

TABLE 4: AIR EMISSIONS BY TYPE.

TYPE OF EMISSION	QUANTITY FY22	QUANTITY FY23	QUANTITY FY24	**QUANTITY FY25**
Particulate matter *	136 tonnes	161 tonnes	144 tonnes	**234 tonnes**
SO_2	415 tonnes	384 tonnes	635 tonnes	**586 tonnes**
NOx	533 tonnes	442 tonnes	557 tonnes	**438 tonnes**
CO_2 (renewable)	430,552 tonnes	418,752 tonnes	413,462 tonnes	**468,427 tonnes**
CO_2 (fossil)	4,018 tonnes	2, 729 tonnes	4,218 tonnes	**2,286 tonnes**

* Dust measurements, spot check

chemicals. LDO are only used as fuel for the boilers at start-ups and shutdowns.

GHG emissions can also be reduced through product applications. For example, lignin can be used as an additive in concrete manufacturing and acts as a water reducer while maintaining the strength of concrete structure. This means that CO_2 emissions could be reduced indirectly in the manufacturing of concrete.

4. SOLID WASTE

The type and amount of waste are monitored to ensure that waste is handled and treated according to conditions set by the authorities. The total amount of handled and disposed waste was 8,115 tonnes in FY25. The categories of waste generated in FY25 are summarised *in table 5* to the right.

TABLE 5: WASTE GENERATED BY QUANTITY.

TREATMENT/ HANDLING METHOD	QUANTITY FY22	QUANTITY FY23	QUANTITY FY24	**QUANTITY FY25**
Non hazardous	8,078 tonnes	6,666 tonnes	4,384 tonnes	**4,769 tonnes**
Landfill	2,279 tonnes	2,779 tonnes	2,507 tonnes	**3,299 tonnes**
Hazardous	409 tonnes	115 tonnes	88 tonnes	**47 tonnes**

B. Energy

Domsjö Fabriker is a biorefinery, which means that renewable raw materials (biomass) generate many products as well as meeting energy requirements. Steps are continuously taken to make the plant more self-sufficient in energy, by reducing energy consumption and generating energy from renewable sources.

Steam for the plant is generated from renewable black liquor. In our biological treatment plant, bacteria decompose organic materials into biogas and other products. Our facility is one of the largest biogas producers in Sweden. This biogas is captured and utilised as an energy source for drying lignosulphonate, as illustrated *in table 6*.

Bark, fines, nuts and resins are sold to the nearby municipal cogeneration plant for production of steam, electricity and district heating. All electricity, additional needed steam and district cooling are purchased from the municipal energy company. The renewable origin of the electricity is guaranteed through certificates known as guarantees of origin, which specify how the electricity is generated. The purchased steam primarily originates from renewable biofuels supplied by Domsjö Fabriker. The district cooling is produced from cold water from the nearby bay. *See table 6.*

There are ongoing efforts to maximise energy efficiency. Energy consumption is measured and monitored on a regular basis and measures are taken to reduce it further.

TABLE 6: FUEL CONSUMPTION BY TYPE AND STEAM PRODUCTION.

ENERGY CONSUMPTION BY TYPE	FY22	FY23	FY24	FY25
Purchased fuels				
Light Diesel Oil (LDO)	13.4 GWh	8.7 GWh	13.9 GWh	**7.0 GWh**
Sulphur (make-up)	39.2 GWh	39.3 GWh	33.9 GWh	**35.7 GWh**
Own-produced fuels				
Biogas	40 GWh	39.3 GWh	36.5 GWh	**36.0 GWh**
Black liquor solids	1,053 GWh	1,160 GWh	1,077 GWh	**1,232 GWh**
Sulphur (internal recirculation)			8.7 GWh	**9.2 GWh**
Total fuel consumption	1,146 GWh	1,247 GWh	1,170 GWh	**1,320 GWh**
Other purchased energy sources				
Steam		209 GWh	160 GWh	**96 GWh**
Electricity		228 GWh	218 GWh	**221 GWh**
District cooling			3.1 GWh	**3.4 GWh**
STEAM PRODUCTION				
P8, P9 & SUP				
Steam produced from black liquor and Sulphur		811 GWh	766 GWh	**909 GWh**

C. Materials

Material consumption is monitored and initiatives to optimise material use efficiency are encouraged. In addition to water, the main raw materials are wood, sulphur and sodium hydroxide. The table below shows the quantities of materials used by type for the production of speciality cellulose, lignin and bioethanol during FY25, see *table 7*. All chemicals must be approved before they can enter the mill. Before approval a risk assessment is carried out to examine environmental and health & safety matters.

