



Sustainability Report FY23

DOMSJÖ FABRIKER





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A message from our CEO

Domsjö Fabriker is a biorefinery producing several products that replace fossil oil-based alternatives and thus already today support the transition to a bioeconomy. Our main products are speciality cellulose, lignin and bioethanol. These products are fossil free and also produced from renewable and certified raw materials, mainly supplied from the nearby area. We're striving to make most out of the tree.

During the latter part of FY23 we have seen changing market conditions, mainly driven by the war between Russia and Ukraine. The market for our products has been quite strong but there has been a lot of pressure on raw material availability and price.

Speciality cellulose demand has been quite high throughout the year. We have continued to move towards more speciality sales. The lignin market started off strong but slowed down slightly by the end of the year. Once again we have continued to increase our sales into the speciality segment. The bioethanol market has been strong but has had very low margins, due to high raw material prices.

Wood supply has been very challenging and we have seen strong competition. High demand from the local market and shortages in the domestic wood market have led to price rises over the year. The increased demand will continue to put pressure on wood sourcing and will lead to increasing demand for imported wood. There have been similar supply issues for chemicals, and prices have risen sharply.

Measures to fulfil the new environmental permit continued during the year. The Environmental Court approved our application in December 2018 but at the same time required us to carry out several investigations during a probationary period. The last investigation will be reported in 2025.

We began the task of calculating the carbon footprint of our three products during the year. This is one element in improving our sustainability communication profile.



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 FY23, April 2022 – March 2023, 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 in line with the international standards of the Global Reporting Initiative (GRI). This report has been prepared in accordance with GRI standards: Core option.

The boundary and scope of this report includes Domsjö Fabriker, for reasons of coverage within direct control and availability of data. For further information regarding the information in this report please contact the HSEQ Department. The last Sustainability Report was published June 2022.



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 (CO₂), 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 CO₂, 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. The business includes the production of viscose fibre, aluminium, copper, cement, chemicals, fertilisers and isolators, as well as running retail businesses, etc. Aditya Birla Group is anchored by a strong force of over 140,000 employees, representing 100 nationalities, and operates in 36 countries across 6 continents.

The Aditya Birla Group is one of the world's largest manufacturers of viscose fibre, and is involved in the entire textile value chain, from the production of viscose to the finished cloth and apparel. 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.



Approximately one in four viscose clothing items in the world is produced using viscose fibre from Aditya Birla. Four viscose fibre brands are produced: Birla Viscose, Birla Modal, Birla Excel and Birla Purocel. The products are known as Birla Cellulose. Viscose fibre is not only used for different kinds of clothing, from fashion to work clothing, but also for home textiles and non-woven use, such as personal hygiene and medical purposes. 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.

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.

Board of Directors

The board of Domsjö Fabriker AB consists of:

- Kumar Jain Shailendra, Chairman
- HK Agarwal, Business Director, Pulp and Fiber, ABG
- Kalyan Ram Madabhushi, COO Pulp operations, ABG
- John Davidsson, President Europe, Middle East & Africa, ABG
- Björn Vedin, CEO Domsjö Fabriker AB
- Maria Wallenius, Representant of PTK (trade union)
- Mikael Lundgren, Representant of LO (trade union)



Group values:

Integrity: Acting and taking decisions in a manner that is fair and honest. Following the highest standards of professionalism and being recognised for doing so. Integrity for us means not only financial and intellectual integrity but encompasses all other forms as are generally understood.

Commitment: On the foundation of Integrity, doing all that is needed to deliver value to all stakeholders. In the process, being accountable for our own actions and decisions, those of our team and those of the organisation for which we are responsible.

Passion: An energetic, intuitive zeal that arises from emotional engagement with the organisation that makes work joyful and inspires each person to give his or her best. A voluntary, spontaneous and relentless pursuit of goals and objectives with the highest level of energy and enthusiasm.

Seamlessness: Thinking and working together across functional groups, hierarchies, businesses and geographies. Leveraging diverse competencies and perspectives to garner the benefits of synergy while promoting organisational unity through sharing and collaborative efforts.

Speed: Responding to internal and external customers with a sense of urgency. Continuously striving to finish before deadlines and choosing the best rhythm to optimise organisational efficiencies.



The governance structure for implementation of sustainability consists of three layers. Domsjö Fabriker has a Core Committee at Pulp and Fibre business level that is responsible for incorporating sustainability into the company’s business strategy. The Apex Sustainability Committee, with representatives from all units in the pulp and fibre business, is primarily responsible for implementation of the framework, see figure 1.

The Apex Sustainability Committee delegates responsibilities to Unit Level Sustainability Committees, Roadmap Task Forces and Stakeholder Engagement Committees to implement various sustainability initiatives in line with the group strategy and framework. The Unit Sustainability Committee is currently being established and will be the link to management of Domsjö Fabriker.



FIGURE 1: SUSTAINABILITY GOVERNANCE STRUCTURE FOR SUSTAINABLE BUSINESS.





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, which consists of three wheels for sustainable growth: responsible stewardship, stakeholder engagement and future proofing, *see figure 2* to the right. These wheels consist of different policies, technical standards and programmes of activity, *see figure 3* on next page.

