korab

Sustainability Report 2025

VSME Standard Basic and Comprehensive Module

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1. Introduction

This Sustainability Report has been prepared by Korab International AB (Korab AB) in accordance with the Voluntary Sustainability Reporting Standard for SMEs (VSME)[1] framework and is prepared on a consolidated basis for Korab AB and its subsidiary Korab International AS in Turkey (Korab AS). The purpose of the report is to provide transparent and relevant information on how Korab manages its environmental, social, and governance (ESG) responsibilities, and how sustainability considerations are integrated into the company's operations, strategy, and value chain.

The VSME framework has been selected because it is proportionate to the size, complexity, and risk profile of Korab AB and its subsidiary, while aligning with the broader direction of European sustainability reporting and stakeholder expectations. The report focuses on sustainability topics that are most relevant to Korab's business activities, risks, and opportunities, and reflects the company's commitment to continuous improvement rather than perfection.

This report covers Korab AB's and Korab AS's own operations and, where relevant, key parts of our value chain. It includes qualitative descriptions and quantitative indicators related to governance, employees and working conditions and environmental impact. The disclosures are based on available data, estimates, and supplier data. Over time, we intend to further strengthen our data quality, processes, and targets as sustainability reporting and management practices mature.

[1] EFRAG Voluntary Sustainability Reporting Standard for non-listed SMEs, December 2024.

Message from the CEO

At Korab, sustainability is not a separate initiative — it is part of how we do business.



As a trading house, we operate within a value chain where transparency, ethical business practices, and environmental responsibility are essential. While our direct environmental footprint is limited, we recognize our role in promoting sustainable sourcing, efficient logistics, and responsible partnerships.

This Sustainability Report, which is our first of its kind, reflects our commitment to operating with integrity and to gradually strengthening our sustainability practices in line with the VSME framework. We view this as a foundation for continuous improvement and constructive dialogue with our employees, suppliers, and customers.

Peter Ljungsvik
CEO, Korab

Message from the Sustainability Team

Sustainability at Korab is about responsibility for our employees and across our value chain.

As a trading company, our most significant sustainability impacts relate to how our products are sourced, how suppliers are selected and assessed and how we transport our products.



Our work focuses on identifying relevant sustainability topics, improving data availability, and embedding responsible practices into everyday decision-making. This report represents an important step in formalizing our sustainability approach. Going forward, we will continue to strengthen our processes, engage with partners and employees, and refine our disclosures as expectations and capabilities evolve.

Alexandra Öhrn
Trade Finance Manager, Korab

2. Korab AB and Korab AS in short

2.1 Products

2.1.1 Pulp



The Korab AB/Korab AS Pulp Division focuses on the global trading of wood pulp, which serves as a key raw material for the production of paper, packaging, tissue, and other fiber-based products. Pulp is a fundamental raw material input for industries supplying essential products used in daily life, communication, hygiene, and packaging.

Wood pulp is produced by separating fibers from wood through mechanical or chemical processes. Depending on fiber type, processing method, and quality specifications, pulp can be tailored to meet different technical and performance requirements.

Pulp traded by Korab AB/Korab AS is primarily used for:

- **Paper and board production**, including packaging and printing grades.
- **Tissue and hygiene products**, including baby diapers, feminine care and incontinence care.

Different pulp grades are selected based on end-use requirements, such as strength, brightness, fiber length, and suitability for further processing.

2.1.2 Paper



The Korab AB/Korab AS Paper and Packaging Division focuses on the global trading of paper-based packaging and paper products. These products play a critical role in logistics, manufacturing, retail, and consumer markets by enabling safe transport, storage, and presentation of goods.

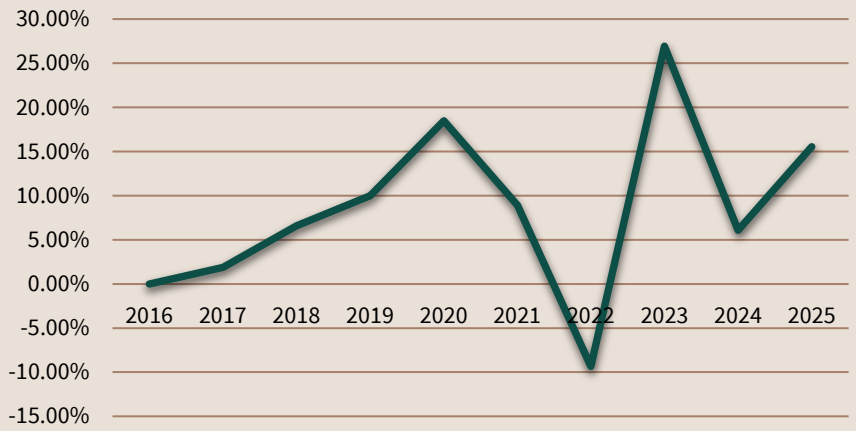
Paper and packaging products traded by Korab AB/Korab AS are primarily fiber-based materials produced from virgin pulp, recycled fibers, or a combination of both. Product characteristics can be adapted depending on end-use requirements, such as strength, durability, weight, and recyclability.

