



Borregaard

ANNUAL REPORT

2025





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THE BORREGAARD GROUP

Borregaard operates one of the world's most advanced biorefineries and delivers sustainable solutions based on renewable raw materials and unique competence.

BORREGAARD IN A NUTSHELL

- A biorefinery with high value creation
- Specialisation in global niches
- Strong innovation capability and continuous improvement
- Competence as the main competitive advantage

Borregaard's business model is closely linked to the integrated nature of its biorefinery concept, which utilises the three key components of wood – fibres, lignins and sugars – to produce a highly diversified portfolio of products.

The biorefinery converts 94% of its feedstock into biochemicals, biomaterials and energy that can replace oil-based alternatives.

In addition to its biorefinery in Sarpsborg, Borregaard operates five production sites

outside Norway dedicated to producing lignin-based products. In total, the company has manufacturing operations and sales offices in 13 countries across Europe, Asia and the Americas, serving a global customer base.

At the end of 2025, the Group employed 1,177 full-time equivalents (FTEs).

SUSTAINABILITY INTEGRATED INTO THE STRATEGY

Borregaard provides sustainable solutions with a documented favourable environmental and climate impact, helping customers reduce their climate footprint or replace chemicals of concern.

The group has also committed to science-based targets, further strengthening its efforts to reduce greenhouse gas emissions and enhance its overall sustainability performance.

Business segments

BioSolutions

- Market and technology leader in lignin-based biopolymers.
- Only producer of wood-based vanillin.

BioMaterials

- Leading speciality cellulose supplier.
- Pioneer in cellulose fibrils.

Fine Chemicals

- Leading producer of fine chemical intermediates for contrast agents.
- Significant producer of advanced bioethanol.

Borregaard's business model and product portfolio are well positioned to support the UN's Sustainable Development Goals (SDGs). We have prioritised six SDGs where we can make the most significant contribution to addressing these global challenges (see page 30).

BORREGAARD'S THREE BUSINESS SEGMENTS

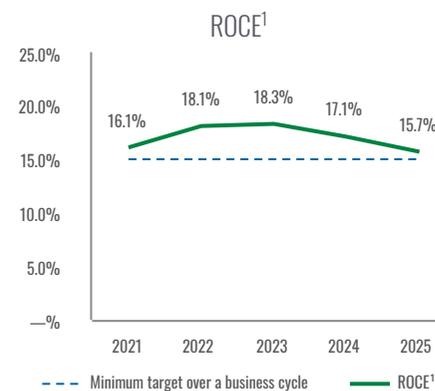
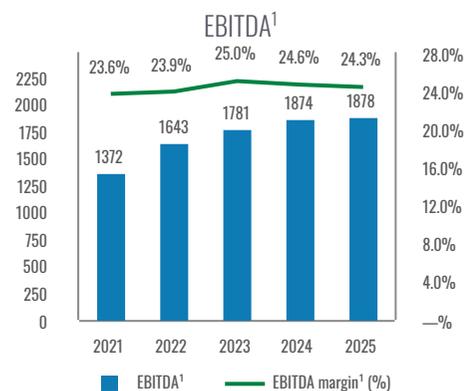
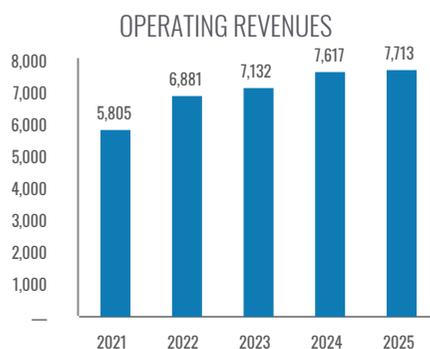
BioSolutions develops, produces and sells biopolymers and biovanillin derived from lignin. Biopolymers are used in a wide range of

end-market applications, including agrochemicals, batteries, industrial binders, and construction.

Biovanillin is supplied to flavour and fragrance companies as well as to the food and beverage industry.

BioMaterials develops, produces, and sells speciality cellulose, primarily used as a raw material in the production of cellulose ethers, cellulose acetate, and other speciality products. BioMaterials also includes cellulose fibrils for industrial applications.

Fine Chemicals supplies fine chemical intermediates for contrast agents and advanced bioethanol.



¹ [Strategy, business model and value chain](#), see page 27 for definition.



MESSAGE FROM THE CEO

BUILDING ON A STRONG FOUNDATION: VALUE GROWTH THROUGH SPECIALISATION

At Borregaard, long-term thinking has always shaped who we are and how we create value. The chapter that came to an end in 2025, when former CEO Per A. Sørli retired after 35 years with the company, illustrates this well. Under his leadership, Borregaard's specialisation strategy was further sharpened and firmly executed, transforming the company into a global leader in bio-based speciality chemicals and today recognised as the world's most advanced biorefinery.

As I take on the role of CEO, my ambition is to build on this strong foundation, while further advancing and strengthening Borregaard's specialisation strategy. Having spent 26 years at Borregaard, I have had the privilege of working closely with most parts of our organisation. This journey has strengthened my confidence in what truly defines Borregaard: a competence-driven culture with strong capabilities in market development, innovation and continuous improvement.

Today, Borregaard serves more than 3,000 customers in 100 countries, offering 800 products across 100 applications. This breadth is not a result of scale alone, but of deep knowledge embedded in our people, solutions and technology. Our highly diversified business model has also proven robust and resilient over time.

Our long-standing commitment to specialisation remains the cornerstone of our strategy.

