

A composite image featuring a person's silhouette in the foreground, looking towards a large, detailed image of the Earth as seen from space. The person's head and shoulders are visible in profile, with their face partially obscured by the text. The Earth shows continents and clouds, with a bright horizon line. The background is dark, suggesting the void of space.

Climate transition plan

2026

Content

WHY

Letter from our CEO

3

The foundation

4

→ The Climate transition plan

→ Climate related risks & opportunities

The ambition

9

→ Climate journey & locked-in emissions

→ Climate targets

WHAT

The execution

14

→ Decarbonisation strategy & implementation

→ Financing the transition

→ Governance in place

→ Collaboration with others

→ Conclusion

HOW

Letter from our CEO



Micael Johansson
President and CEO

Dear shareholders and dear readers.

Saab is committed to reducing climate impact throughout its value chain and to being a leader in sustainability within the defence sector.

Our Climate Transition Plan sets out the foundation for our work, detailing ambition and execution. It demonstrates how Saab is driving and supporting the transition toward a low-carbon society, as well as how Saab intends to fulfil our own targets. As the first major company in the defence sector to do so, Saab has committed to the UN's Race to Zero campaign and had its near-term targets for 2030 approved by the Science Based Target initiative (SBTi). This was an important milestone to help realise Saab's vision of being a leader in sustainability.

Since then, Saab has also had its net-zero reduction targets approved. Saab's climate targets are an integrated part of the company's business strategy.

Saab has already made great progress toward the near-term targets, whilst at the same time acknowledging that there are still challenges ahead. In a world where threats against societies are growing increasingly diverse, and with climate change giving rise to new types of instability,

Saab contributes to defence and security capabilities as a trusted partner for customers within and outside of Sweden.

Saab is committed to delivering value for our stakeholders whilst driving a green and social transition. This requires product innovation, resource efficiency and new technologies to reduce Saab's climate impact, alongside our growth journey and adapting to the future. Saab will keep striving to increase energy efficiency, switch to renewable energy and transit to biofuels throughout our value chain. Saab is engaging with suppliers to cut emissions and working to enable emission reductions for our customers. Saab strives to lessen our products' overall lifecycle footprint by continuing to design products that stand the test of time. That means products which are cutting edge, upgradable, repairable and robust in several future climate scenarios.

Saab hopes our climate transition plan will inspire others to join us on the journey to drive positive change in our industry and sends an invitation to stakeholders to collaborate and actively engage with us.



"Our goal is to be a sustainability leader in our industry. Here we have made meaningful progress. We continued our transition to solutions and production methods with lower climate impact, including expanding the use of sustainable aviation fuels."



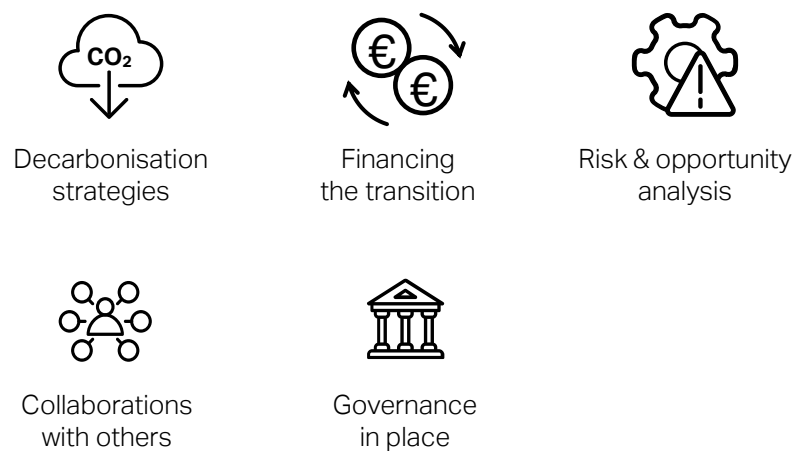
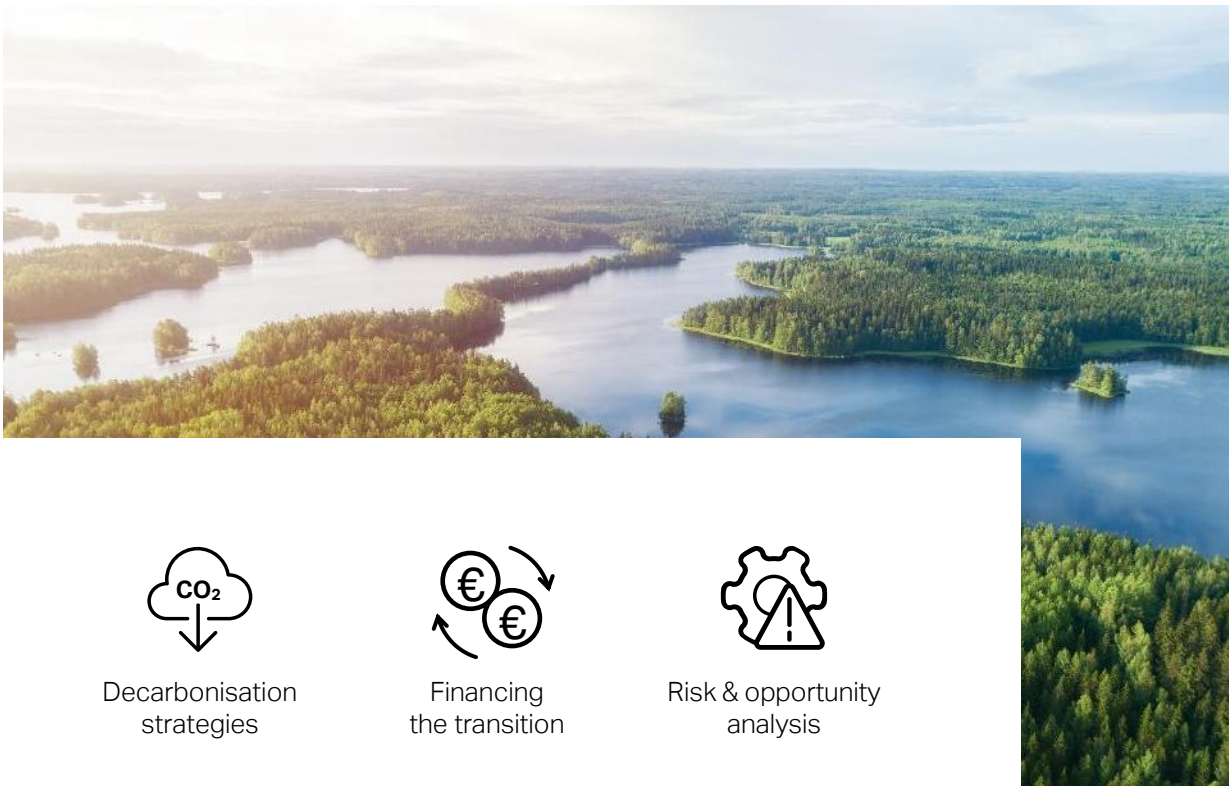
The Foundation