Key product categories include:

- **Corrugated packaging,** used extensively for transport and distribution, corrugated products provide strength, cushioning, and protection while remaining lightweight. Typical applications include boxes, trays, and other transport solutions for industrial and consumer goods.
- **Paper-based packaging solutions,** includes containerboard, folding cartons, sack paper, and wrapping materials used across food, industrial, and consumer applications. These products are designed for functionality, protection, and efficient handling.
- **Paper products for conversion and further processing**, paper supplied to converters for downstream use in packaging, printing, or specialized applications.
- **Stock lots/side runs,** Korab also purchases stock lots from paper mills, rolls of paper left over in the production process.

Packaging and paper products are selected based on functional performance, regulatory requirements, logistics efficiency, and customer-specific needs.

2.2 Percentage change in tonnage (MT) sold/employee, base year 2016, 2016-2025



2.3 Trade Finance and Logistics

Korab AB and Korab AS provide trade finance and logistics services. Logistics activities are managed by both offices and are tailored to offer the most appropriate solutions for our customers. Transportation is primarily conducted via ocean freight, with road and rail transport used when suitable. The trade finance team operates from Korab on behalf of both companies, offering solutions to customers and suppliers to alleviate cash-flow constraints and support efficient and sustainable business operations for all parties involved.



3. Sustainability Report

B1 – Basis for preparation

Basic Module and Comprehensive Module

This VSME report has been prepared on a consolidated basis for Korab AB and its wholly owned subsidiary Korab AS. The report covers the entities' structure, operations, and key characteristics relevant for sustainability reporting.

Reporting Entities

Korab International AB is a private limited liability undertaking incorporated in Sweden, operating under the NACE sector classification codes G46.76 (Wholesale of intermediate products) and G46.18 (Agents specialized in the sale of other particular products). During the reporting period, we reported a balance sheet total of EUR 71,139,799.66 and a turnover of EUR 261,100,453.18, and we employed 28 people (headcount). Our primary operations and significant assets are in

FSC® Chain of Custody Certification

Korab is authorized to purchase and sell FSC-certified and FSC Controlled Wood pulp, paper, and paperboard.

FSC-C019990

PEFC Chain of Custody Certification

Korab is authorized to purchase and sell PEFC-certified pulp, paper, and paperboard.

Sweden, where our head office is situated, while information on our sourcing and sales markets is presented elsewhere in this report. We operate from a leased office located at Mårten Krakowgatan 2, 411 04 Gothenburg, Sweden, with a geolocation of 57.7118° N latitude and 11.9754° E longitude.

Korab International AS (Korab International Kagit Dis Ticaret AS) is a private limited liability undertaking and a subsidiary of Korab International AB, operating under the NACE sector classification codes G46.76 (Wholesale of intermediate products) and G46.18 (Agents specialized in the sale of other particular products). During the reporting period, Korab AS reported a balance sheet total of EUR 3,441,951.37 and turnover of EUR 11,699,950.46 and employed 16 individuals (headcount). The company conducts its primary operations and holds its significant assets in Turkey, where it operates from a leased office located at Büyükdere Cad. No: 108/8, Enka Binası, 34394 Istanbul, Turkey, with a geolocation of 41.06798° N latitude and 29.01692° E longitude.

Korab Group consists of several other companies. All sales, purchases, financing, and similar activities are conducted through Korab AB and Korab AS. The remaining companies are either very small, inactive, or have no employees, and are therefore not considered relevant for this report.