SUSTAINABLE GROWTH THROUGHOUT 2025 – DRIVEN BY SPECIALISATION

In 2025, our specialisation strategy once again delivered solid results. We strengthened our global market positions by focusing on high-value applications, diversification and close customer collaboration. Within agriculture, demand increased for bio-based biopolymers that support soil health and more efficient and sustainable agricultural practices, reinforced by regulatory developments.

Regulatory shifts are opening new market opportunities. Our recently launched products LignoBrite and Intact Aqua demonstrate how Borregaard responds with next-generation, high-performance and sustainable solutions, replacing synthetic products such as formaldehyde and polyacrylate. This also illustrates how we leverage deep market insight and advanced technology to enable more sustainable value chains.

We also saw continued growth in Asia, supported by rising demand for sustainable speciality ingredients. The strengthening of our India office, including dedicated R&D laboratories serving agriculture and industrial markets, represents an important milestone

and enables deeper customer collaboration across a rapidly expanding market.

In speciality cellulose, sales of our high-purity cellulose were supported by increased demand in key strategic markets, including regulated applications such as food, pharma and personal care, as well as bio-based plastics.

INVESTING FOR THE FUTURE

In 2025, we took several important steps to secure future growth while progressing towards our ambitious target of a 42% reduction in CO₂ emissions by 2030.

Capacity expansions at our Sarpsborg site, totalling nearly NOK 800 million over the period 2025–2027, will increase output by 5–10% and deliver environmental and cost benefits through improved energy efficiency, lower chemical consumption and reduced effluents.

We also strengthened our sustainability platform through electrification and infrastructure upgrades, including investments of NOK 193 million in preheater technology and a 30 MW electric boiler. These initiatives reduce fossil CO₂ emissions, increase our share of renewable energy, and lower our energy costs. Together, they represent essential steps in our transition plan towards 2030 and deliver both climate value and long-term cost competitiveness.

In addition, we expanded our innovation pipeline through further investment in Algisor, supporting the development of commercial-scale alginate production.

THE WAY FORWARD: A SPECIALISATION JOURNEY THAT CONTINUES

Looking ahead, Borregaard's strength lies in a unique combination of renewable raw materials, advanced technologies, deep market understanding and a highly diversified business model.

Building on this strong foundation, our ambition is to continue our specialisation journey and take it to the next level. This means increased market penetration in high-value applications and accelerating value growth across our portfolio.

We are often asked whether Borregaard's specialisation journey is nearing its end. As we see continued growth in our prioritised markets and new opportunities emerging, our answer remains clear: the journey has only just begun, and we are ready to shape its next chapter.

Kind regards,
Tom Erik Foss-Jacobsen,
CEO



THE BOARD OF DIRECTORS



HELGE AASEN - Chair

Chair of the Board and the Board's Compensation committee.

[Read more](#)



TERJE ANDERSEN

Member of the Board and Chair of the Board's Audit and Sustainability committee. [Read more](#)



TOVE ANDERSEN

Member of the Board and the Board's Audit and Sustainability committee. [Read more](#)



MARGRETHE HAUGE

Member of the Board and the Board's Compensation committee.

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JOHN ARNE ULVAN

Member of the Board and the Board's Audit and Sustainability committee.

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ARUNDEL KRISTIENSEN

Employee-elected member of the Board and the Board's Audit and Sustainability committee. [Read more](#)



RAGNHILD ANKER EIDE

Employee-elected member of the Board and the Board's Compensation committee. [Read more](#)



BENTE SELJEBAKKEN KLAUSEN

Employee-elected observer of the Board. [Read more](#)



ROY KÅRE APPELGREN

Employee-elected observer of the Board. [Read more](#)



REPORT OF THE BOARD OF DIRECTORS

INCLUDING SUSTAINABILITY STATEMENTS

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HIGHLIGHTS AND MARKET TRENDS

Borregaard delivered another year of strong operational performance in 2025. The specialisation strategy continued to demonstrate resilience amid volatile macroeconomic and geopolitical condition.

Borregaard's strong market positions and global reach continued to provide flexibility and serve as natural hedges against market fluctuations. In BioSolutions, strong sales to agriculture were the main growth driver, supported by rising demand for multi-active ingredients in crop protection and the reauthorisation of Borregaard's lignin for use in EU animal feed. Continued specialisation through market development and innovation supported margins and earnings quality, while higher sales of biovanillin also contributed positively. The imposition of anti-dumping duties in the US and EU on vanillin imports from China had a positive, but limited, impact on sales of Borregaard's vanillin products in 2025.

BioMaterials achieved higher sales prices and an improved product mix. The average price in sales currency was 9% higher than in 2024, primarily reflecting price increases implemented at the start of the year. Product mix improvements were driven by increased sales of high-purity cellulose to regulated applications (food, pharma, personal care) and to bio-based plastics. Sales to the construction segment declined as European cellulose ether producers – for whom speciality cellulose is a key raw material – were negatively impacted by increased competition from Chinese producers.

In August 2025, a petition was filed with US authorities seeking the introduction of anti-dumping duties on speciality cellulose from Norway and Brazil.

Borregaard is the only Norwegian exporter of these products to the US. Borregaard disputes the basis for the allegations and has engaged legal and accounting experts to manage its defence. A preliminary decision on potential duties is expected by the end of May 2026, with a final decision anticipated towards the end of 2026.