TABLE 7: MATERIALS USED AT THE MILL BY TYPE.

RAW MATERIAL	QUANTITY FY22	QUANTITY FY23	QUANTITY FY24	**QUANTITY FY25**
Wood	1.2 M m^3sub	1.2 M m^3sub	1.0 M m^3sub	**1.0 M m^3sub**
Sulphur	5,751 tonnes	5,789 tonnes	5,174 tonnes	**6,183 tonnes**
Semi-manufactured goods or parts				
Sulphur dioxide	19,077 tonnes	18,947 tonnes	16,146 tonnes	**15,501 tonnes**
Sodium hydroxide	29,954 tonnes	31,901 tonnes	27,922 tonnes	**29,386 tonnes**
Hydrogen peroxide	11,061 tonnes	11,440 tonnes	10,646 tonnes	**11,920 tonnes**

5. Sustainability responsibilities

Economic responsibilities

Sustainable economic performance is critical for business continuity, maintaining healthy relationships with stakeholders and creating a positive socio-economic impact in the region in which Domsjö Fabriker operates. The economic value generated and distributed by Domsjö Fabriker in FY25 is shown below.

More information regarding financial reporting can be found in the more comprehensive financial report.

TABLE 8: ECONOMIC VALUE GENERATED AND DISTRIBUTED (KSEK).

ECONOMIC VALUE GENERATED	
Revenues	2,871,133
Economic value distributed	
Operating costs	2,338,682
Employee benefits and wages	316,429
Payment to providers of capital	78,610
Payment to governments	2,339
Community investments	0
Economic value distributed	
Economic value generated minus value distributed	135,072

Social responsibilities

EMPLOYMENT

Various benefits are provided to employees to encourage continued association with the organisation. Examples of benefits to all employees, regardless of full-time or temporary status, include life insurance, retirement-related support, paid holidays (in addition to regular leave), parental leave, marriage leave, bereavement leave, and a wellness contribution. We believe in encouraging health and wellness among our employees.

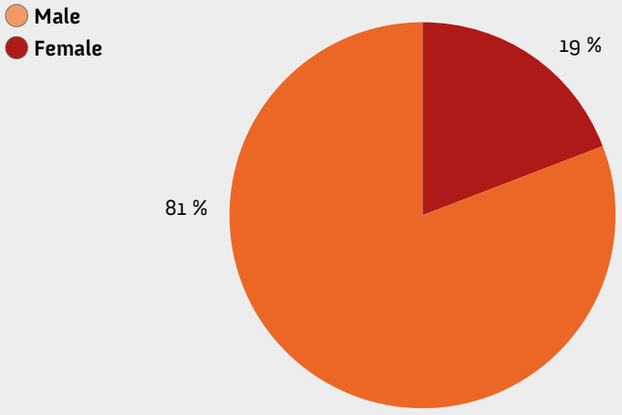
In FY25, Domsjö Fabriker had a total of 352 permanent and 7 temporary employees. 39 new permanent employees were recruited, and 32 permanent employees left, due to retirement and other jobs. For a breakdown of employees by gender and age, see figure 10. All employees of Domsjö Fabriker have a labour contract and a collective agreement in accordance with Swedish laws. We have policies for anti-corruption, harassment and discrimination. In FY25 no cases of bribery or corruption were brought to the company's attention.

Code of Conduct

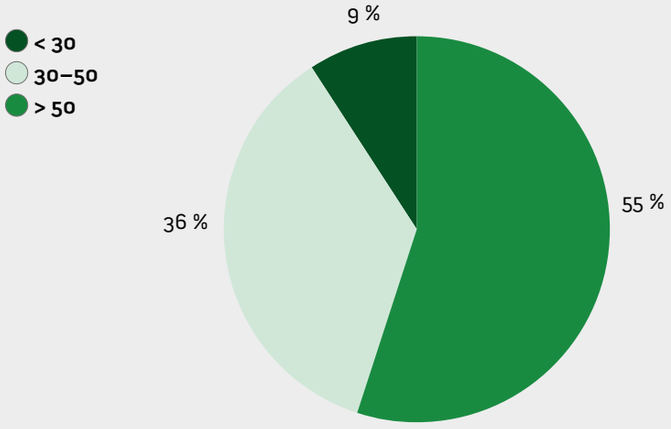
Domsjö Fabriker expects its Code of Conduct to be respected and followed by all employees. Domsjö Fabriker also requires that business partners respect and follow the Code of Conduct. The Code of Conduct provides an overall framework that is supplemented by detailed rules and guidelines covering specific areas. Employee behaviour and actions must always reflect the interests of Domsjö Fabriker. The basic principle is that every employee should act and behave in a respectful and credible manner.