C1 - Strategy: Business Model

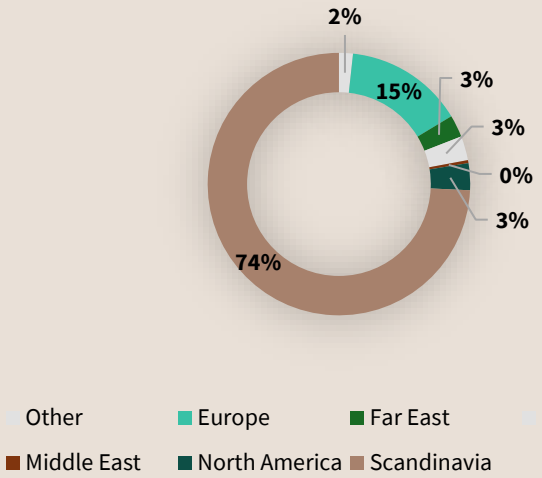
Korab AB/Korab AS is a paper and pulp trader; we offer a wide range of paper and pulp products from all over the world. We also offer tailor-made financing solutions for customers and suppliers along with logistics services.

Korab AB/Korab AS operates as an intermediary between global paper and pulp suppliers and a diverse range of paper and pulp buyers. These buyers include companies such as diaper manufacturers, newspaper publishers, cardboard and packaging producers, and paper merchants.

Approximately 70% of Korab AB's sales are concentrated in the Far East and Africa, making them the company's largest markets. In contrast, nearly 98% of Korab AS sales are directed to the Mediterranean market.

The estimated number of paper and pulp suppliers for Korab AB is about 70, these suppliers are distributed across multiple regions worldwide. In

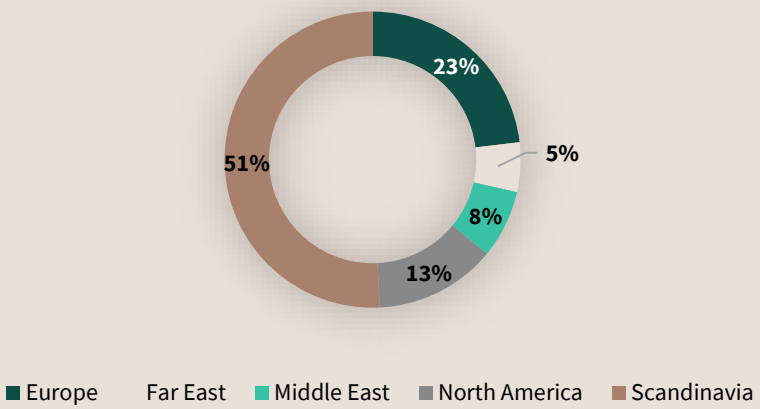
Korab sourcing areas



2025, approximately 70% of the total purchased tonnage originates from Scandinavia, while 16% comes from the rest of Europe. The estimated number of paper and pulp suppliers for Korab AS is 13, in 2025, approximately 50% of the total purchased tonnage originates

from Scandinavia, while 23% comes from the rest of Europe. The remaining volume for both Korab and Korab AS is sourced from North America, the Middle East, Latin America, and the Far East.

Korab AS sourcing areas



Additional key suppliers consist of freight forwarders, warehousing partners, and global shipping companies, operating across multiple regions worldwide.

Transport is primarily managed through ocean freight, which Korab AB/Korab AS purchases via international freight forwarders. Our largest forwarders are based in Germany and Sweden.

To deliver our trade finance solutions, we rely on a network of external suppliers, primarily financial institutions and insurance providers. Our banking partners consist of Swedish banks through which we facilitate our financial operations. In addition, we collaborate with three credit risk insurance companies and one freight insurance provider to manage financial and transport-related risks. These suppliers are essential to supporting our trade finance services and ensuring secure and reliable transactions.

B2- Practices, policies, and future initiatives for transitioning towards a more sustainable economy

a) Practices

Korab AB participates in the sustainability initiative *Klimatlöftet* through a partnership with the local Chamber of Commerce. Through this initiative, we have received sustainability training and support in calculating our carbon footprint, as well as guidance on promoting sustainable commuting. As part of these efforts, Korab offers a company bike benefit to encourage environmentally friendly commuting and support employee well-being.

Trough one of our long-time customers in Kenya, Uganda and Tanzania Korab AB provides a yearly financial donation to a non-governmental organization focused on improving access to education and supporting underprivileged communities in East Africa. Through this contribution, several children are able to go to school every year.



b) Policies

Korab AB has an established Code of Conduct that applies to all employees and company representatives. The Code of Conduct covers key principles related to ethical behavior, social responsibility, and compliance with applicable laws and regulations. We also have an environmental policy and a sustainability policy.

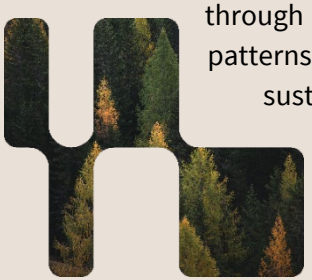
c) Future initiatives

Korab AB is in the process of finalizing a Code of Conduct for third parties, which will apply to suppliers, contractors, and other business partners. The code includes requirements related to environmental, social, and governance (ESG) matters, including environmental responsibility, social standards, and ethical business practices. Once finalized, Korab intends to implement the code across relevant business relationships.