Within Fine Chemicals, favourable European incentive schemes for advanced bioethanol triggered a significant increase in supply of advanced bioethanol from agricultural waste and other alternative sources towards the end of 2024. This put pressure on sales prices and had an adverse impact on Borregaard's bioethanol business. On the other hand, fine chemical intermediates delivered strong performance, benefiting from an improved product mix and higher sales prices.

Overall, Borregaard's costs increased above general inflation in 2025, driven by higher wood prices, increased manning, higher costs for certain chemicals, increased insurance premiums and reduced government grants. However, wood costs started to come down in the 2nd half of 2025 after several years of significant increases.

Borregaard's strategic priorities remain increased specialisation and value growth, with sustainability as a driver. In 2025, the second of two investments to debottleneck and expand capacity at the Sarpsborg site was announced. Combined, these two investments are expected to increase capacity by 5–10%, with a total investment of approximately NOK 800 million. Production output is expected to increase gradually from the 2nd quarter of 2027. In addition to increasing capacity for speciality cellulose, lignin-based biopolymers, and bioethanol, the investments will enable higher raw material utilisation and reduce effluents to water.

Sustainability remains a core element of Borregaard's business model and strategic priorities. Borregaard contributes to sustainable development by reducing emissions from its own operations and enabling lower environmental impact in customers' value chains.

In 2025, additional environmental investments were approved to further reduce greenhouse gas emissions (GHG) and improve energy efficiency. Scope 1 and 2 GHG emissions decreased by 8%, largely due to the investment to convert the lignin spray-drying process from natural gas to electricity at the Sarpsborg biorefinery. Emissions of organic material to water (COD) from the Norwegian biorefinery were reduced by 13%, mainly driven by improved wastewater treatment performance. See pages [92](#) and [96](#).

In 2025, Borregaard announced two environmental projects totalling NOK 193 million aimed at further reducing GHG emissions and lowering energy costs in line with its 2030 targets. These include an upgrade of an existing bio-boiler with air-preheater technology and an investment in a new 30 MW electric boiler at the Sarpsborg biorefinery.

Further electrification of the Sarpsborg site, dependent on the availability of renewable electricity and increased grid capacity, is essential for achieving Borregaard's environmental targets.

Authorities will play a decisive role in enabling Borregaard to achieve its ambitious climate targets by facilitating increased power generation, enhancing grid capacity, and supporting measures and regulatory frameworks that advance the transition to alternative energy solutions.

During 2025, Borregaard continued to support the bio-based start-up Alginor through participation in a capital raise followed by a convertible loan, totalling NOK 132 million. Together with a local bank, this financing package was expected to support the completion and commissioning of Alginor's commercial-scale demonstration plant for alginates.

Late 2025, new information from Alginor indicated delays and additional capital needs. In addition, the Danish bioscience company Kaffe Bueno experienced project delays, and the Austrian technology start-up Lignovations faced both delays and funding challenges. Based on impairment tests, a total impairment loss of NOK 245 million was

recognised in 2025. See Note 6, 14 and 20. In the near term, Borregaard will focus on its existing portfolio of bio-based start-ups.

Tom Erik Foss-Jacobsen was appointed Chief Executive Officer of Borregaard ASA with effect from 1 August 2025. He succeeded Per A. Sørli, who retired after 26 years in the role. In appointing Foss-Jacobsen, the Board of Directors emphasised his strong business insight, extensive international experience and key contributions to the development of Borregaard's culture and strategy.

The Board acknowledges Per A. Sørli's significant contributions over 35 years, including his leadership in transforming Borregaard into a global bio-based speciality chemicals company and his role in delivering strong value creation following Borregaard's stock exchange listing in 2012.

FINANCIAL PERFORMANCE

Borregaard's operating revenues increased to NOK 7,713 million (NOK 7,617 million)² in 2025. EBITDA¹ was NOK 1,878 million (NOK 1,874 million), an all-time high result. BioSolutions and BioMaterials had improved results, while Fine Chemicals had a decrease compared with 2024.

Strong sales to agriculture and higher sales of biovanillin in BioSolutions, increased sales prices and improved product mix for BioMaterials, a higher result for fine chemical intermediates and positive net currency effects contributed strongly to the all-time high EBITDA¹ in 2025. The result was negatively impacted by a significant reduction in bioethanol sales prices, and cost increases exceeding general inflation.

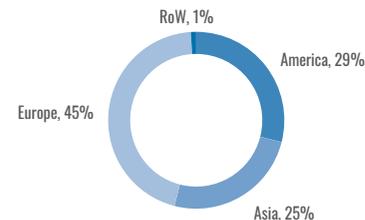
Operating profit was NOK 1,287 million (NOK 1,283 million). Net financial items amounted to NOK -423

million (NOK -204 million). Net financial items include a total impairment of bio-based start-ups of NOK 245 million, of which NOK 225 million relates to Borregaard's ownership in Alginor. (See Note 6, and 14).

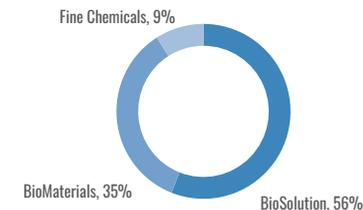
Profit before tax was NOK 864 million (NOK 1,079 million). Tax expense was NOK -264 million (NOK -250 million), giving a tax rate of 31% (23%). Earnings per share were NOK 6.22 (NOK 8.25). Excluding impairments of bio-based start-ups, the tax rate was 24% and earnings per share were NOK 8.67. (See Note 6).