The climate transition plan

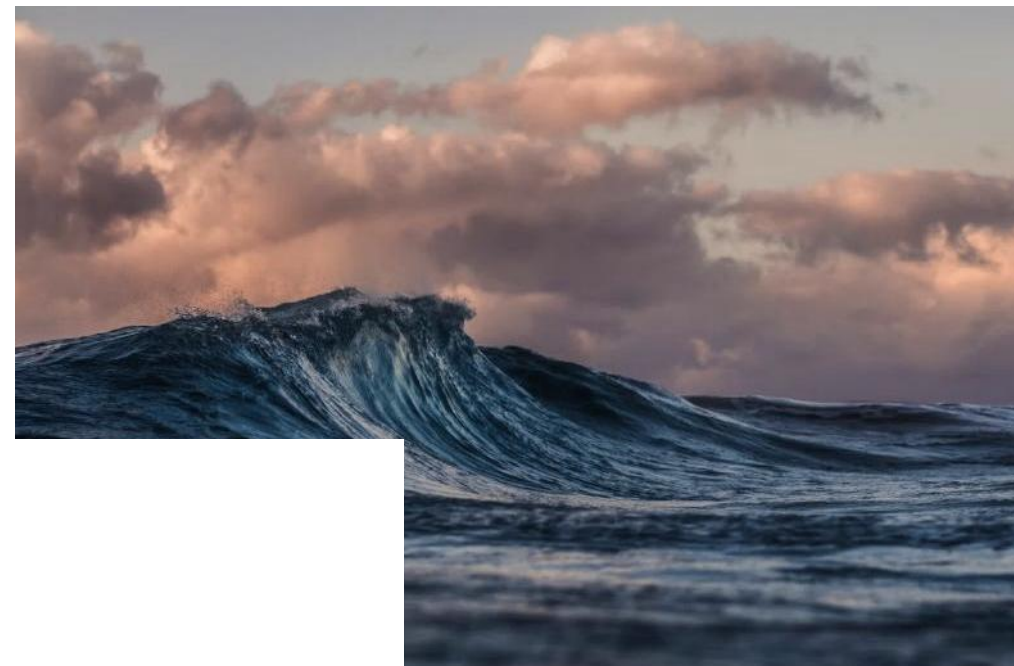
Saab has implemented a climate strategy to minimise Saab’s climate impact and capitalise of opportunities such as enhanced efficiency and reduced costs, while mitigating climate risks and ensuring regulatory compliance.

A robust climate strategy promotes long-term business resilience, attracts investors, and meets consumer demand for sustainable practices, thereby securing a competitive advantage.

Saab’s Climate Transition Plan (CTP) sets out Saab’s strategy and pathway to deliver on Saab’s Net-Zero commitment. It describes the past, current, and future mitigation efforts aimed at ensuring that Saab’s strategy and business model are compatible with the transition to a sustainable economy. These efforts supports limiting global warming to 1.5 °C in line with the Paris Agreement and the objective of achieving climate neutrality by 2050. The CTP lays out Saab’s foundation, ambition and the path to reaching Saab’s goals.



Climate related risks & opportunities



Mitigation & adaption

In 2021, Saab assessed how climate change may impact its operations and value chain. As a result, the Science Based Target-project was launched. The project is dedicated to reaching Saab's Net-Zero targets and thereby mitigating risks due to climate change.

Saab's physical risks are managed, for example, through Saab's comprehensive Global Loss Prevention programme, designed to minimise property damage and business disruptions.