In addition, Korab AB plans to continue developing our sustainable commuting initiatives and to maintain our collaboration with *Klimatlöftet*. This ongoing cooperation is intended to further improve sustainability data collection, monitoring, and follow-up, supporting continuous improvement in environmental performance.

d) Targets

Korab monitors the implementation of our sustainability practices through monitoring, including follow-up on commuting patterns and sustainability-related data reporting. As sustainability governance matures, we intend to further define measurable targets related to environmental impact reduction and compliance with ESG requirements within our own operations and across our business relationships.



B3 - Energy and greenhouse gas emissions (only Korab AB)

29. Energy consumption

Year	Renewable electricity [MWh]:	Non-renewable electricity [MWh]:	Total electricity [MWh]
2025	41.648		41.648

30. GHG emissions

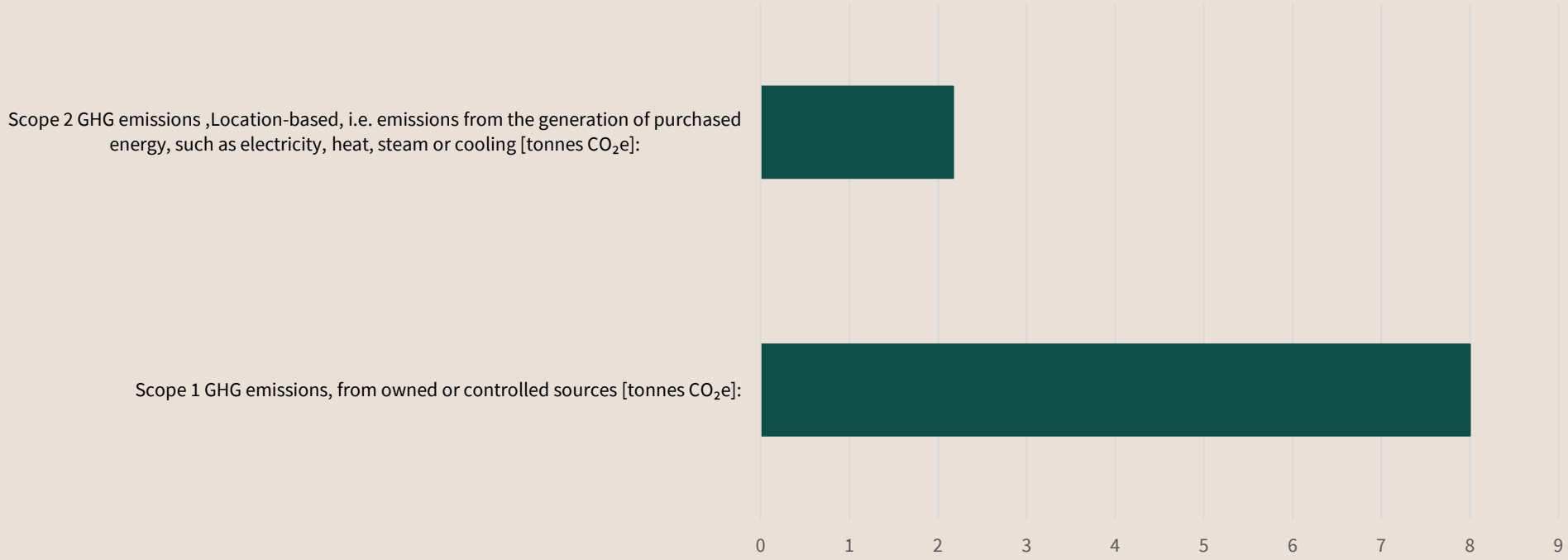
a) For Korab AB, Scope 1 greenhouse gas emissions consist solely of direct emissions from fuel consumption in company-leased cars. These emissions arise from the combustion of petrol or diesel in vehicles used for business purposes and are fully under the operational control of the company.

Scope 1 GHG emissions: **8 tCO_2e**

b) Scope 2 emissions (location-based) for Korab AB include electricity and thermal energy used in office operations, calculated using local grid emission factors and supplier-provided emission factors for heating and cooling.