Return on capital employed¹ was 15.7% (17.1%), above the targeted level of minimum 15% pre-tax. Borregaard ASA's share price was NOK 199.40 (NOK 182.40) at the end of 2025.

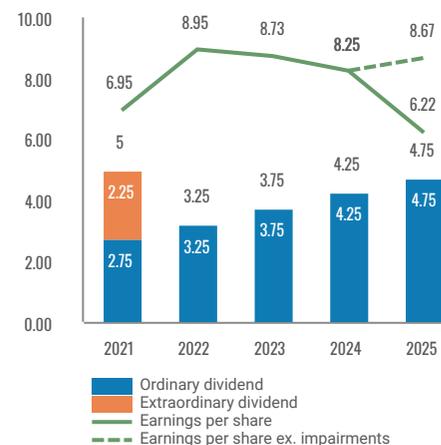
SALES REVENUES BY GEOGRAPHICAL AREA 2025



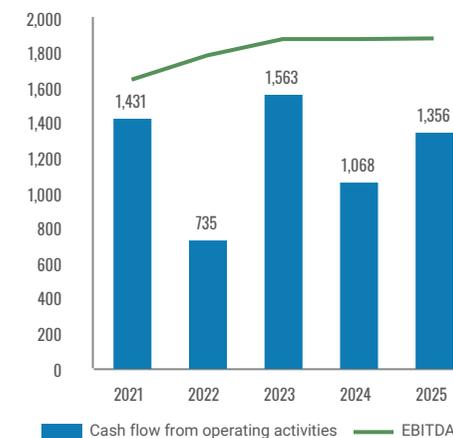
SALES REVENUES BY BUSINESS AREA 2025



EARNINGS PER SHARE AND TOTAL DIVIDEND



CASH FLOW FROM OPERATING ACTIVITIES



¹ Alternative performance measures, see page 221 for definition.

² Figures in parentheses are for the corresponding period in the previous year.

Business segments

BioSolutions

Operating revenues in BioSolutions reached NOK 4,396 million (NOK 4,241 million). EBITDA¹ increased to an all-time high of NOK 1,209 million (NOK 1,104 million).

Strong sales to agriculture were the main driver of the improved result. In particular, the growth was supported by rising demand for multi-active ingredients in crop protection and the re-authorisation of Borregaard's lignin for use in EU animal feed. In addition, higher sales of biovanillin contributed positively to the result. The implementation of anti-dumping duties on vanillin imports from China had a positive, but limited, impact on Borregaard's vanillin products in 2025.

These positive effects were partly offset by increased costs at the US manufacturing sites, as well as general cost inflation. The net currency impact was positive.

Total sales volume was stable compared with 2024, while average prices in sales currency increased by 2%.



*Metric tonnes dry solid

Sales price and sales volume include lignin-based biopolymers and biovanillin.

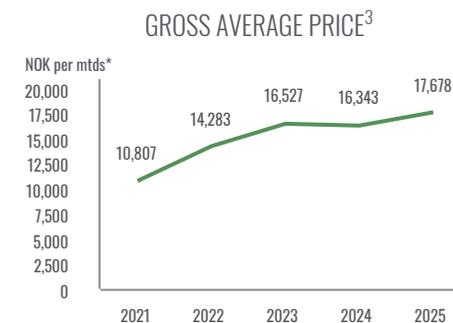
BioMaterials

Operating revenues increased to NOK 2,691 million (NOK 2,622 million). EBITDA¹ was NOK 495 million (NOK 434 million).

Higher sales prices and improved product mix were the main reasons for the increased EBITDA¹, partly offset by lower sales volume and higher wood costs. Net currency effects were positive.

The average price in sales currency was 9% higher than in 2024, mainly due to price increases. The product mix improved, driven by increased sales of high-purity cellulose to regulated applications (food, pharma, personal care), and bio-based plastics.

Sales to the construction segment declined as European cellulose ether producers, using speciality cellulose as a key raw material, were negatively impacted by increased competition from Chinese producers.



*Metric tonne

Sales price and sales volume include speciality cellulose and cellulose fibrils.

¹ Alternative performance measures, see page 221 for definition.

³ Average sales price is calculated using actual FX rates, excluding hedging impact.

Fine Chemicals

Operating revenues in Fine Chemicals were NOK 670 million (NOK 799 million). EBITDA¹ was NOK 174 million (NOK 336 million).

Lower sales prices for bioethanol were the main reason for the lower result. Improved product mix and increased sales prices for fine chemical intermediates contributed positively. The net currency impact was positive in Fine Chemicals.

The reduction in sales prices for Borregaard's advanced bioethanol was largely driven by a significant increase in market supply, particularly from agricultural waste and other alternative sources. This development is a consequence of favourable incentive schemes for advanced bioethanol in Europe.



¹ Alternative performance measures, see page [221](#) for definition

Cash flow

In 2025, the cash flow from operating activities was strong ending at NOK 1,356 million (NOK 1,068 million). The cash flow improvement from 2024 was mainly due to a more favourable development in net working capital. There were no cash effects from the impairments of bio-based start-ups.

Investments amounted to NOK 925 million (NOK 861 million). Replacement investments were NOK 576 million (NOK 598 million), with the largest expenditures related to the upgrade of the electricity transformation capacity and the installation of air preheater technology in an existing bio-boiler at the Sarpsborg site. Expansion investments¹ totalled NOK 349 million (NOK 263 million), with the largest expenditures related to increased capacity at the Sarpsborg site, specialisation projects within BioSolutions and participation in capital raises in Alginor.