By adopting an evidence-based approach ABG is ensuring rigour and consistency in its processes. The units must provide details of the systems that they have in place and the resulting performance through photographs, documents and registers uploaded as part of the SAQs (Self-Assessment Questionnaires), *see figure 4* on page 9. 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 2: ADITYA BIRLA SUSTAINABILITY FRAMEWORK.

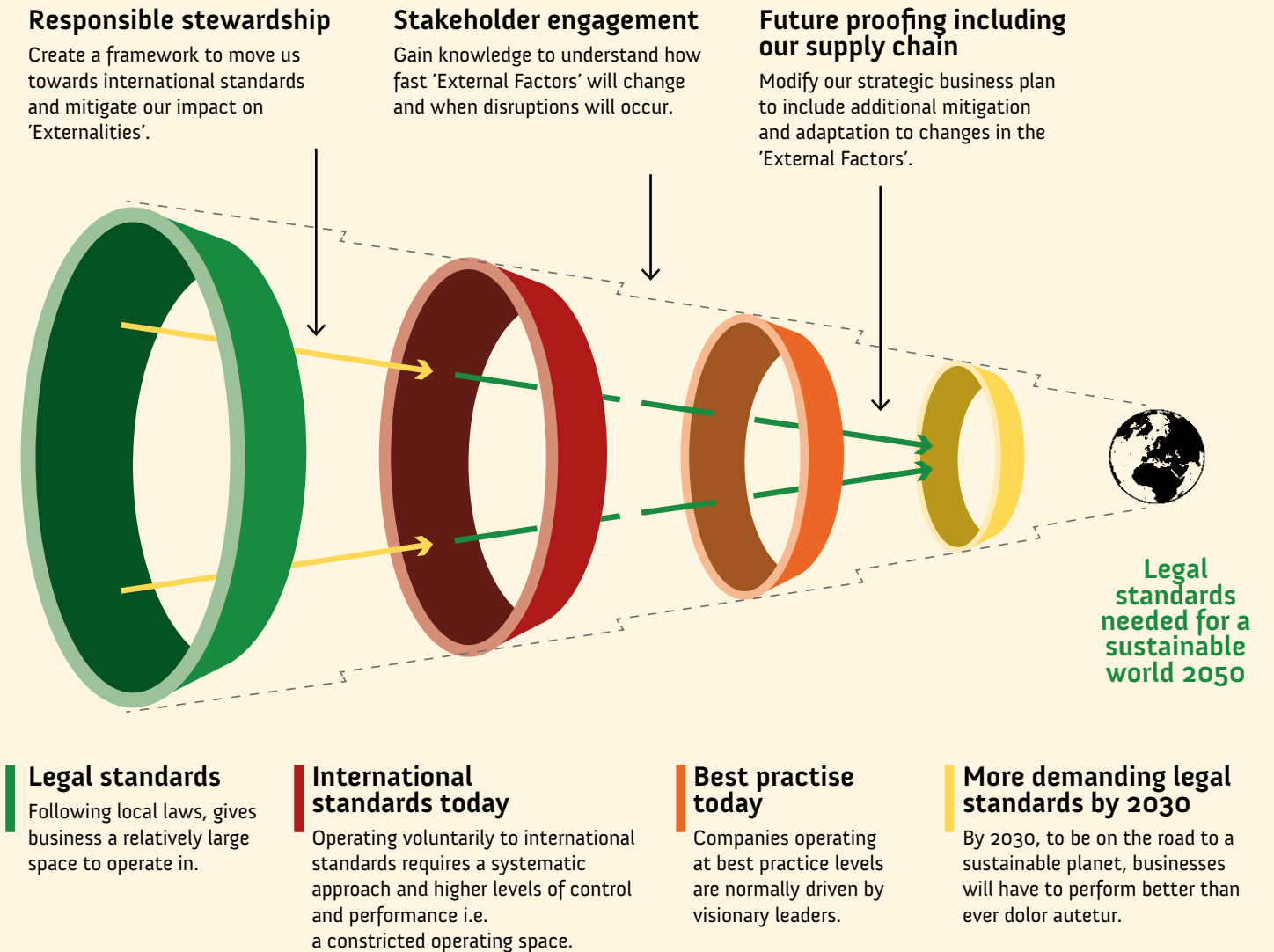
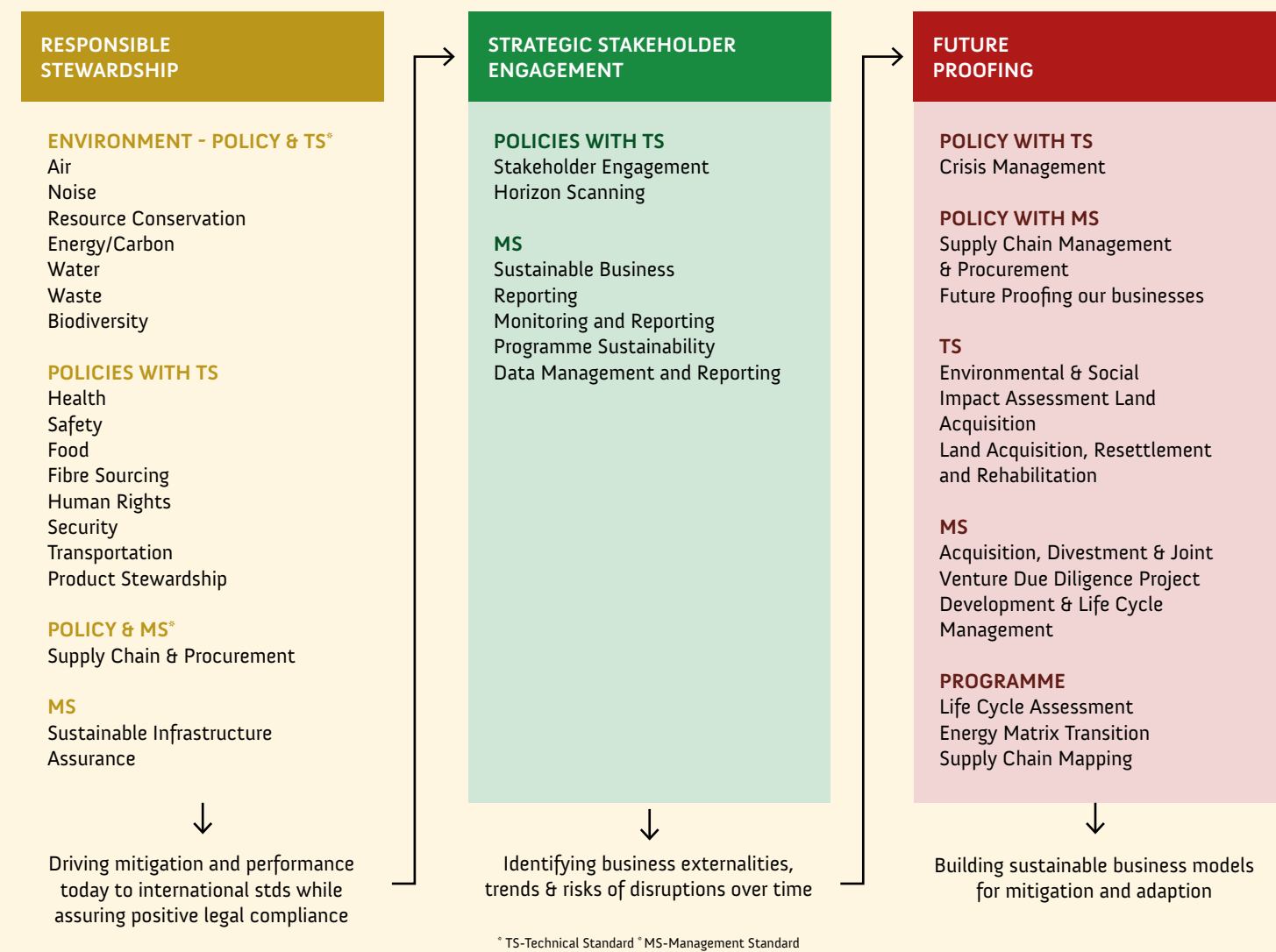