Scope 2 GHG emissions: **2.17 tCO_2e**

Scope 1 & 2 emissions, 2025



31. GHG Intensity

GHG intensity = total GHG emissions (scope 1+2) tCO_2e / EUR turnover = 10.17 / 261,100,543.00 **≈ 0.0000000389505**

52. Scope 3 emissions

Relevant Scope 3 emissions

Upstream

3.1 Purchased Goods and Services

This category covers emissions from the production of goods and services acquired by Korab AB. One component of Category 1 emissions is currently missing: services purchased from three independent sales personnel. Emissions related to their purchased goods are included, whereas emissions from their business travel are not.

3.1 is a highly relevant emissions category for Korab AB. Emissions have been calculated using Environmental Product Declarations (EPDs) and Life Cycle Assessments (LCAs) from paper and pulp mills where available. When such data were not available, industry-standard emission factors or data from comparable mills were applied. In cases

where no suitable industry-standard factors existed, average emission factors were used.

Scope 3.1 GHG emissions: **103 384 tCO_2e**

3.2 Capital goods

This category includes emissions from the production of capital goods purchased by Korab AB, primarily IT and office equipment such as computers, computer accessories, and mobile phones. Emissions are related to the manufacturing of electronic equipment and have been calculated using industry-standard emission factors and average data where product-specific information was not available.

Scope 3.2 GHG emissions: **1.26 tCO_2e**

3.3 Fuel and energy-related activities (not included in Scope 1 and 2)

Includes indirect greenhouse gas emissions related to the production, extraction, and transportation of fuels and energy that a company purchases and consumes. This category covers upstream emissions from electricity, heating, cooling, and fuels, excluding the direct combustion emissions already reported in Scope 1 and the generation emissions reported in Scope 2. Calculated using the figures provided by Korab's property manager.

Scope 3.3 GHG emissions: **2.37 tCO_2e**

3.4 Upstream transport and distribution

Emissions in this category have been calculated based on the distance between countries of origin and destination, the total tonnage shipped along each route, and industry-standard emission factors for vessels, trains, and trucks, respectively. A limitation of the data is that the specific ports of departure and arrival were not available, meaning that the total transport distances are approximate rather than exact, though they are considered sufficiently accurate for this reporting year. Improved data availability is expected in future reporting periods.

In most cases, Korab AB arranges and pays for the freight, and the associated emissions are therefore included in this category. In instances where the customer arranges and pays for the freight, the related emissions are instead reported under Category 3.9 (Downstream transport and distribution).

Scope 3.4 GHG emissions: **71 370 tCO_2e**

3.6 Business Travel

Emissions in this category cover travel undertaken by employees for business purposes. Data availability is currently limited, as information on train, taxi, and air travel purchased using company credit cards was not accessible for the reporting period. As a result, calculations are based solely on travel booked through the company's appointed travel agency.

This data limitation means that reported emissions do not fully reflect total business travel. Improving data collection and coverage for all travel expenses, including those paid via company cards, is a priority for future reporting years to increase completeness and accuracy.