Physical risk (such as extreme weather) can be a risk of shortening the products' time in operation for the customer. This risk is mainly managed by robust and modular design in the product development phase.

Methodology

During 2025, Saab made an updated assessment according to IFRS S2 standard for transitional & physical scenarios, for short term (0-1 years), medium term (2-5 years) and long-term (5-30+ years) time horizons.

Identified risks and opportunities have been ranked and the highest ranked were evaluated based on financial impact and Saab's resilience.

Saab's strategy and business model demonstrate moderate to high resilience to the climate-related physical and transition risks identified across the scenarios assessed.

Transitional risks & opportunities

The table focus on transitional risks & opportunities with notable impact.

→ 1.5°C Net-Zero transition scenario.

Risks	Measures addressing risks
Reputation	
Perceived lack of climate ambition or transparency could impact investor confidence, employee retention, and stakeholder trust.	Aligned climate targets with overall strategy to show ambition. Engage suppliers and stakeholders to ensure transparent disclosure of climate commitments and progress.
Market	
Limited access to resources such as critical raw materials, especially in regions with fragmented climate policies.	When assessing critical raw materials with limited availability, additional stockpiling can help sustain production over an extended period. Furthermore, developing products that rely on less critical raw materials increases resilience to supply risks over time.
Technology	
Technology misalignment. Risk of investing in technologies that fail to meet future regulatory or market expectations.	Saab prioritises low-carbon and circular solutions to ensure that technologies align with future climate-related regulations. This approach helps reduce reliance on technologies that could become non-compliant or obsolete, while enabling more flexible and sustainable product designs.
Policy & Legal	
New climate-related legislation affecting product development and compliance. Added pressure on suppliers.	Saab monitors supplier and partner alignment with market climate expectations and can implement internal adjustments as needed to adjust and respond to internal climate targets.

Opportunities	Measures addressing opportunities
Products & Services	
Early adoption of Sustainable Aviation Fuel (SAF) for flight testing, enhancing brand value and customer engagement.	Saab increases the use of Sustainable Aviation Fuel and transitions to lower-impact solutions, enhancing customer value and brand positioning. Continued investment in low-emissions product development aligns with regulatory and market expectations, reinforcing Saab's sustainability leadership.
Products & services / Resource efficiency	
Circular solutions and resource efficiency initiatives that reduce costs and environmental footprint.	Saab adopts circular industrial processes and develops circular products aligned with the EU Circular Economy Action Plan. Including lifecycle studies, eco-design integration, replacing single-use packaging, and expanding recycling initiatives to meet 2030 targets.
Market	
Access to EU innovation funding and green finance for climate-aligned R&D	Saab drives research and development to accelerate sustainable solutions and low-impact production methods, creating future profitable growth and strengthening its competitive position.

Physical risks & opportunities

The table focus on physical risks & opportunities with notable impact.

→ 2.7°C mid and 4.0°C high emission physical scenario.

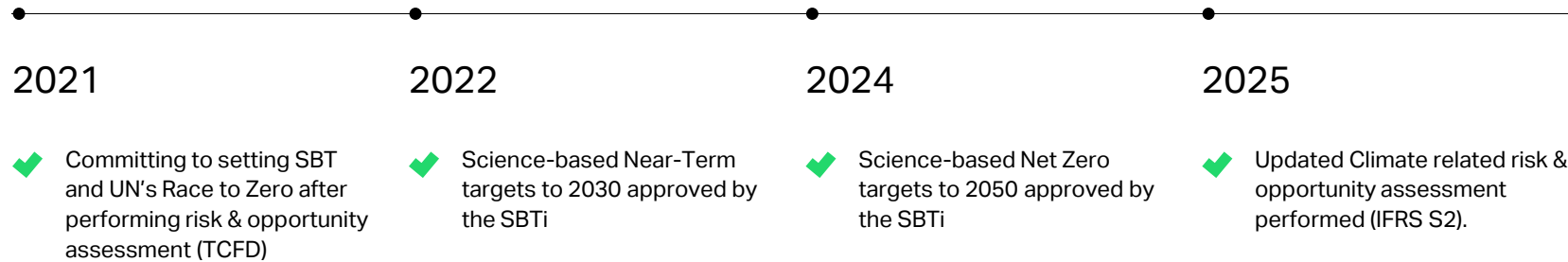
Risks	Measures addressing risks
Acute – Operations	
Extreme weather such as tornados, flash floods, heavy rain and river flooding may disrupt operations, damage assets, and delay deliveries.	Sites are evaluated against acute & chronical risks, strategic importance etc. using a multiple weighted criteria. Critical sites may temporarily shift production if needed.
Acute – Supply Chain	
Disruption in supply chain, due to weather. Dependency of suppliers' delivery and suppliers also adapting to climate change risks. Risk could cause delays in deliveries or cancelation of contracts	When assessing disruption in supply due to weather, additional stockpiling can help sustain production over an extended period. Furthermore, sourcing more locally and suppliers with several production sites, increases resilience to supply risks over time.
Acute – Products	
Extreme weather events, including tornadoes and heavy rainfall, may disrupt product operation and result in product damage.	The deployment of Saab's products in regions prone to extreme weather events, such as tornadoes, can be secured through the establishment of protective shelters. Additionally, ongoing product development can focus on enhancing robustness and resilience to mitigate the impacts of severe weather conditions.