FIGURE 3: FRAMEWORK POLICIES AND PROGRAMMES. Source: building sustainable businesses fit for a sustainable world



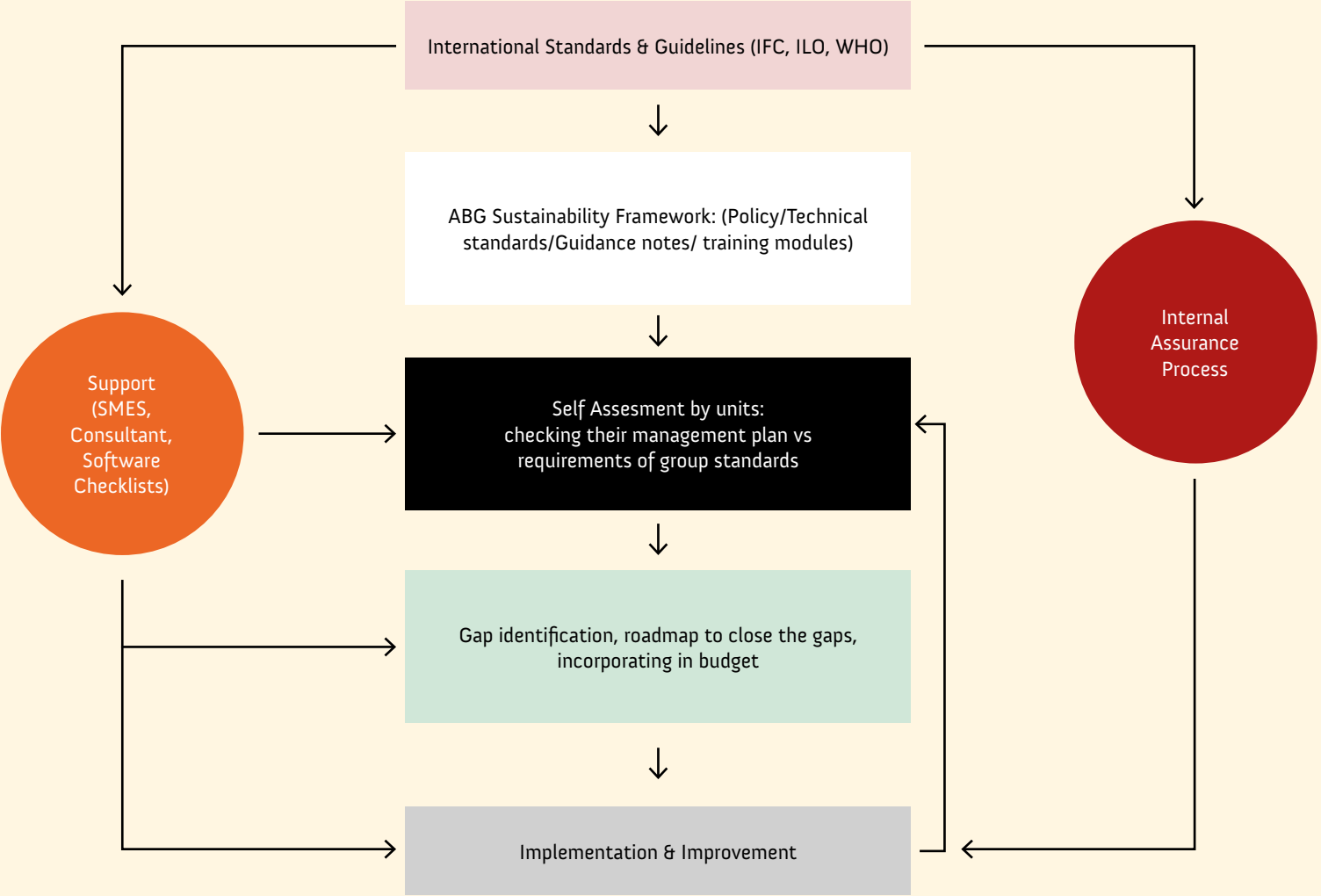
Domsjö Fabriker has implemented the standards ISO 9001 (Quality), ISO 50001 (Energy), ISO 14001 (Environment), ISO 17025 (Testing and calibration laboratories) and FSC® (FSC-C124657) and PEFC (PEFC/05-33-253) regarding chain of custody for wood material. All employees are educated about the standards 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. The updated version from 2015 includes a wider scope and requires a relevant life cycle approach to be considered.