Scope 3.6 GHG emissions: **44 tCO_2e**

3.7 Employee Commuting

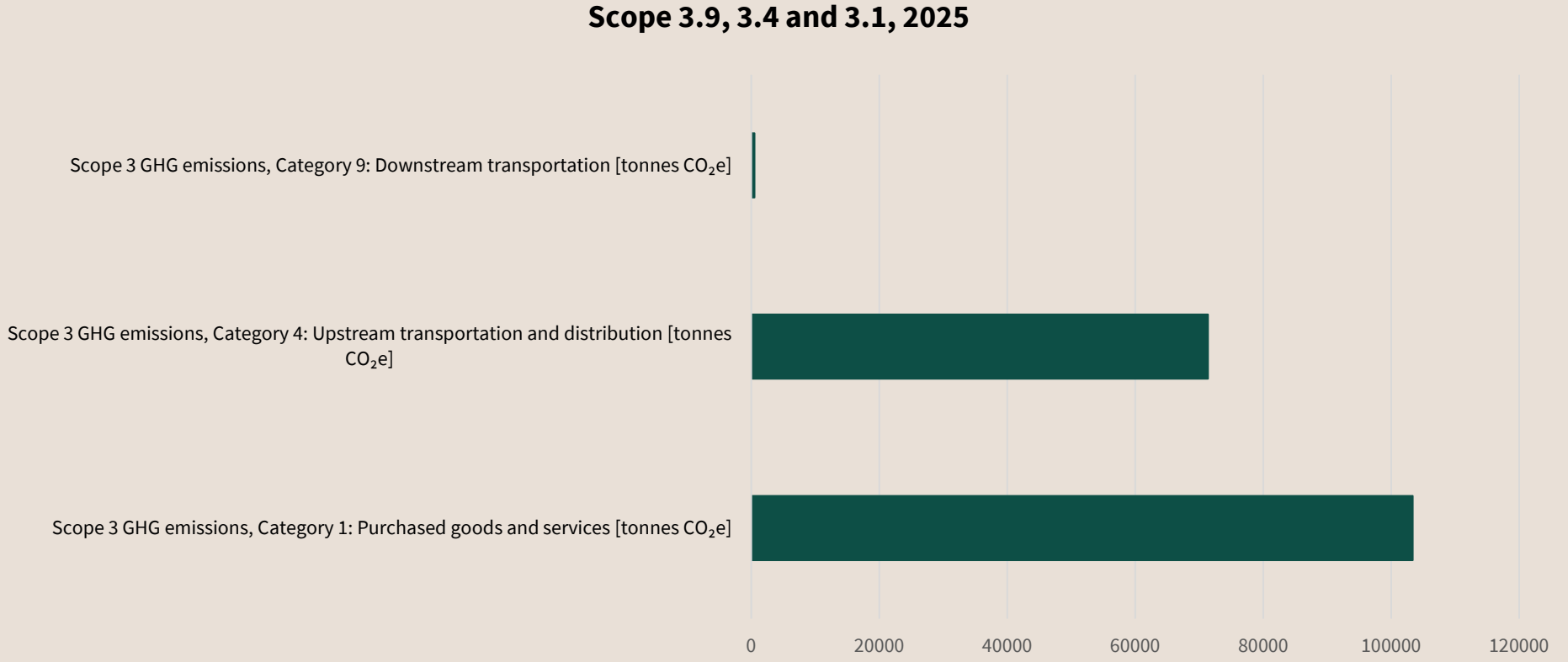
Emissions from employee commuting have been calculated based on the distance between the office and the general area of each employee's residence. Employees use various modes of transport for commuting; however, the predominant mode of transport has been applied for everyone in the calculations. Standard emission factors for commuting, published by Naturvårdsverket, have been used.

Scope 3.7 GHG emissions: **10 tCO_2e**

Downstream

3.9 Downstream transport and distribution

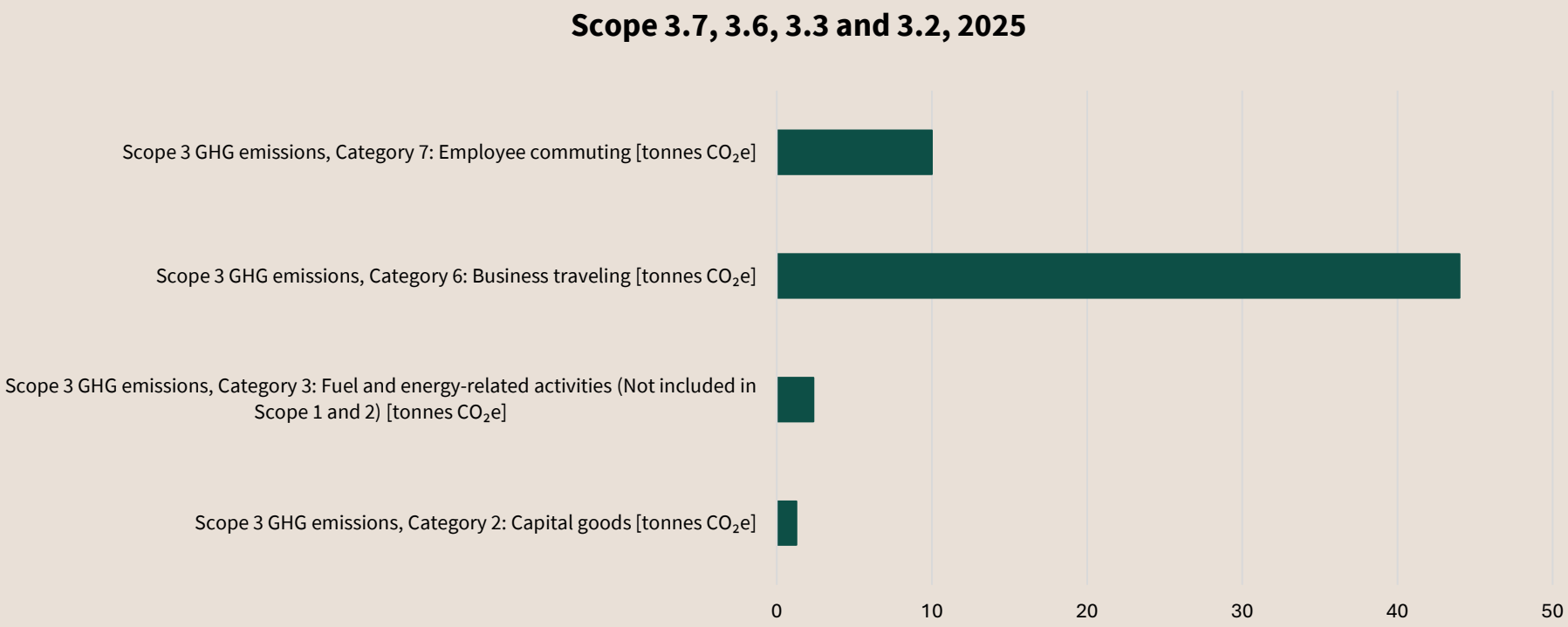
This category covers emissions from transport and distribution that are arranged and paid for by Korab AB's customers. In contrast to Category 3.4 (Upstream transport and distribution), where Korab AB is responsible for the freight, these emissions fall outside of our direct logistics control. Data availability is limited, and calculations are based solely on estimated transport distances between countries of origin and destination. Due to the lack of information on specific routes, transport modes, and ports or terminals used, the calculated distances are



