

Policy for Environment, Climate, Health and Safety engagement

1 Purpose

Borregaard's policy for its engagement in environmental, climate, health, and safety are rooted in the company's business model, corporate culture, and values. The purpose of this policy is to enhance commitment, awareness, and continuous improvement in these areas, and to provide guidance for the company's specific procedures and practices. A strong commitment to the environment health, safety (EHS), and climate will strengthen the company and contribute to long-term sustainability.

2 Scope

This policy applies to the entire Borregaard Group and its subsidiaries (with more than 50% ownership). In companies where Borregaard holds a minority stake, the policy reflects Borregaard's ambitions in these areas. Borregaard will also base its expectations for suppliers and key partners on this policy.

The policy has been updated in accordance with new regulations on sustainability reporting in the Norwegian Accounting Act.

3 Responsibility

The Senior Vice President of Public Affairs and Sustainability /Chair of the company's Sustainability board holds the overall responsibility for the policy. The Board has approved the policy.

4 General Goals and Ambitions for Environment, Climate, Health, and Safety

Borregaard's overarching goals for environmental, climate, health, and safety are to ensure that the company and its activities contribute to sustainable customer solutions without significant harm to human health and the environment (including climate, water, and forests).

Product safety is an integral part of our HSE ambitions and is intended to ensure that our products are designed, manufactured and used in a manner that prevents unacceptable risks to health, safety and the environment throughout their entire life cycle.

Based on this premise, the following general measures are outlined:

- Integration of EHS and climate matters into the company's overall governance system for strategy, risk management, business plans, investments, and cultural development.
 - A proactive approach to EHS and climate work, with the precautionary principle as a guiding framework.
 - EHS and climate risks will be identified and assessed, with measures implemented to reduce these risks.
- Strengthening employee awareness through open dialogue, training, follow-up, and feedback.
- Leaders acting as role models.
- Thorough and systematic root cause analyses to achieve improvements.
- Documentation, transparency, and open communication with all stakeholders.
- Establishing goals and action plans with systems to monitor, evaluate, and report progress in order to achieve continuous improvement in the relevant areas.

Borregaard adheres to the 10 principles of the UN Global Compact for conducting business in the areas of human and labour rights, environment, and anti-corruption.

Climate- and nature-related issues are assessed in accordance with the standards set by IFRS and TNFD, and these are used as the basis for our long-term and strategic development plans and goals, alongside the targets of the Paris Agreement and the Global Biodiversity Framework (Kunming-Montreal Agreement on biodiversity).

We have aligned our guidelines with the relevant UN Sustainable Development Goals that we impact or that may affect our business and activities.

4.1 ENVIRONMENT

The company's environmental efforts will be guided by a sustainability perspective, focusing on managing emissions, energy use, water consumption, as well as the procurement of raw materials and other resources:

- A lifecycle approach as the basis for evaluation and prioritisation, both in the innovation of new products and for measures across the entire value chain.
- Raw material suppliers will be required to follow Borregaard's standards and ambitions.
- Contribute to the circular economy through high raw material efficiency and waste reduction. Waste should be reduced by applying the waste hierarchy principles: waste prevention, reuse, material recycling, energy recovery, and disposal.
- Establish goals and measures within key environmental areas such as energy consumption, emissions, water use, waste reduction, and biodiversity.

4.1.1 Air Pollution

Borregaard places emphasis on minimising air pollution from its operations. In addition to complying with permits, it is particularly important to minimise emissions where production facilities are located near residential areas.

The company will:

- Report on significant emission conditions.
- Establish plans and measures to reduce emissions in order to contribute to good air quality around our facilities.

4.1.2 Water Consumption and Water Pollution

Borregaard recognises that clean water is of vital importance to society (as outlined in our human rights policy) and various ecosystems. Water also plays a crucial role in Borregaard's operations. While most of our production units are located in areas with abundant water resources, water quality is equally important for water systems and the environment.

Borregaard's ambition is to continuously reduce its impact on connected water systems, and the company will report on water-related conditions and actions to its stakeholders.

The company will:

- Integrate water-related factors and their importance into its long-term strategic plans, considering impact, opportunities, and risks.
- Establish goals and actions to reduce water consumption and minimise the impact on water through pollution from its operations. Results will be measured and reported in accordance with relevant governmental directives.
- Develop and offer new products and customer solutions that can lead to reduced water consumption and decreased use of hazardous chemicals in customer processes.

4.1.3 Wood Raw Materials

Forests play a crucial role as carbon sinks, for biodiversity, and as raw materials for products that can replace fossil-based products (Ref. UN report on land use, 2019).