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.



FIGURE 4: 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 workplace. 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 biorefinery 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



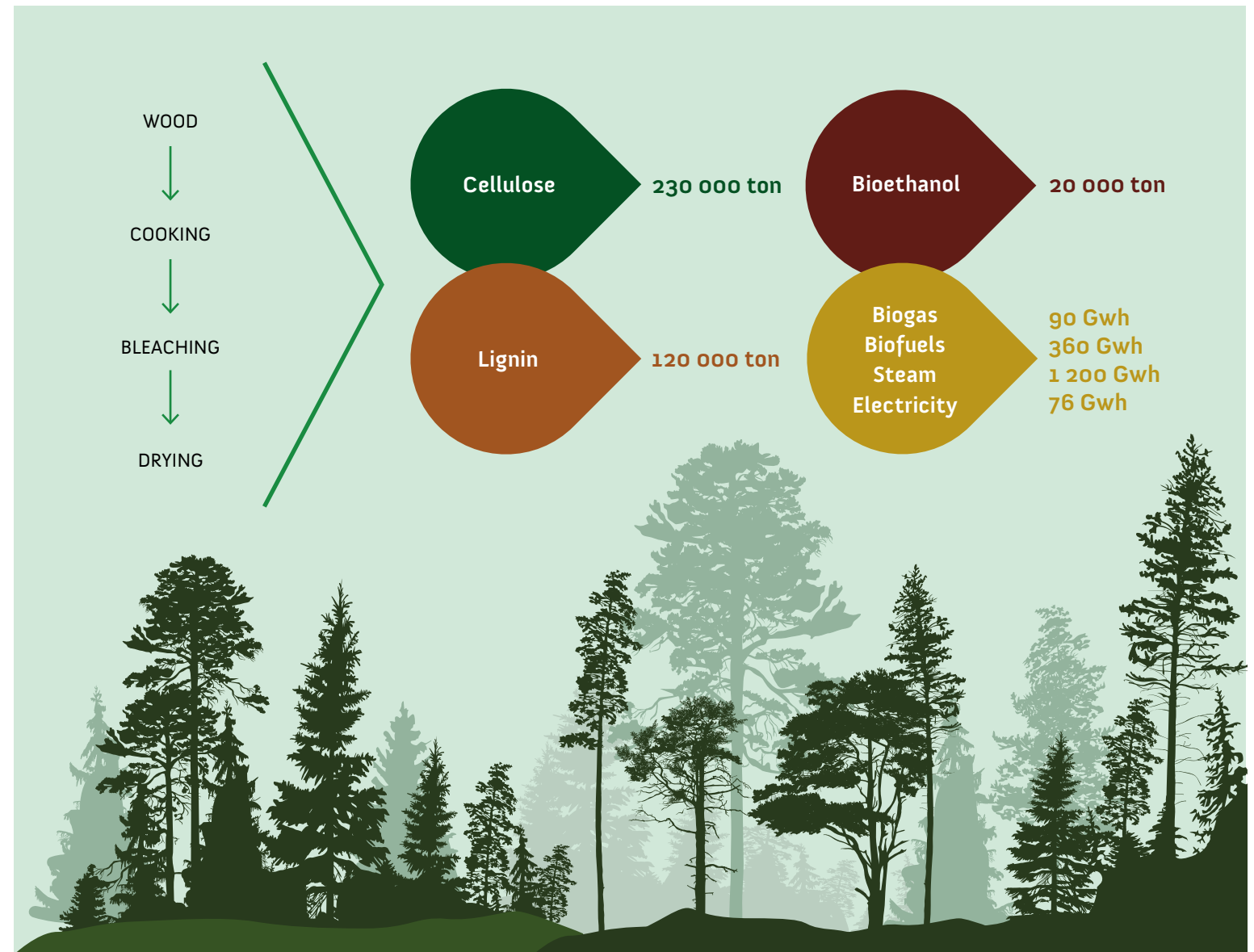
Forest and wood raw material

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 5* 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. Sweden has more forests than ever and more than 20 percent of the forested area is exempt from consumption for nature conservation reasons.

FIGURE 5: 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 90 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. It directly and indirectly employs 115,000 people in Sweden.