approximate. Improving data quality and detail for downstream transport is an objective for future reporting periods.

Scope 3.9 GHG emissions: **517 tCO_2e**

reasonable level of accuracy. We plan to explore alternative calculation methods and improved data collection approaches in future reporting periods.



3.10 Processing of Sold Products and 3.12 End-of-Life Treatment of Sold Products are considered relevant categories for Korab AB. However, due to significant data limitations and methodological challenges, these categories are currently difficult to quantify with a

C3 – GHG Reduction Targets

2025 is the first year of GHG emissions calculation and serves as the base year. In the coming years, reduction efforts will focus on emissions from employees commuting along with scope 1 and 2 emissions. Measures

include reducing the number of available parking spaces and relocating the office closer to public transport connections. Additional reduction targets will be discussed, defined, and finalized during the coming year and will be presented in the 2026 sustainability report.

B7 - Circular Economic Principles

Korab's business model is, and has always been, closely aligned with circular economic principles. We sell paper that might otherwise have been discarded as waste, thereby extending the value and useful life of existing resources. Korab also offers FSC®-certified pulp and paper, supporting responsible forest management and sustainable sourcing.

A significant share of the products sold are used for paper cartons and packaging solutions that are easily recyclable, as well as paper-based materials for the fast-food sector, replacing plastic alternatives.

Although Korab does not manufacture products itself, our core business contributes to increased use of paper and pulp globally, helping to reduce dependence on fossil-based plastics and supporting the transition to more circular, renewable materials.



38. Waste generated at our Gothenburg office (Korab AB)

a) In 2025, total waste generated amounted to 2,040 kg. No hazardous waste was generated from the company's own operations during the reporting period.

b) Waste diverted to recycling or reuse, 1 478.6 kg, abt. 72% of Korab's annual waste.

Type of waste	KG
Mixed scrap	0.20
Combustible waste, fine	13.60
Landfill, sorted	13.60
Electronics, mixed	0.40
Glass packaging, colored	63.80
Glass packaging, clear	3.40
Food waste in biodegradable packaging	638.00
Metal packaging	11.60
Office paper	275.40
Paper packaging	208.40
Plastic packaging	142.00
Residual waste, non-organic	531.80
Newspapers/Journals	5.60
Toner/ink cartridges	2.40
Corrugated cardboard, loose	129.80
Grand Total	**2,040.00**

C4 – Climate risks

Korab AB has identified climate-related hazards and climate related transition events that could create climate-related risks for us. Same risks are identified for Korab AS.

A brief description of identified hazards and transition events: Korab AB has identified several climate-related hazards affecting its upstream supply and logistics chain. These include wildfires, droughts, extreme heat, pest outbreaks, storms, flooding, and shifting seasonal patterns that can impair forest health, disrupt harvesting activities, and delay the transport of raw materials to mills. Severe weather events can also disrupt international logistics, including port closures and interruptions to vessel and truck movements.

We have additionally identified climate-related transition events. These involve increasing regulatory requirements—such as enhanced sustainability and traceability obligations—as well as growing customer expectations for low-carbon and sustainably sourced paper products.