Dividend of NOK 424 million (NOK 374 million) was paid out in the 2nd quarter. In 2025, the Group has sold and repurchased treasury shares with net proceeds of NOK 18 million (NOK -46 million). Realised effect of hedging of net investments in subsidiaries was NOK -100 million (NOK -109 million). On 31 December 2025, the Group had net interest-bearing debt¹ totalling NOK 2,090 million (NOK 2,240), a decrease of NOK 150 million from year-end 2024.

At the end of December, the Group was well capitalised with an equity ratio¹ of 60.8% (53.1%) and a leverage ratio¹ of 1.11 (1.20).

Financial risks

Borregaard is financially exposed to currency risk for most of its sales, primarily in USD and EUR. A substantial part of this exposure, defined as estimated net cash flow in USD and EUR, is routinely hedged with a nine-month time horizon. Subject to certain criteria being met, the hedging horizon for USD and EUR exposure may be extended up to 36 months. In 2025, substantial EUR and USD amounts were hedged within a 3-year time horizon. See Note 28.

Borregaard is also exposed to price risk for energy, wood and other strategic raw materials. There is also a supply risk for lignin raw material. In sales, all Borregaard's business segments are exposed to price risk in international and domestic markets. Furthermore, there are production, environmental and safety risks inherently associated with the operation of manufacturing sites. To mitigate these risks, Borregaard has a strong commitment to continuous improvement throughout its worldwide operations, calling on a wide range of measures affecting both revenues and costs.

The climate- and nature-related risk assessment is conducted in accordance with the European

Sustainability Reporting Standards (ESRS), as required under the Corporate Sustainability Reporting Directive (CSRD). See also a summary of climate risks and potential financial impact in Note 28.

Credit risk for Borregaard is perceived to be modest due to the quality of its customer base and its stringent credit management policy. Short-term liquidity risk associated with cash flow fluctuations is low as Borregaard has ensured ample short-term and long-term financing from a group of leading Nordic banks. As of 31 December 2025, the undrawn portion of available long-term facilities amounted to NOK 1,500 million.

The company's business activities and financial position, together with the factors likely to affect its future development and performance, are set out above. With its considerable financial resources, together with longstanding relationships with customers and suppliers across different geographic areas and industry sectors, the company is well placed to manage its ongoing business risks.

With a strong equity ratio and good liquidity, the company has adequate resources to continue its operations for the foreseeable future. Hence, in accordance with the Norwegian Accounting Act §3-3a, we confirm that the financial statements have been prepared under the assumption of a going concern. See Note 28 to the Group's financial statements for further disclosure of financial and operational risks.

¹ Alternative performance measures, see page 221 for definition

OTHER MATTERS AND SUBSEQUENT EVENTS

Remuneration of Group Executive Management

The Board of Directors has a Compensation Committee which deals with all important matters related to salary and other remuneration of senior executives before such matters are decided by the Board. In accordance with Norwegian legislation, the General Meeting approved the guidelines for remuneration of executive personnel in 2023. The Guidelines and actual remuneration are included in the report "[Remuneration report 2025](#)" available at the company's website. The report is subject to approval by the Annual General Meeting in 2026.

Shareholder matters

All shares in Borregaard ASA have equal rights and are freely traded. The company has established a programme enabling employees to purchase shares at a discounted price. In connection with this programme and the share option programme for the Group Executive Management and other key employees, Borregaard ASA held 270,174 treasury shares as of 31 December 2025 and 55,867 as of 18 March 2026. See Note 9 regarding share options.

Total number of shares outstanding as of 31 December 2025 was 100 million, including 270,174 treasury shares. Total number of shareholders was 10,550. Borregaard ASA's share price was NOK 199.40 at the end of 2025, compared with NOK 182.40 at the end of 2024.

Shares to employees

As part of the employee share programme, Borregaard sold a total of 212,596 shares to employees in February 2026. The share price was NOK 129.68 per share after deduction of a 25% discount. See notifications to the Oslo Stock Exchange on 9 and 16 February and 2 March 2026.

Share options issued

In February 2026, 393,000 share options at a strike price of NOK 193.27 were granted under the long-term incentive programme. The options will expire after five years, the vesting period is three years, and the options may be exercised during the last two years. See notification to the Oslo Stock Exchange on 23 February 2026.

Anti-dumping

In August 2025, RYAM and the United Steelworkers Union filed petitions with US authorities seeking anti-dumping duties on speciality cellulose from Norway, as well as anti-dumping and countervailing duties on similar products from Brazil. Borregaard and the Brazilian producer Bracell are the only exporters of these products to the US from the respective countries.

Borregaard disputes the basis for the allegations, both regarding the data presented and the underlying arguments. Borregaard has engaged legal and accounting experts to manage its defence. In 2025, the cost of legal and accounting experts was slightly above NOK 10 million.

The case has been delayed due to the shutdown of US federal agencies for several weeks at the end of 2025. A preliminary decision on potential duties is expected at the end of May 2026, with a final decision anticipated towards the end of 2026. Such duties may apply retroactively for 90 days. No provision is deemed necessary as of 31 December 2025.

Convertible loan to Alginor

In February 2026, the second tranche of the NOK 200 million convertible loan to Alginor was paid out. Borregaard's share was NOK 56 million in the second tranche. In addition, Borregaard has committed to participate with its share to the uncommitted tap facility of NOK 100 million, subject to participation by the shareholders Hatteland Group and Must Invest. See notification to the Oslo Stock Exchange on 6 October 2025.