FIGURE 10: PERCENTAGE OF PERMANENT EMPLOYEES BY GENDER AND AGE.

Total employee breakdown by gender



Total employee breakdown by age



COMPLIANCE WITH THE CODE OF CONDUCT

Domsjö Fabriker requires that the Code of Conduct be complied with by all employees. The management and the organisation's managers have a special responsibility to lead by example. Employees must sound the alarm if they suspect something that is contrary to the Code of Conduct or legislation. If an employee does not act in accordance with the Code of Conduct it leads to corrective measures. If a business partner repeatedly or seriously violates the Code of Conduct, the business partnership is terminated.

Employment and competence

Attracting, recruiting and retaining employees and developing their skills are vital for competitiveness in both the short and long term. Domsjö Fabriker has therefore set up a project called "Företagskultur" (Corporate Culture) together with an external supplier. The vision for this large, multi-year project is to make Domsjö Fabriker the most attractive employer in the north of Sweden.

Domsjö Fabriker needs to ensure that the company has the right competence and can recruit the right competence now and in the future. We are investing in a new recruitment, onboarding and training system. Measures taken include competence supply plans for all blue-collar workers.

Domsjö Fabriker works with local schools to allow young students to explore what the forest value chain offers in terms of sustainable solutions and future work opportunities. Internships are also offered to students from universities and other school forms.

All the above investments are part of Domsjö Fabriker's roadmap to meet the future in a strong and healthy way.

Wellness

As in previous years, access to free exercise activities at a local gym is offered to all our employees, an opportunity that many use during lunchtimes and evenings. Another popular benefit has been free swimming at Örnsköldsvik indoor swimming pool, Paradisbadet. Since January 2024, we have been providing all our employees with a wellness contribution of 3,000 SEK to be used at their chosen health provider. This contribution can be utilised for activities such as gym memberships, massages, or other physical activities aimed at maintaining or improving health.

Training and education

Domsjö Fabriker regards its employees as its greatest asset and works closely with employees to address their needs for continuous development. An introductory programme is drawn up for each new employee in consultation with their respective managers. The company also conducts role-specific trainings on health, safety and environmental topics. The goal is that two percent of each employee's working time should be devoted to training.

In FY25, training for permanent employees amounted to 1.37 percent of total man-hours.

Domsjö Fabriker has invested in training for our leaders/managers in leadership skills to improve leadership during the year.

Some of the mandatory trainings for the employees include specific health, environmental and safety related topics. Apart from this, induction training for new employees and specific training for particular job requirements (essential skills for performing duties) are mandatory. Each manager is responsible for ensuring that employees receive sufficient training and the right type of training. To make it easier to manage, HR has put considerable effort into creating a training matrix and special proficiencies for each position. This system enables training needs to be visualised and training programmes to be coordinated between HR department and managers.

Occupational health and safety

Healthy and safe employees are essential for operational efficiency and sustainability. It is important that employees at Domsjö Fabriker feel safe at work and know that all their concerns are listened to and addressed at the highest level within the organisation. The company works closely with its employees to ensure that there is optimum representation on the various health and safety committees, that everyone's voice is heard and that solutions are developed to provide a safe working environment for all employees.

Indicators of a safe working environment are closely monitored. The Health, Safety, Environment and Quality (HSEQ) department monitors and develops systems to ensure a safe working environment. All accidents, first aid calls, near misses and safety observations are documented and the causes, consequences and possible actions to prevent future incidents are investigated. Quarterly safety audits are carried out by the various departments, and risk analyses and assessments are carried out on an ongoing basis. There were no fatalities among employees or contractors during FY25. Several safety indicators have improved compared to previous years, *see Table 9*.

Domsjö Fabriker works systematically to ensure a safe working environment in accordance with AFS 2023:1 and the safety management system in accordance with the Seveso Directive (Directive 2012/18/EU). The formal agreement with the trade unions covers health and safety issues such as regulation of working hours, leave for medical appointments, sick leave arrangements, holiday entitlements and contribution to good order and safety.
A part of the systematic work environment management is to continuously review risk sources. During FY25, a large number of maintenance chemicals have been substituted to further reduce the risk of exposure of staff and the environment to harmful substances.