Opportunities	Measures addressing opportunities
Products & Services	
Increase in demand for new products in response to effects of climate change, such as extreme weather events. For example, in humanitarian relief or climate surveillance.	Saab continues to further develop products to enhance their robustness and resilience to extreme weather impacts and broaden its sustainable offerings.

The Ambition

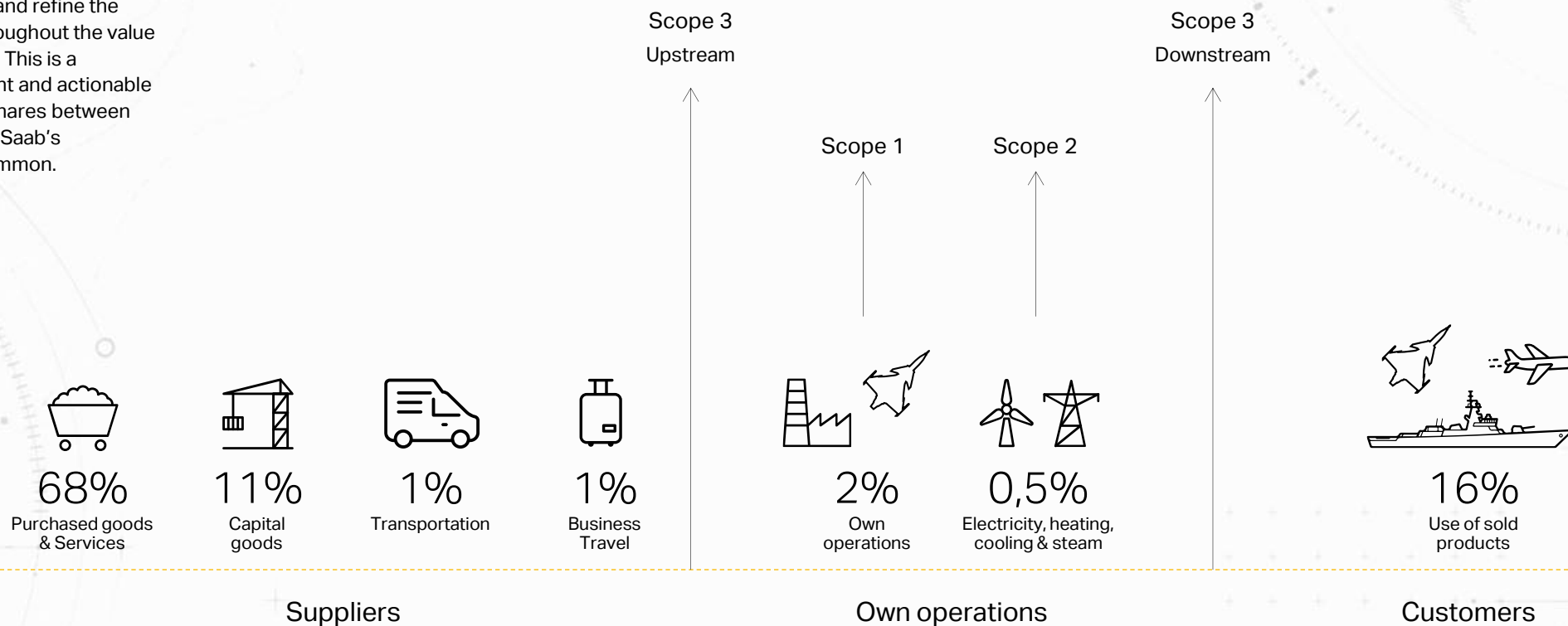


Climate journey



Climate impact

Saab has worked extensively to map and refine the calculations of the climate impact throughout the value chain, according to the GHG protocol. This is a prerequisite for setting robust, relevant and actionable targets. An overview of the current* shares between the scopes are shown below. Most of Saab's emissions are in Scope 3, which is common.



*year 2025. In Saab's Annual Report yearly publications of GHG emissions and yearly reduction actions.

Climate impact locked-in emissions



Locked-in emissions are predictions of future emissions from assets and products.

Locked-in emissions from assets mainly consist of fossil fuel-powered stationary industrial equipment, company vehicles, refrigerant gases and test aircraft. The CTP describes mitigation efforts planned to reduce the locked-in emissions, such as improving the energy efficiency of systems and buildings, transitioning away from LPG by replacing it with biogas, investing in solar cells, and switching fossil driven company vehicles to electric vehicles.

Locked-in emissions from products are consistent with the Scope 3 category 11, Use of sold products (from current year and in orderbooks). The products are generally designed with a long-life span in scope and therefore have a long-lasting effect.

Climate targets



Near-term Targets

-42%

Reduction of Scope 1 & 2 GHG emissions by 2030 (compared to base year 2020)

-25%

Reduction of Scope 3 GHG emissions by 2030 (compared to base year 2020)*

50%

Engaging 50% of its suppliers (by spend) to have a science-based target by 2027

Long-term Targets

-90%

Reduction of Scope 1, 2 & 3 GHG emissions by 2050 (compared to base year 2020)

* Scope 3 categories included:

- Use of sold products
- Business travel
- Transportation and distribution

The Execution

Decarbonisation highlights



Product Design

Gripen designed to be upgradable, modular, repairable and able to fly with biofuel.