There have been no other events after the balance sheet date that have had a material impact on the financial statements, or the assessments carried out.

Notices from the Financial Supervisory Authority

The Financial Supervisory Authority of Norway (FSA) has issued a notice to the Oslo Stock Exchange regarding their review of financial reporting of Borregaard ASA. In addition, Borregaard has received a notice of decision from the FSA. See Note 37.

ALLOCATION OF PROFIT

The Board has proposed an ordinary dividend for 2025 of NOK 4.75 (NOK 4.25) per share for the 2025 financial year, corresponding to 55% of net profit for the Group, excluding impairments of bio-based start-ups. Total dividend payment is estimated at NOK 474 million. The exact amount will depend on the number of treasury shares held at the date of the General Meeting.

In 2025, Borregaard ASA had a profit of NOK 538 million (NOK 388 million). Borregaard ASA is well capitalised with an equity ratio of 65% after payout of the proposed dividend. The Board proposes the following allocation (NOK million):

DIVIDEND	474
RETAINED EARNINGS	64
TOTAL	538



/ ¹ Alternative performance measures, see page 221 for definition.

OUTLOOK

For BioSolutions, the sales volume for 2026 is forecast to be 340,000 tonnes with continued strong sales to agriculture.

For BioMaterials, the sales volume is forecast to be 155–160,000 tonnes in 2026. Sales volume of highly specialised grades is expected to be slightly higher than in 2025. The average price in sales currency is expected to be 3–4% lower, partly due to product mix. European cellulose ether producers, major users of speciality cellulose, are expected to continue facing competition from Chinese cellulose ether producers in the construction segment. The outcome of the ongoing anti-dumping case in the US on speciality cellulose from Norway and Brazil will impact market dynamics within speciality cellulose.

Sales prices for bioethanol is expected to be largely in line with 2025. Sales volume for fine chemical intermediates is expected to increase compared with 2025.

Borregaard's wood costs in the 1st half of 2026 are expected to be approximately 15% lower compared with the 1st half of 2025.

Uncertainty in the global economy related to tariffs, war and conflicts, may impact Borregaard's markets and costs. Borregaard will continue to closely monitor tariffs, markets and cost development and implement relevant measures.





SUSTAINABILITY STATEMENTS

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General information

MDR-M/MDR-T

Sustainability performance in 2025

Our sustainability work is anchored in a long-term strategy that prioritises sustainable product innovation and manufacturing, climate action and emission reduction, resource efficiency and responsible sourcing. In 2025, we were strengthening our position as a provider of sustainable bio-based solutions and progressing innovation opportunities arising from evolving regulatory requirements and customer needs.

Borregaard's most significant contribution to climate change mitigation lies in the products we deliver. These products have a very low climate footprint and provide sustainable alternatives to fossil-based products.

In line with the [EU Taxonomy](#), our lignin and biovanillin products are calculated to deliver lifecycle CO₂ savings of 692,000 tonnes in 2025.

As a result of investments and improved operations, Scope 1 and 2 emissions were 15% below the 2020 level, and the COD reduction target for water emissions was achieved with a 13% improvement from the previous year. The biorefinery model ensures high utilisation of renewable wood raw materials, and 98% of all purchased wood was PEFC and/or FSC® certified.

Developing and maintaining the competence that underpins Borregaard's specialisation strategy and

operational excellence is a key priority, alongside our focus on safety, well-being and inclusion. Strong expertise across research, production and commercial functions is essential for innovation, continuous improvement and long-term competitiveness. At the same time, we maintain robust governance aligned with ESRS/CSRD to ensure transparency, accountability and responsible business practices.

Overall, Borregaard made solid progress and remains transparent about both achievements and areas requiring further improvement.



BP	Basis for preparation
GOV	Governance
SBM	Strategy, business model
IRO	Impact, risk and opportunity
M	Metrics
T	Targets
E	Environmental information
S	Social information
G	Governance information
DR	Disclosure requirement
MDR	Minimum disclosure requirement
DP	Datapoint related to a disclosure requirement
ESRS	European sustainability reporting standards
CSRD	Corporate sustainability reporting directive



CLIMATE CHANGE

Scope 1 and 2 GHG emission

- Reduction vs. base year 2020: 15%
- Long-term reduction target 2030: 42%

Scope 3 GHG emission

- Reduction vs. base year 2020: 14%
- Long-term reduction target 2030: 25%

Innovation rate

- Result 2025: 11%
- Result 2024: 14%
- Target, maintain annual innovation rate of 15%



POLLUTION

COD, organic material, emission to water

- Reduction vs. base year 2018: 23%
- Long-term reduction target 2030: 34%



BIODIVERSITY

PEFC and/or FSC® certified wood at Borregaard's biorefinery

- Result 2025: 98%
- Result 2024: 95%
- Long-term target 2030: 100%



OWN WORKFORCE

High risk incidents (HRI1)

- Result 2025: 2
- Result 2024: 1
- Long-term target 2030: 0

Sick leave

- Sick leave 2025: 3.4%
- Sick leave 2024: 3.7%
- Long-term target 2030: 3.0%

TARGETS AND RESULTS 2025



TAXONOMY

- Aligned Turnover 34%
- Aligned CapEx 39%
- Aligned OpEx 46%
- Long-term target: Increase alignment as the framework further develops and more activities are expected to qualify



CORPORATE GOVERNANCE - SUSTAINABILITY

Sustainability rating

- Rating EcoVadis 2025: Gold
- Rating EcoVadis 2024: Gold
- Long-term target 2030: Platinum

General Disclosures

BP-1

General basis for preparation of sustainability statements

The sustainability statement covers the entire [Borregaard Group](#) and includes upstream and downstream value-chain activities. This encompasses sourcing of raw materials, internal production processes, logistics and distribution, as well as product use and end-of-life considerations. All data are consolidated using the same principles applied in the Group's financial reporting, unless otherwise specified.