Public relationship events

SPONSORSHIP

Domsjö Fabriker is a proud sponsor of MoDo Hockey men's and women's ice hockey teams and the seats in Hägglunds Arena are frequently used for corporate hospitality. Occasionally seats are available, and the tickets are raffled amongst interested employees. Winners can also bring one family member to the game.

A number of smaller local sports associations, particularly those that involve employees, are also sponsored. No individual sponsorships are given, but sponsorship is given to a wide variety of associations and teams as well as some cultural sponsoring.

TABLE 9: SAFETY AT WORK.

INDICATOR	QUANTITY FY22	QUANTITY FY23	QUANTITY FY24	**QUANTITY FY25**
LTIFR (lost time incidents frequency rate)*	7.1	7.1	12.3	**10,7**
Lost time injuries	4	5	7	**6**
Lost days	34.1	19.5	28	**33**
Safety indicator**	9.2	11.0	10.2	**13,6**

*Calculated using the following formula: (1,000,000 / number of hours worked in 12 months) x number of accidents in 12 months.

**Safety indicator = (near misses + risk observations) / (lost time incidents + zero incidents). The higher the better.

6. Stakeholder Engagement

"Gain knowledge to understand how fast 'External factors' will change and when disruption will occur as we approach a two-degree world."[2]

Our approach to stakeholder engagement:
"Together with our stakeholders, we want to make a difference. We want to improve existing operations and create new application fields for the growing forest, thus contributing to reduced environmental impact, increased growth and more job opportunities. The products we produce replace all products that would otherwise be produced by fossil oil. We can refine the renewable forest raw materials into valuable products while also reducing the negative impact that fossil oil has on the environment and climate."[3]

Aditya Birla Group has identified stakeholder engagement as one of the key aspects of its sustainability strategy. The Group has a stakeholder engagement policy and a technical standard to incorporate stakeholder engagement into governance. The aim is to develop a relationship of trust, communication, transparency and common interest with key stakeholders. During management meetings, the expectations and requirements of our stakeholders are discussed.

[2] Source: http://sustainability.adityabirla.com
[3] Source: http://www.domsjo.adityabirla.com

Overview of relationships with key stakeholders:

CUSTOMERS

Domsjö Fabriker works closely with customers to identify their needs (short-term and long-term) through customer surveys and efficient feedback. The Technology department drives innovation by encouraging, capturing and implementing ideas for new products. Product development often takes place in collaboration with existing and potential customers, as well as in networks with relevant companies, institutes and universities.

Customers are involved in several ways, including one-to-one meetings, customer surveys, customer audits at our mill, product development initiatives, and a regular dialogue on product delivery and logistics.

In order to build sustainable businesses Domsjö Fabriker has an anti-corruption policy that applies to personnel who represent Domsjö Fabriker in contact with different stakeholders.

The Sustainable Apparel Coalition has developed the Higg Index as a suite of self-assessment tools for companies in the value chain for textile products, for identification of environmental and social sustainability hot spots, and improvement opportunities. The Higg Index is a starting point for engagement, education and collaboration among stakeholders in advance of more rigorous assessment efforts. Domsjö Fabriker applies the Higg Index to its operations and collaborates with customers in the textile and apparel industry, making use of this tool.

OWNERS, BOARD OF DIRECTORS, LOCAL MANAGEMENT

The owner's requirements and expectations are that the company should be a safe place to work, lead the way in sustainability and efficiency, follow the established financial budget, and operate according to the company's values: Integrity, Commitment, Passion, Seamlessness and Speed.

STATE, AUTHORITIES, INSTITUTES, AND LOCAL COMMUNITY

Domsjö Fabriker is located in Örnsköldsvik, Sweden. The local community is engaged through:

- Transparent communication through the media to inform local communities about any changes in the business – anything from temporary noise to new production lines and products.
- Consultations with residents whenever a change in the business requires a notification according to the Seveso Directive or a permit under the Environmental Code.
- Support programmes for schools.
- Process for dealing with complaints from local bodies.
- Meetings with municipal administration and other authority bodies.
- Engagement in the local chambers of commerce.
- Engagement in the Örnsköldsvik Industry Group in cooperation with other local industry-related companies.
- Engagement in the Swedish Forest Industries association.
- Engagement in SIS and Bioinnovation during the development of new and relevant standards and guidelines.
- Cooperative relation with Företagsutbildarna (business trainers).

Domsjö Fabriker strictly adheres to Swedish laws and maintains a healthy relationship with government authorities through the following means:

- Yearly visits by government authorities to review our environmental, health and safety performance and compliance with agreed conditions.
- Continuous dialogue with authorities regarding operations.
- Publish reports and statistics regarding the performance status of the plant to relevant authorities.