Domsjö Fabriker uses approximately 1.2 million m³sub (solid under bark) of spruce and pine each year. Most of it originates from northern Sweden but a smaller amount is imported 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 this 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. Ninety-two 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."¹

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 a 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. Canopy's 2021 Hot Button Report stated: "Birla Cellulose is the first global viscose producer to be ranked #1 three years in a row!" In 2022, Birla Cellulose achieved a close second place, just below Lenzing.

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.

¹ Source: Domsjo.adityabirla.com



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 6* illustrates the process at Domsjö Fabriker.

FIGURE 6: THE PROCESS AT DOMSJÖ FABRIKER

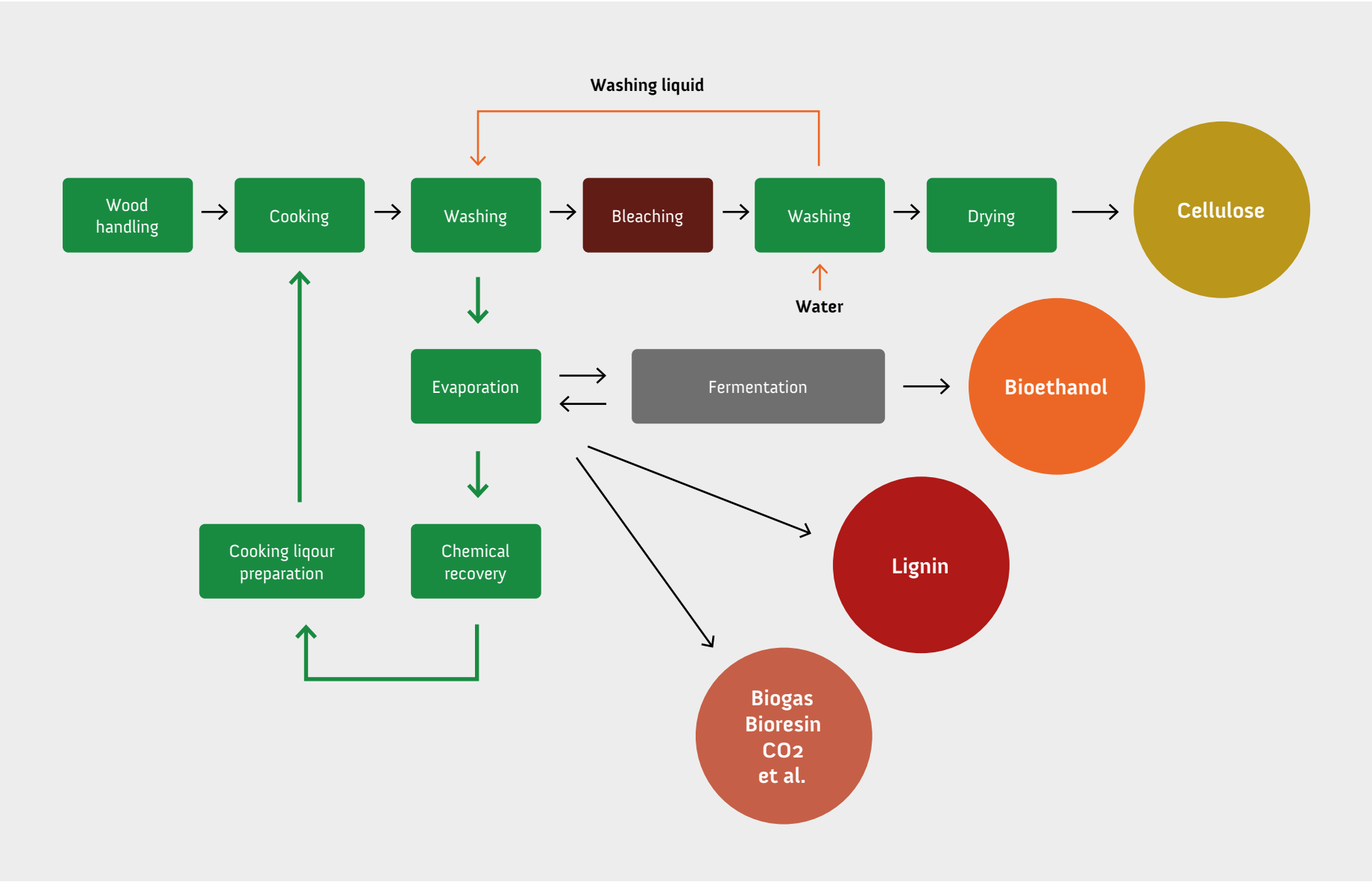




FIGURE 7: DOMSJÖ PRODUCTS.