Energy Efficiency

Saab Solna office received the highest BREEAM rating.



Renewable Energy & Electrification

Gamleby biogas system in production.
67% of energy use comes from renewable sources.



Transitioning to biofuels

Saab Special Mission & Corporate Flight refuelling on biofuel.
Saab's shipyard in Karlskrona transitioned to HVO100.

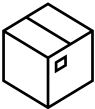


Supplier Engagement

Saab has engaged 27% of suppliers to set science-based targets (2025).
Prime transport partner transitioned to HVO100.

Decarbonisation strategies

Setting out a clear decarbonisation strategy is one of the most important parts of the CTP to help reach Saab's overarching goal of mitigating Saab's climate impact. Saab has identified the core components needed to be successful in enabling the larger emission reductions. Key mitigation actions identified in the climate task forces are within the focus areas presented



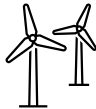
Product Design

Utilise product & process innovation to reduce climate impact.



Energy Efficiency

Reducing energy consumption through improved technologies and practices across various sectors, such as buildings, transportation, and industry.



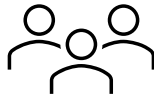
Renewable Energy & Electrification

Shifting from burning fossil fuels (oil, natural gas etc.) to using renewable energy sources like solar, wind, hydro, and renewable district heating.



Transitioning to biofuels

Shifting to sustainable aviation fuels, HVO100 etc. for flight operations, transportation of goods and potentially more areas.



Supplier Engagement

Building trust by collaborating with stakeholders is vital for achieving Saab's target. For example, customers, suppliers and partners.

Decarbonisation strategies

Own operations

Progress & strategy own operations

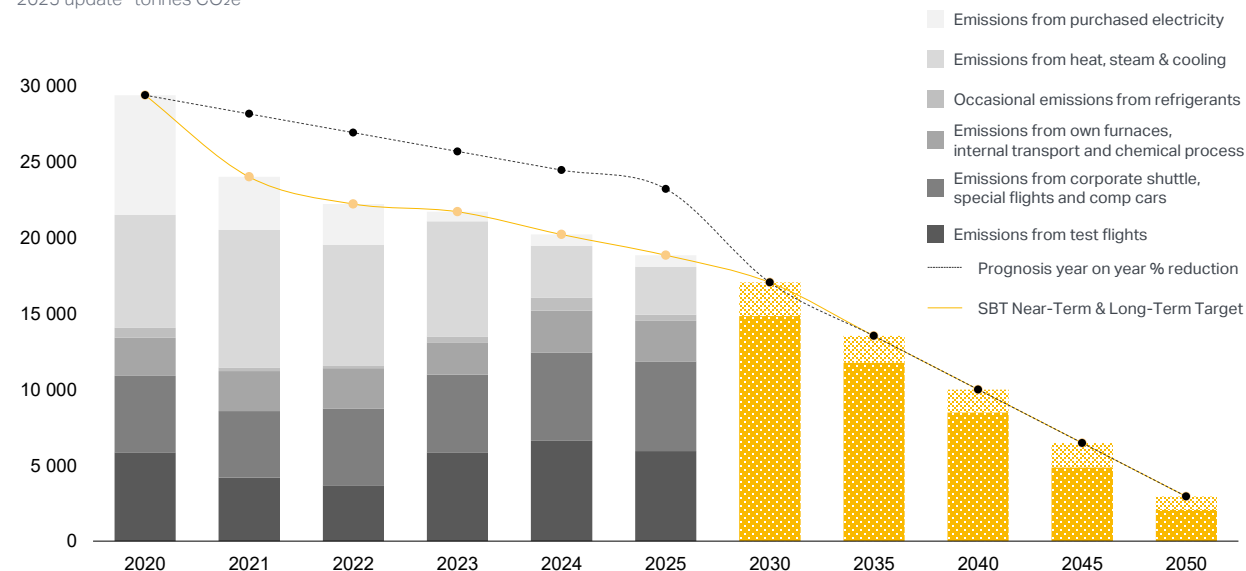
Saab has prioritised a more rapid pace of reduction at the start of the journey than required by the SBT commitment. This approach has enabled a relatively large margin to the commitment and has margin for variation. NGFS* predictions of increased costs for climate mitigation over time also motivates Saab to follow this path.

Persistent work in increasing energy efficiency and energy resilience was prioritised early on; this minimises increases in emissions due to Saab's expansion in sites and production, as does transitioning toward biofuels.

Currently, the overall Scope 1 & 2 reduction progress since 2020 amounts to -36%, compared to the target of -42% by the year 2030. The plan forward is to reduce Scope 1 by around 1/10th of the remaining gap and Scope 2 by 9/10th. More details are described in the following pages, as well as yearly data in Saab's annual report.

Scope 1 & 2 Pathway to Net-Zero (y2025)

2025 update · tonnes CO₂e



* The Network for Greening the Financial System is a network of 114 central banks and financial supervisors

Own operations

Aviation

Scope 1

Own operations

Emissions mainly come from Saab's test flights, corporate shuttle, special flight operations, and company cars.