Exposure and sensitivity of our assets, activities and value chain to these hazards and transition events: Korab AB has started to assess its exposure by analyzing how climate-related hazards may affect the availability and price of pulp and paper, the operational stability of suppliers, and the reliability of transport routes. Sensitivity is evaluated based on Korab AB's dependence on forest-based raw materials, global transportation networks, and supplier alignment with evolving climate and sustainability regulations. This assessment includes internal reviews of supplier vulnerability, potential logistics bottlenecks, and the importance of specific supply routes.

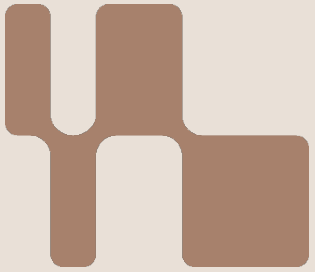
Time horizons of any climate-related hazards and transition events identified:

Short-term (0–2 years): Acute weather-related transport delays and near-term compliance impacts from new reporting requirements.

Medium-term (3–5 years): Increased frequency of climate-driven disruptions in forestry and transportation and expanding regulatory obligations placed on suppliers and distributors.

Long-term (>5 years): Structural impacts on global fiber availability, potential long-term shifts in sourcing regions, and continued tightening of customer and regulatory expectations.

Climate change adaptation actions for any climate-related hazards and transition events: Korab AB has taken initial steps to adapt to identified climate-related hazards and transition events. These actions include conducting preliminary assessments of alternative sourcing options and integrating sustainability considerations into procurement discussions. In parallel, we are monitoring the evolving regulatory landscape, including increasing requirements related to climate risk management, supply chain transparency, and sustainability reporting. Korab AB plans to further develop this work through structured collaboration with suppliers and transport partners as part of its ongoing climate transition preparedness and regulatory compliance efforts.



B8 – Workforce - general characteristics

39. Number of employees [headcount]

Year	Organization unit	Permanent contract	Temporary contract	Female	Male	Total
2025	Korab AB (Sweden)	28	0	18	10	28
2025	Korab AS (Turkey)	16	0	10	6	16

B9 – Workforce – Health and safety

No recordable work-related accidents

B10 – Workforce – Remuneration, collective bargaining, and training

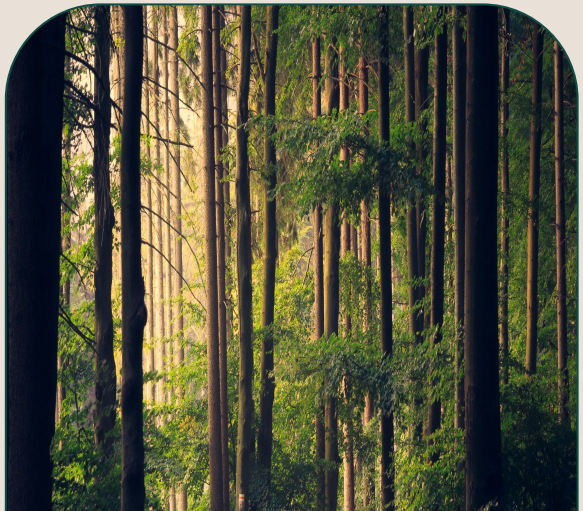
Year	Organization unit	Has company omitted gender pay gap? (1 = yes, 0 = no, -1 = no value)	Do all employees receive pay that is equal to or above the applicable minimum wage?	Number of employees covered by collective bargaining agreements:	Total training hours, Female employees:	Total training hours, Male employees:
2025	Korab AB (Sweden)	1	Yes	0	10	10
2025	Korab AS (Turkey)	1	Yes	0	2	2

C6 - Additional own workforce information - Human rights policies and processes

Year	*Organization unit*	*Does the company have a code of conduct or human rights policy for its own workforce?*	*What does the code of conduct cover?*	*Does the company have a complaints-handling mechanism for its own workforce?*
2025	Korab AB (Sweden)	Yes	Child labour, Forced labour, Human trafficking, Discrimination	No
2025	Korab AS (Turkey)	Yes	Child labour, Forced labour, Human trafficking, Discrimination	No

C7 – Severe negative human rights incidents

Year	*Organization unit*	*Does the company have confirmed incidents in its own workforce?*	*Is the company aware of any confirmed incidents involving workers in the value chain, affected communities, consumers and end-users?*
2025	Korab AB (Sweden)	No	No
2025	Korab AS (Turkey)	No	No



C9 – Gender diversity ratio in the governance body

Year	*Organization unit*	*Does the company have a governance body in place?*	*Number of female members of the governance body:*	*Number of male members of the governance body:*	*Gender diversity ratio of governance body*
2025	Korab AB (Sweden)	Yes	0	3	0

End of report

Appendix 1

Summary of disclosures

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