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.



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 FY23 was 185,686 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 FY23 was 93,203 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. During the corona pandemic, ethanol from Domsjö was also used as hand sanitiser.

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 FY23 was 15,906 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. 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 8* on next page shows the results from the materiality assessment.



FIGURE 8: THE PROCESS AT DOMSJÖ FABRIKER.





Summary of Materiality Topics

From the identified topics in *figure 8*, the five most important topics were listed: Legal conformity, Product quality, Fulfil financial expectations, Safe working environment and being an Attractive workplace. These five topics are the same as last year and are being worked with within the organisation.

Environment

LEGAL CONFORMITY #5

Domsjö Fabriker complies with environmental regulations but exceeded the permit for emissions of phosphorus and zinc from a landfill outside the mill area and the permit for noise during 2022. 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.

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 ten or more reported incidents per accident. This target is monitored and the target number will be increased to twelve for FY24.

ATTRACTIVE WORKPLACE #28

Domsjö Fabriker provides various benefits to its employees to encourage continued association with the organisation. The company strives to provide a positive experience for its employees throughout their association with Domsjö Fabriker. It is self-evident to do what is necessary to help its employees to combine work with personal life. It also supports wellness and social activities. During FY23 an external consultant was enlisted as part of a programme to improve the attractiveness of Domsjö Fabriker as a workplace. This work will continue during FY24.

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

Domsjö Fabriker’s operations and Sweden’s environmental goals

Sixteen environmental quality objectives describe the quality of the environment that Sweden wishes to achieve. During the environmental application process Domsjö Fabriker evaluated the extent to which these environmental objectives are affected by its operations, see table 2 to the right.

There are four environmental objectives that Domsjö Fabriker considers it does not have any effect on: a protective ozone layer, a safe radiation environment, a varied agricultural landscape and a magnificent mountain landscape.

The water objectives are mainly affected by nutrients (phosphorus and nitrogen). The largest proportion of these nutrients originates from the feeding of micro-bacteria in the biological treatment plant. Considerable effort has been devoted to optimising this concentration, and the trend is declining.

TABLE 2: HOW ENVIRONMENTAL OBJECTIVES ARE AFFECTED BY DOMSJÖ FABRIKER’S OPERATIONS.

OBJECTIVES THAT ARE NOT CONSIDERED TO BE AFFECTED BY DF, OR ONLY TO A MINOR EXTENT	OBJECTIVES (WATER) THAT ARE DIRECTLY AFFECTED BY DF	OBJECTIVES (AIR) THAT ARE DIRECTLY AFFECTED BY DF	OBJECTIVES THAT ARE INDIRECTLY AFFECTED BY DF
A protective ozone layer	A balanced marine environment, flourishing coastal areas and archipelagos	Clean air	Good-quality groundwater
A safe radiation environment	Zero eutrophication	Natural acidification only	Sustainable forests
A varied agricultural landscape	Flourishing lakes and streams	Zero eutrophication	Thriving wetlands
A magnificent mountain landscape	A non-toxic environment	A non-toxic environment	A rich diversity of plant and animal life
		A good built environment	
		Reduced climate impact	



The water outside Domsjö Fabriker has a long industrial history and emissions from that time can still be found in sediments and fibre banks in Örnköldsviksfjärden 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 ruling says that we have 15 remaining questions to investigate and present to the Environmental Court by various dates over the coming years. This work is ongoing, and the last report is due in 2025.

Environmental improvement:

- During FY23, several activities were completed as part of the noise project, and the noise level from the mill has improved.

No major environmental incident occurred during FY23.





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 m3 during FY 23. Wastewater is treated in a biological treatment plant and sedimentation basins. The treated water is discharged into the river Moälven and Örnköldsviksfjärden (a narrow coastal inlet connected to the Baltic Sea). The emissions discharged to water are shown in the table below, *see table 4* to the right.

In 2016 a third bioreactor of the same capacity as the existing bioreactors was brought into operation. It has now been running for seven years and a large part of efforts to optimise the reduction rate has focused on the nutrients phosphorus and nitrogen. The emission of nutrients is difficult to

predict since organic material is broken down by biological organisms, which demand nutrients in different forms and amount. If the biological growth is disturbed somehow it takes time and effort to restore the optimum balance between nutrients, organisms and organic matter.

TABLE 4: EMISSIONS TO WATER.

PARAMETER	QUANTITY FY20	QUANTITY FY21	QUANTITY FY22	QUANTITY FY23
COD	14,823 tonnes	13,502 tonnes	12,992 tonnes	12,203 tonnes
TSS Suspended solids	915 tonnes	686 tonnes	447 tonnes	587 tonnes
Nitrogen	110 tonnes	135 tonnes	117 tonnes	120 tonnes
Phosphorus	14 tonnes	20 tonnes	15 tonnes	13 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 FY23 was 26.1 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 5.