Sustainable Aviation Fuel (biofuel) is an important enabler, besides directly affecting Saab's test flights, it is also an enabler for customers operating Saab's products.

Key actions

Purchase of SAF for own flight operations

- Evaluate more locations for refuelling with SAF.
- For flight testing, issuing a "No technical objection-statement" to inform Saab's customers on the compliance of flying on maximum share of SAF drop-in fuel.

Reduce emissions from own operations

- Include more verifications during flight to build accuracy in simulation models.
- Gradually phase out the conventional company cars, for electric.

Energy resilience

Scope 1 & 2

Own operations & bought service

Main sources of emissions come from bought electricity, cooling, steam and district heating. It also includes stationary burning of fossil fuels and accidental refrigerant leakage.

Several smaller contributions from oil boilers, cars, trucks, ship engines burning fossil fuels and natural gas from sites abroad.

Saab's Energy Strategy provides a guide on emission reductions from energy use and ensures resilient energy systems.

Key actions

Increase share of renewable energy and improve energy resilience.

- Transitioning toward renewable electricity for all sites and where available renewable district heating
- Investing in solar cells systems.
- Improvements in energy efficiency of buildings, processes and machinery.
- Replacing burning LPG with biogas and reduce oil-heaters and steam usage.
- Improving buildings energy efficiency by better insulations and ventilation.
- Shift to electric & biofuel internal transportations

Decarbonisation strategies

Own Value Chain



Value Chain Engagement Strategy

To enable the full climate transition, Saab understands the importance of close collaboration with industry peers, policymakers, suppliers, customers, stakeholders, as well as strengthening and engaging Saab's employees.

Like many other companies, emissions connected to the value chain is a large part of Saab's total emissions. Therefore, Saab has a value chain engagement strategy.

Saab's focus is:

- Product design: Minimise climate impact, while increasing circularity, robust design for long term resilience and security of supply.
- Engaging with suppliers: Collaborating with suppliers, educating and setting requirements on suppliers' emission reduction.
- Engaging with customers, peers and organisations to enable the transition: Contributing to common guidance, standards and working for infrastructure.
- Optimising logistics: Consolidating transport, increasing efficiency and changing to biofuels and electrification.

Own Value Chain

Supplier engagement

Scope 3 – Category 1 & 2

Value chain

The emission sources for the category are purchased goods, services and capital goods, although Saab's current target is a supplier engagement target to 2027.

Saab expects its suppliers to develop an emission reduction plan in the near and long-term, which is stated in Saab's supplier Code of Conduct.

Saab will gradually improve the precision of its emission calculations to support credible measurements of emission reduction across the value chain.

Key actions

Engage Saab's suppliers in committing to science-based targets

→ Continue to collaborate, educate, follow up and engage suppliers in setting science-based target.

→ Connect with key suppliers to receive supplier data.

Identify joint opportunities

→ Identify joint opportunities (with suppliers, trade associations & peers)

→ Systems to share environmental data between Saab, suppliers and peers to increase data quality

Use of sold products

Scope 3 – Category 11

Value chain

Emissions from Saab's delivered products, in the use phase, are summarised for the entire expected lifetime. As some of Saab's larger emitting products have irregular deliveries, the progress is expected to fluctuate from year to year.

Emissions from the category can be reduced in a combination of ways; by adopting new innovative technologies during the design phase, enabling Saab's customers to use biofuels where possible, and phasing in new, more efficient product updates to Saab's portfolio.

Key actions

Enable reduced emissions from the use phase of Saab's products

→ Publish "No technical objections"-statement for selected products to share details with Saab's customers on the possibility to use biofuels.

Utilise product & process innovation to reduce climate impact.

→ Incorporate requirement on decarbonisation in the design process.

→ Incorporate innovations and product updates that reduce climate impact in planning of the product portfolio.

Own Value Chain

Upstream transportation

Scope 3 – Category 4

Value chain

Emissions come from Saab's transportation of material, goods and products where Saab has control of the transportation. With an increase in production and sales, Saab anticipates the need for transportation will increase.

For transportation, Saab's strategy is to over time transition from flight toward increased transportation on road, sea and rail, and to increase the use of fossil-free fuels.

Key actions

Work with suppliers of goods transportation to ensure transition to low carbon transport methods

- Agreement with suppliers to transition from fossil fuels toward transportation solution using biogas, HVO100, electric and ethanol.
- The establishment of a new Saab Transport Office (STO) will enhance the consolidation of transports, thereby reduce the number of shipments and facilitate on-site transportation exclusively by electric vehicles.

Business travel

Scope 3 – Category 6

Value chain

Emission comes from business travel with rental cars, taxis, trains, flights, ferries and buses. With an increase in the number of employees, production and sales, Saab anticipates the need for travel will increase.

The updated Travel Directive guides employees and consultants towards selecting the most sustainable transportation options available and, when possible, to prioritise virtual meetings.

Saab's Climate Fund is financed by an internal carbon fee on business travel by air and supports climate innovations within the company.

Key actions

Changed travel habits, mindset, digital meetings and working with suppliers to drive change

- Increase in the share of available electric vehicles.
- Transition domestic travel by flight to rail, on routes that are especially suitable.
- Dialogue with travel suppliers for fossil-free fuel offers.
- Funding climate innovations by fee placed on air travel.