All the data points included in the E, S, and G sections have been assessed as material according to our double materiality assessment (DMA).

BP-2

Disclosures in relation to specific circumstances

For the assessment of impacts, risks and opportunities (IROs), Borregaard has applied the standard ESRS definitions of time horizons: the short-term refers to the reporting year, the medium-term covers 1–5 years, and the long-term is defined as more than five years. However, for the

climate and nature scenario analysis, Borregaard has used adjusted time horizons to ensure that the results are meaningful and reflect the long-term nature of climate- and ecosystem-related developments. The short-term corresponds to the reporting period covered in Borregaard's financial statements, the medium-term spans from the end of the short-term period up to 9 years, and the long-term includes periods exceeding 10 years.

We regularly review our estimates and judgements based on our experience, developments in ESG reporting, and other relevant factors. In 2025, we recalculated our Scope 3 base year to include data related to activities that were present in 2020 but were not included in the data collection at the time. The inclusion of this data reflects improved data availability and enhanced understanding of the value chain, and contributes to a more complete and accurate representation of Scope 3 emissions for the base year, ensuring consistency and comparability across periods. Scope 3 cat.10 from 2024 was also updated to include corrected primary data usage. These improvements resulted in a substantial increase in reported Scope 3 emissions, reflecting the improvements in data quality, accuracy and coverage, rather than a real increase in Borregaard's historical emissions.

Scope 3 2020 base year increased from 399,731 tCO_{2e} to 727,387 tCO_{2e}. Scope 3 cat.10 2024 increased from 100,738 tCO_{2e} to 308,299 tCO_{2e}

(please also see [E1-1](#), [E1-4](#) and [E1-6](#)). For details on the key estimates and uncertainties, please refer to our accounting policies, which explain how ESG metrics are calculated.

Borregaard's 2025 sustainability statements have been prepared, in all material respects, in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), issued by the [European Financial Reporting Advisory Group \(EFRAG\)](#), pursuant to the Accounting Act §§2-3 and 2-4.

EY has conducted a limited assurance engagement on the consolidated sustainability statement as of 31 December 2025 and for the year then ended. The Limited Assurance Report is included on page [219](#) of this Annual Report. The 2023 figures were part of EY's limited assurance engagement, as defined by International Standards on Assurance Engagements, to report on Borregaard ASA's sustainability reporting as defined and specified in the Borregaard ASA's GRI Index for 2023.

Borregaard is certified in accordance with several standards, ensuring that most of the ESG processes are verified by third parties. [Relevant certifications](#) include:

- [ISO 9001, ISO 14001 and ISO 50001](#)
- [PEFC Chain of Custody](#)

- [FSC®Chain of Custody](#)
- [ISCC EU – Bioethanol, Alvamix and Biogas](#)
- [ISCC PLUS, Speciality Cellulose & Lignosulfonate, Bioethanol and Biovanillin](#)

Borregaard participation in these external schemes contributes to enhanced control, continuous improvement, and inspiration for a systematic approach to operations, as well as for addressing issues related to corporate responsibility and sustainable development. Borregaard is a member of the UN Global Compact, supporting universal principles on human rights, labour, the environment and anti-corruption. This report serves as our Communication on Progress to the UN Global Compact

Incorporated by reference

E2-6, in Note [35](#) to the Consolidated Financial Statement, information of the accrual related to remediation of historical polluted soil is described.

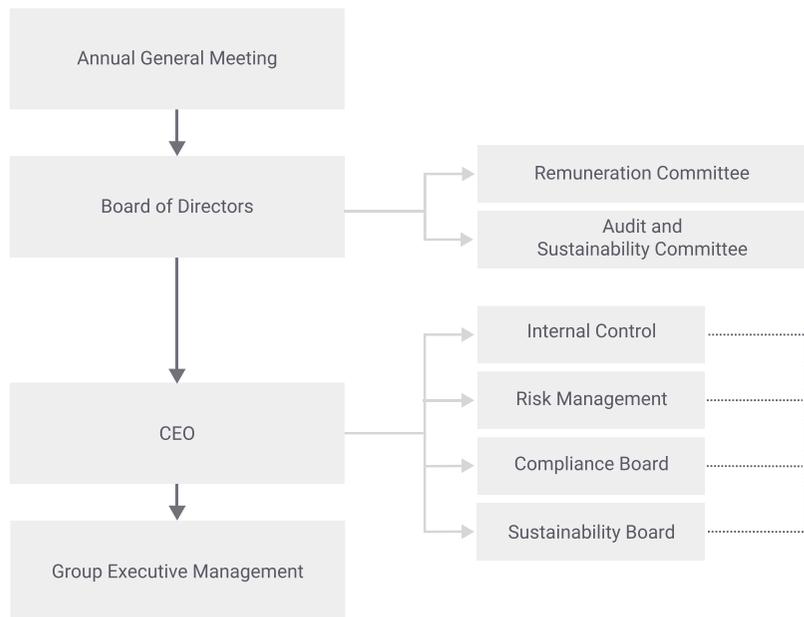
ESRS 2 GOV-1, the Board Members are presented on page [7](#).