3. EMISSIONS TO AIR

Sulphur dioxide (SO₂), nitrogen oxides (NO_x) 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 SO₂ emissions. Table 6 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 direct greenhouse gas (GHG) emissions during FY23 amounted to 2,729 tCO₂e (tonnes of carbon dioxide equivalent) due to consumption of LDO, diesel and petrol. There are no emissions from furnace oil because

TABLE 5: WATER SOURCES BY TYPE.

WATER SOURCE	QUANTITY FY20	QUANTITY FY21	Quantity FY22	QUANTITY FY23
River	23.3 M m ³	24.9 M m ³	25.3 M m ³	26.1 M m ³
Municipality	51.0 K m ³	56.8 K m ³	66.7 K m ³	47.9 K m ³
Total	23.3 M m ³	25.0 M m ³	25.4 M m ³	26.1 M m ³

TABLE 6: AIR EMISSIONS BY TYPE.

TYPE OF EMISSION	QUANTITY FY20	QUANTITY FY21	Quantity FY22	QUANTITY FY23
Particulate matter *	162 tonnes	158 tonnes	136 tonnes	161 tonnes
SO ₂	642 tonnes	528 tonnes	415 tonnes	384 tonnes
NO _x	473 tonnes	566 tonnes	533 tonnes	442 tonnes
CO ₂ (renewable, from incineration)		515,833 tonnes	430,552 tonnes	418,752 tonnes
CO ₂ (fossil, from incineration)		2,819 tonnes	4,018 tonnes	2,729 tonnes

* Uncertain dust measurements, spot check



the start-up fuel for the boilers was switched to LDO at the end of February 2018.

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 CO2 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 10,010 tonnes in FY23. The categories of waste generated as well as treatment and handling methods in FY23 are summarised in table 7 to the right.

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. This work is carried out in accordance with ISO 50001. Targets for different individual processes are set and monitored.

There are ongoing efforts to use energy in the most efficient way. Energy consumption is measured and monitored on a regular basis and

TABLE 7: WASTE GENERATED BY QUANTITY, HANDLING AND TREATMENT METHODS.

WATER SOURCE	QUANTITY FY20	QUANTITY FY21	QUANTITY FY22	QUANTITY FY23
Recovery	6,867 tonnes	5,308 tonnes	6,097 tonnes	3,980 tonnes
Recycled	1,802 tonnes	1,422 tonnes	1,981 tonnes	2,686 tonnes
Landfill	2,924 tonnes	2,141 tonnes	2,279 tonnes	2,779 tonnes
Hazardous	151 tonnes	208 tonnes	409 tonnes	115 tonnes

measures are taken to reduce it further. Total steam production amounted to approximately 811 GWh. Additional purchased electricity during the year amounted to 228 GWh and purchased steam from a nearby industry was 209 GWh.

In our biological treatment plant, bacteria break down organic materials into biogas and other products. Our facility is one of the largest producers of biogas in Sweden. The biogas is recovered and used as an energy source for drying lignosulphonate and generating electricity and steam. See table 8 on the next page for fuel consumption.

We have made it possible to monitor and follow up energy performance on a more daily basis.





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 FY23, see *table 9*. 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 8: FUEL CONSUMPTION BY TYPE.

FUEL CONSUMPTION BY TYPE	FY20	FY21	FY22	FY23
Purchased fuels				
Furnace oil and Light Diesel Oil (LDO)	10.2 GWh	8.9 GWh	13.4 GWh	8.7 GWh
Sulphur	49.6 GWh	37.7 GWh	39.2 GWh	39.3 GWh
Own-produced fuels				
Biogas	53.3 GWh	53.0 GWh	40 GWh	39.3 GWh
Black liquor solids	1,302 GWh	1,201 GWh	1,053 GWh	1,160 GWh
Total for production	1,415 GWh	1,301 GWh	1,146 GWh	1,247 GWh

TABLE 9: MATERIALS USED AT THE MILL BY TYPE.

RAW MATERIAL	QUANTITY FY20	QUANTITY FY21	QUANTITY FY22	QUANTITY FY23
Wood	1.2 M m³sub	1.2 M m³sub	1.2 M m³sub	1.2 M m³sub
Sulphur	6,253 tonnes	5,770 tonnes	5,751 tonnes	5,789 tonnes
Semi-manufactured goods or parts				
Sulphur dioxide *	18,355 tonnes	17,297 tonnes	19,077 tonnes	18,947 tonnes
Sodium hydroxide *	30,410 tonnes	29,370 tonnes	29,954 tonnes	31,901 tonnes
Hydrogen peroxide *	13,327 tonnes	12,752 tonnes	11,061 tonnes	11,440 tonnes

* Values for active years of operation



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 FY23 is shown below.

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

TABLE 10: ECONOMIC VALUE GENERATED AND DISTRIBUTED (KSEK).

ECONOMIC VALUE GENERATED	
Revenues	3,079,080
Economic value distributed	
Operating costs	2,463,469
Employee benefits and wages	283,484
Payment to providers of capital	44,960
Payment to governments	2,637
Community investments	75
Economic value distributed	
Economic value generated minus value distributed	284,454



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, disability-related benefits, retirement-related support, paid holidays (in addition to regular leave), parental leave, marriage leave, and bereavement leave. Full-time employees also receive benefits related to healthcare services. The company believes in encouraging health and wellness amongst its employees.