Financing the transition



Saab's CTP is integrated into Saab's financial planning processes through various means, including an annual financial plan for the identified mitigation actions up to the year 2030. Costs for mitigation actions beyond 2030 are estimated using an internal carbon price (shadow price).

Mitigation actions with financial plans are regularly reviewed. Saab steering groups govern larger and group common mitigation activities, while Business Areas have their own plan for mitigating activities.

To determine the priority of mitigation actions, estimate costs for future and undecided mitigation actions, Saab links emission reductions to their associated costs. Saab's internal carbon pricing mechanism includes both shadow prices and a carbon fee.

Climate fund

To continuously increase and improve sustainable offering and practices, Saab has established a Climate Fund which supports climate innovations within the company. The funding comes from an internal carbon pricing (carbon fee) on business travel by air.

Saab's employees propose ideas for improvements to Saab's current products, services, facilities or potential innovations. Innovative ideas are evaluated based on the perspectives of sustainability, desirability, viability and feasibility. Ideas can be granted funding for pre-studies, continued development, validation and implementation.

23.6 MSEK

2025 operating expenditure for Saab's climate transition plan (Scope 1 & 2), including energy efficiency, renewable energy, biofuels, and innovations funded by the climate fund.

139.6 MSEK

aligned with mitigation under the EU Taxonomy. Saab is not excluded from the EU Paris-aligned benchmarks.

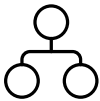
Governance in place

The work dedicated to mitigating climate change is governed by internal governmental structures and targets. Most of the work is performed within the Business Areas and Business Units through the SBT-project. Saab's environmental management system is integrated into Saab's Global Management System, which states how to perform the work and what policies & regulations to follow.



Responsibility

Saab's Climate Transition Plan is approved by the company's CEO and board of directors.



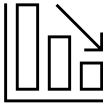
Progress

The SBT-project has 6 cross-functional climate task forces that reports progress to the project group. The project group summarises the progress and reports to the Steering group and Group Management.



Policies

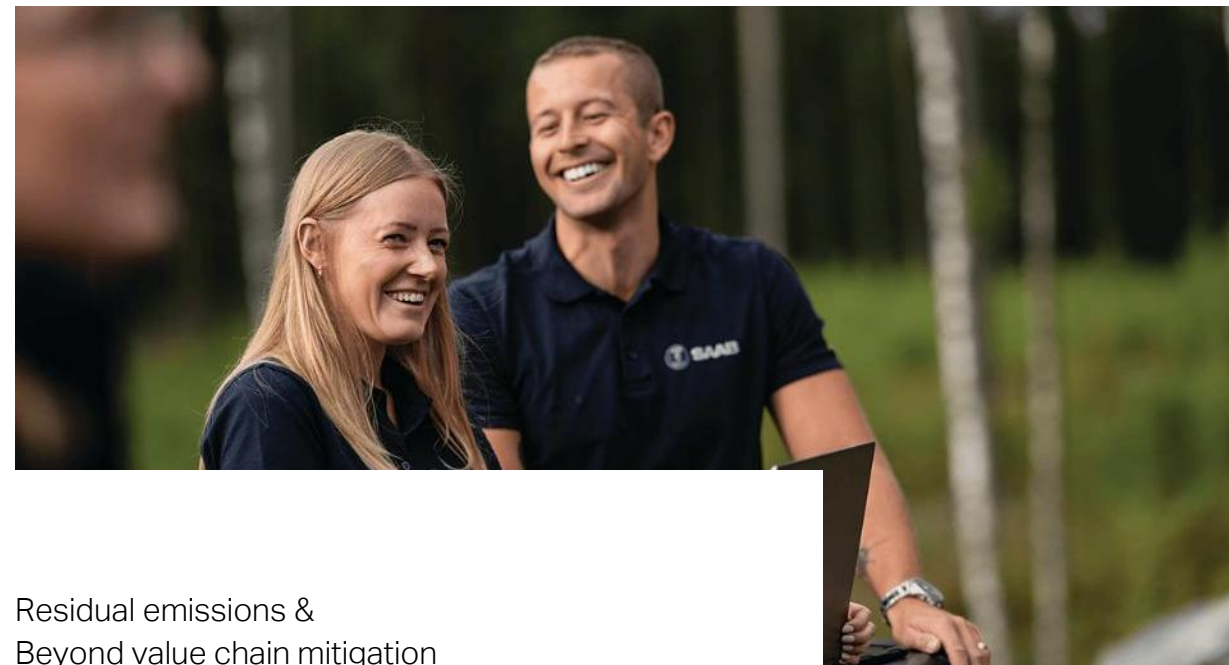
Saab has several policies in place with direct application to climate change. Saab is certified according to ISO 14001:2015



Monitoring

Monitoring of progress toward the climate targets according to the plan is done quarterly and reported to Group Management. The full progress is evaluated at the end of the year and included in Saab's Annual Report. It is also part of Saab's climate incentive programme.

Collaboration with others



Employee engagement

Saab promotes an innovation-friendly culture where employees can contribute and learn. Employees with innovative ideas that contributes to reducing the climate impact can apply for funding.