Borregaard will, through its business and procurement systems, respect the value of sustainable forestry. As a significant buyer of wood raw materials, Borregaard will source wood from responsible and sustainable forestry operations. Through our biorefinery concept, we aim to achieve high raw material utilisation and develop and produce high-value products that can replace fossil-based products.

The company will:

- Ensure that 100% of the wood purchased for the biorefinery in Sarpsborg is certified (FSC® or PEFC).
- Establish KPIs based on documentation for the sourcing of sustainable lignin raw materials.

4.1.4 Circular Economy and Waste Reduction

Borregaard will strive to follow the principles of the circular economy: reduce, reuse, and recycle.

The company will:

- Identify and develop methods for reusing by-products from production to create new products or for energy production.

4.2 CLIMATE CHANGE

Borregaard supports international efforts to mitigate climate change and reduce greenhouse gas emissions. The company will implement climate measures to achieve the global targets of the Paris Agreement. Borregaard will take a proactive approach to climate-related aspects of its operations by offering climate-friendly customer solutions through emission reductions (across the entire value chain, including Scope 3 emissions), energy solutions (e.g., renewable and sustainable solutions), energy efficiency measures, and the development of products with a positive climate footprint.

The company will:

- Integrate climate-related factors and their importance into its long-term strategic development plans, considering impact, opportunities, and risks.
- Use Life Cycle Assessments to document the climate impact of activities and products and provide justification for these.
- Document greenhouse gas emissions related to the company's activities using standardised methods (third-party verified).
- Establish goals and a climate transition plan to reduce GHG emissions in line with the 1.5°C target and in accordance with the Science-Based Targets initiative.
- Develop and offer new products and customer solutions with a low climate footprint.

4.3 HEALTH

Borregaard aims to provide a work environment for its employees that generally contributes positively to their health.

The company will:

- Establish a sound, inclusive work environment with meaningful tasks, support, and feedback from colleagues and leaders.
- Minimise the potential for exposure to substances with negative health effects.
- Organise work processes to reduce sick leave.
- Establish goals and measures to reduce sick leave.

4.4 SAFETY

At Borregaard, safety includes both personnel safety and process safety. Borregaard's ambition is to foster a safety culture that is learning-based and includes actions and systems aimed at achieving zero harmful and high potential incidents with consequences for employees or third parties resulting from our activities.

This will involve:

- Management's commitment and engagement, along with all employees, with open communication to eliminate unsafe conditions and actions through learning.
- Adhering to the "safety first" principle by taking a proactive approach and using a hierarchy of measures to manage hazardous conditions (elimination, substitution, technical solutions, and administrative controls, in addition to the use of personal protective equipment).

- Acceptance and encouragement of peer observations to improve and reinforce safe working conditions ("Thank you for making me aware").
- Establishing and following routines for safe work-related travel and visits to third-party locations/facilities.
- Establishing safety levels that minimise risk, with communication that builds trust among people living and working near our production facilities.
- Setting goals and actions to avoid harmful incidents, including fires, explosions, and unwanted releases of hazardous substances that affect people and/or the environment.

5.0 KEY OBJECTIVES

Environment:

- 100% of the purchased wood (for the biorefinery in Norway) shall be certified (FSC® or PEFC).
- SO₂ emissions shall not exceed the local air quality limit values in 2026.
- COD emissions to the Glomma River will be under 46 tonnes per day (Sarpsborg plant) in 2026.
- COD emissions to the Glomma River will be under 40 tonnes per day (Sarpsborg plant) in 2030.

Climate:

- Scope 1 and Scope 2 CO₂ emissions below 169,000 tonnes in 2026.
- Specific energy consumption at Borregaard Sarpsborg: 21.6 GJ/tonne of cellulose in 2026.
- Reduce Scope 1 and 2 CO₂ emissions by 42% by 2030 and achieve net zero 100% by 2050 (2020 baseline year).
- Reduce Scope 3 emissions by 25% by 2030 and 90% by 2050 (2020 baseline year).
- New products should account for 15% of revenues.

Health:

- Sick leave below 3.3% in 2026.
- Long-term sick leave below 3.0%.

Safety:

- Total injury rate per million working hours, rolling 12 months (TRIF): below 3.5 in 2026.
- High consequence injuries: 0 in 2026 and long term
- Borregaard will report high-risk incidents and potential high-risk incidents

The goals are reviewed annually, and the work on these goals is outlined in the company's sustainability section of the annual report.

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