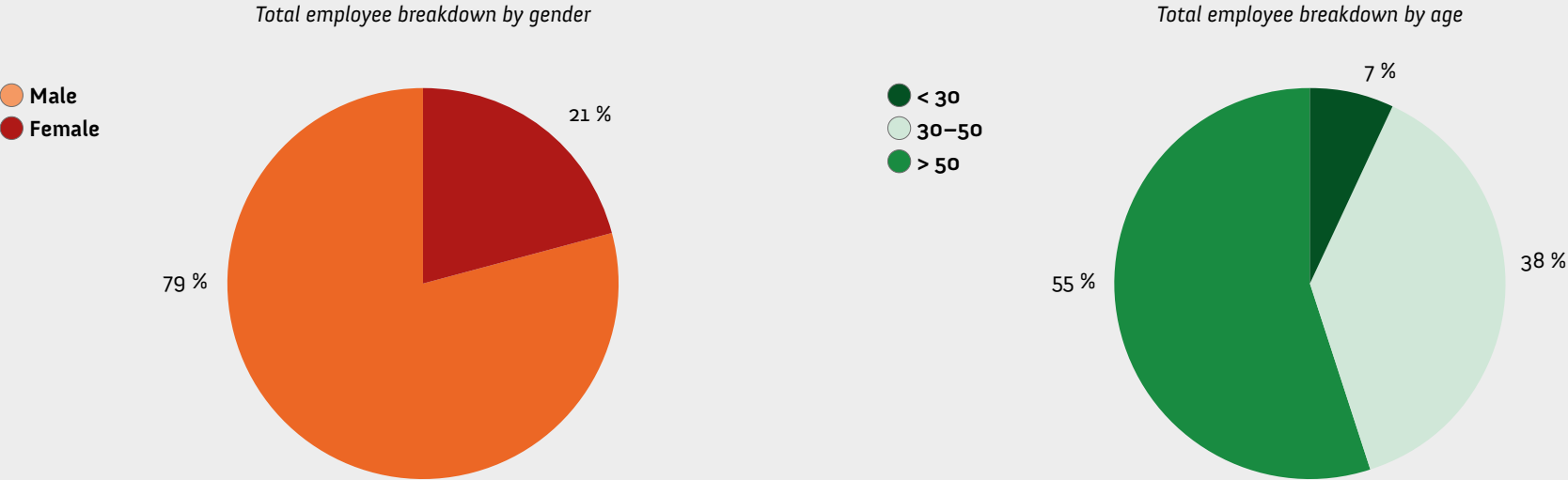
In FY23, Domsjö Fabriker had a total of 345 permanent and 6 temporary employees. 40 new permanent employees were recruited, and 36 permanent

employees left, due to retirement and other jobs. For a breakdown of employees by gender and age, *see figure 9*. 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.

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 9: PERCENTAGE OF PERMANENT EMPLOYEES BY GENDER AND 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 and a diversity and inclusion project in collaboration with the Swedish Public Employment Service.

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

During the year Domsjö Fabriker started up more wellness activities than in previous years. We held a family event featuring downhill skiing, competitions and food. All employees had the opportunity to participate in ski training/

lessons, cross country, bike training, lunchtime hockey, lunchtime exercise and after-work events. All employees were also offered the chance to buy a bike at a reduced cost. Wellness days were held for all shift workers.

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.

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 FY23, training for permanent employees amounted to 1.6 percent of total man-hours, which is an increase from the year before.

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

Indicators relating to a safe working environment are closely monitored. The occupational health, safety, environment and quality department, HSEQ, monitors and develops systems to ensure a safe working environment. Every accident, need for first aid, near-miss incident and safety observation is documented, and the reasons, consequences and possible actions are investigated to prevent future incidents. Safety audits are conducted every quarter by the various departments and risk analyses and assessments are carried out continuously. There were no fatalities among employees or contract workers during FY23. Several safety indicators have improved compared to previous years, *see table 11*.

Domsjö Fabriker works systematically to ensure a safe working environment according to AFS 2001:01 and the safety management system set out in the Seveso Directive (Directive 2012/18/EU). The formal agreement with trade unions covers health and safety topics including regulation of work hours schedule, leave for medical appointments, agreement on sick leave, rights to holidays and contribution to good order and safety.

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 Häggglunds 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. Domsjö Fabriker has been a sponsor of the Swedish Cancer Society for many years.

TABLE 11: SAFETY AT WORK

INDICATOR	QUANTITY FY20	QUANTITY FY21	QUANTITY FY22	QUANTITY FY23
LTIFR (lost time incidents frequency rate) *	16.2	10.6	7.1	7.1
Lost time injuries	10	5	4	5
Lost days	108.3	55.1	34.1	19.5
Safety indicator	7.2	7.8	9.2	11.0

* 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 FY23, 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 FY23 there were a few 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



"Modify our strategic business plan to include additional mitigation and adaption to changes in the 'External factors'." ⁴

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 FY23 to facilitate target setting and focus areas for the mill to start building a better tomorrow today.

⁴ Source: <http://sustainability.adityabirla.com>



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