Engagement & Innovation

Saab collaborates actively internationally with the aerospace and defence sector to accelerate and contribute to climate transition. This includes shifting towards circular business models, transitioning to more sustainable fuels and changing to more renewable energy sources.

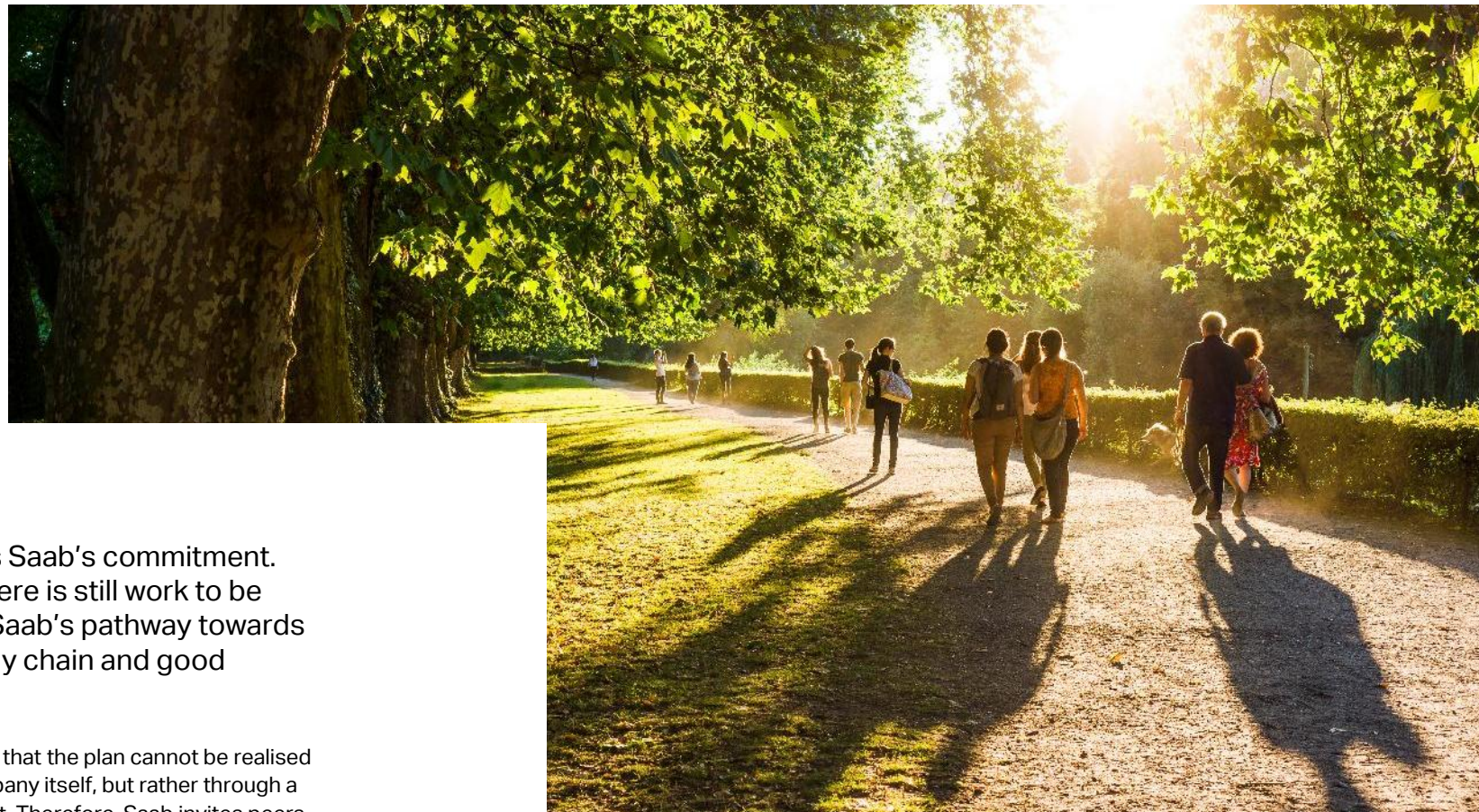
As an important part of the transition to more sustainable fuels, Saab seeks collaboration with interested parties, customers and academia, to contribute to production in a national context and strengthen resilience.

Residual emissions & Beyond value chain mitigation

Saab is currently setting out a Residual Emission and BVCM* Strategy, by evaluating several options. A strategy represents a shift towards recognising that companies have a responsibility to contribute to broader efforts.

* Beyond Value Chain Mitigation

Conclusion



The plan embodies the optimism and purpose that drives Saab's commitment. Saab has made great progress toward the targets, but there is still work to be done. Saab acknowledges the challenges presented by Saab's pathway towards Net-Zero but emphasises commitment in engaging supply chain and good relations with customers.

Establishing Saab's Science-based targets has made Saab focus on setting up a global decarbonisation strategy for all areas. Setting up a dedicated project with resources, finances and reporting forums, has given it the attention needed. Saab is committed to regularly reviewing and refining Saab's plan to ensure that it stays up to date.

Saab is convinced that the plan cannot be realised solely by the company itself, but rather through a collaborative effort. Therefore, Saab invites peers, policymakers, customers, and suppliers to join in this collective journey. Saab sends an invitation to stakeholders to actively engage with us; this can improve Saab's climate transition plan further.

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