During FY19 Domsjö Fabriker received a new environmental permit for its operations. Also during FY25, considerable resources have been allocated to different investigations that were needed to fulfil the permit.

LOCAL CITIZENS

Local citizens are important when it comes to external feedback, mostly on environmental issues such as odour and noise. When there is a complaint, the company always tries to investigate, remediate if necessary and communicate the results back to the person who made the complaint. During FY25 there were some complaints from local citizens regarding noise and odour. These cases are dealt with within the investigations in connection with the new environmental permit.

EXISTING AND FUTURE EMPLOYEES

Employees are the company's greatest asset. Domsjö Fabriker strives to create a working environment where employees are passionate about coming to work each day. Consistent and long-term investments are made in the enhancement of skills and career development. The company began collaborating with an external supplier during FY23 with the aim of improving the attractiveness of Domsjö Fabriker as an employer.

Domsjö Fabriker engages with its employees in various ways, such as employee satisfaction surveys, Working Environment Committee meetings where employees are represented by unions, family days, health activities, art club, vacation foundation and staff foundation.

Young people are potential future colleagues. It is therefore important to have active contacts with various schools. Interns from both upper secondary schools and universities are welcome and are guided by trained mentors.

Domsjö Fabriker is also active in the national "Skogen i Skolan" ("Forest at School") project, which focuses on educating and informing students as well as teachers and future teachers. There are several annual events and activities targeted at students of different ages. One appreciated activity is the "Forest Days" organised together with other forest industries, where the students spend a day in the forest where they are taught about sustainable forestry as well as forest-based products of today and tomorrow. Another example is the "Nature and Technology Days" that Domsjö Fabriker co-hosts together with other local participants. All students in the municipality are invited to this event to work on a technical task and then participate in a one-day event to present and compete with their projects.

BANKS AND BUSINESS PARTNERS

General requirements regarding financial information, transparency and openness are fulfilled.

SUPPLIERS
Domsjö Fabriker demands high-quality information (right type at the right time), payment according to agreements, transparency and openness and a safe working place. There are increasing requirements regarding waste handling and personal protection equipment.

PARTNERS IN INNOVATION AND DEVELOPMENT
It is important to complete already started projects and to be involved in development projects to push our products towards even more sustainable markets.

NEIGHBOURING INDUSTRIES
Collaboration with neighbouring industries and working together towards common goals are important. Contacts with industrial neighbours are conducted in association meetings that discuss safety, the environment, logistics and community emergency services issues and jointly held emergency exercises.

Domsjö Fabriker is part of an energy cluster, together with neighbouring industries. The cluster safeguards stable production and takes advantage of every member's ability to produce and consume different types of renewable energy. Even the local community is supported with electricity and district heating.

Future proofing

RISKS AND OPPORTUNITIES FOR OUR BUSINESS
Future proofing is the process of anticipating strengths, weaknesses, opportunities and threats that might become more significant in the future, as well as developing systems and processes to address these in advance. Future proofing is a key pillar of the sustainability strategy. The SWOT analysis has also been updated by mill management in FY25 to facilitate target setting and focus areas for the mill to start building a better tomorrow today.

[4] Source: http://sustainability.adityabirla.com

GRI Content Index

Statement of use	Domsjö Fabriker AB has reported the information cited in this GRI content index for the period 1st of April 2024 to 31st of March 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	3, 4, 5
	2-2 Entities included in the organization's sustainability reporting	3
	2-3 Reporting period, frequency and contact point	3
	2-5 External assurance	3
	2-6 Activities, value chain and other business relationships	11, 12, 13, 14, 15, 16, 17, 18, 29
	27 Employees	21, 29, 30, 31
	2-9 Governance structure and composition	4, 5, 6
	2-22 Statement on sustainable development strategy	3
	2-23 Policy commitments	12, 30, 31
	2-25 Processes to remediate negative impacts	12, 3
	2-28 Membership associations	32
	2-29 Approach to stakeholder engagement	33, 34, 35, 36
GRI 3: Material Topics 2021	3-1 Process to determine material topics	19
	3-2 List of material topics	20, 21
	3-3 Management of material topics	20, 21

GRI STANDARD	DISCLOSURE	LOCATION
GRI 301: Materials 2016	301-1 Materials used by weight or volume	28
GRI 302: Energy 2016	302-1 Energy consumption within the organization	26, 27
GRI 303: Water and Effluents 2018	303-5 Water consumption	25
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	24, 25
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	32
	403-6 Promotion of worker health	31
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	31

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