GOV-1

The role of the administrative, management and supervisory bodies

[Borregaard's Board of Directors](#) consists of seven members, of whom five (71%) are shareholder-elected and two are employee-elected.

In addition, there are two employee-elected observers. The board includes three female members (43%) and four men (57%). This exceeds the company's internal target of at least 40% female representation and fully complies with Norway's gender-balance requirements under the amended Companies Act (Aksjeloven § 6-11a), which mandates a minimum of 40% representation of each gender on boards of qualifying companies.



All of the seven Board members are non-executive. All shareholder-elected members are independent of the company's management, major shareholders and significant business associates.

Sustainability is an integral part of Borregaard's governance framework. The Board of directors considers sustainability issues when reviewing and guiding strategy, risk management policies, annual budgets, and business plans, as well as setting Borregaard's performance objectives. The board has established an Audit and Sustainability Committee (ASC) to monitor and evaluate specific issues and plans on its behalf, in preparation for Board meetings. The ASC also oversees the impacts, risks, and opportunities related to material sustainability matters. For further details, see [Corporate Governance Report, chapter 10](#).

The Board has a separate Remuneration Committee, which monitors, reviews, and makes recommendations to the Board on specific matters concerning the various elements of remuneration, including performance criteria linked to ESG issues.

The administrative function is led by the CEO. Borregaard has an internal Sustainability Board that addresses and monitors key sustainability topics, and initiates processes to develop guidelines, goals, and measures within the areas covered by this report. The Sustainability Board advises and guides the CEO, as well as the Group Executive Management, on which sustainability issues to

address and the measures to be implemented. It reports to the CEO and is chaired by the Senior Vice President of Public Affairs and Sustainability. The Board comprises three members from the Group Executive Management, as well as other key employees responsible for the entire value chain and relevant functions. The Group Executive Management consists of 10 members. In total, 35% of the non-executive and executive members are female.

The members of the Group Executive Management are responsible for specific areas of the company based on formal competence and relevant experience. The Executive team consists of the CEO, CFO, EVP BioSolutions, EVP Speciality Cellulose and Fine Chemicals, EVP Manufacturing and Technology, SVP R&D and Business Development, SVP Procurement and Strategic Sourcing, SVP Public Affairs and Sustainability, SVP Human Resources, and General Council.

Borregaard's governance system is based on the principles set out in the [Norwegian Code of Practice for Corporate Governance. Our Corporate Governance Report](#) forms an integral part of the Report of the Board of Directors.

The Group Executive Management is responsible for overseeing the company's setting of targets related to material impacts, risks, and opportunities, and for monitoring progress towards these targets. The daily implementation of these responsibilities

lies with line management. This ensures that corporate responsibilities are fully integrated into all operations within Borregaard's subsidiaries, as well as across management teams, units and departments. Training initiatives on relevant topics and guidelines are also developed and implemented.

How we determine whether appropriate skills and expertise are available or will be developed to oversee sustainability matters, is described in section [S1-4](#) "Actions related to competence development", and is a part of the Annual appraisal dialogues held between managers and employees. For managers, at least one of the annual targets from the appraisal dialogue should be related to sustainability, and therefore, relevant sustainability skills are also considered.

Borregaard has an internal sustainability academy for its employees focusing on various sustainability topics. In addition, the sustainability board addresses various sustainability impacts, risks and opportunities (IROs) on the agenda, such as forest raw material, climate transition plan, product opportunities in various applications etc. The sustainability board invites other relevant employees to its meeting to make sure their competence is up to date.

For information on the process related to impact, risks and opportunities, see [GOV-5](#).

GOV-2

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The CEO reports current matters, including climate and nature-related issues, to the Board of Directors (at least 8 meetings per year) and the ASC (at least 6 meetings per year). The Board of Directors oversees major capital expenditures, acquisitions and divestitures where ESG-related risks are considered in the process. The ASC's responsibilities related to sustainability are outlined in the mandate to the ASC from the Board of Directors. The double materiality assessment is presented to and discussed with the ASC before being finalised. The Board of Directors approves the materiality assessment on an annual basis.

GOV-3

Integration of sustainability-related performance in incentive schemes

Sustainability-related performance, including goals related to ESG, is integrated into incentive schemes and are described below as well as in a separate [Remuneration Report](#).

Borregaard has a remuneration policy for senior management, which has been approved by the Annual General Meeting and is available on the company's website. The policy is found as an appendix to the Remuneration report.

The remuneration policy includes guidelines for variable remuneration in the form of Short-Term Incentives (STI) and Long-Term Incentives (LTI). For both the STI and LTI schemes, sustainability and ESG factors, including climate-related parameters, are part of the performance criteria for the compensation arrangements.

In the annual bonus scheme (STI), achievements linked to personal goals can result in a bonus of up to 10% of the fixed salary. For the Executive Management, it is mandatory to include at least one sustainability/climate goal (out of 3-5 goals). In addition, there are mandatory criteria linked to safety and health in the bonus scheme, corresponding to up to 7.5% of the annual fixed salary.

In the option scheme (LTI), the fulfilment of a specific sustainability criteria, including climate, is a prerequisite for part of the option allocation, corresponding to a value of 10% of the fixed annual salary for the CEO and 5% of the fixed salary for other members of the Executive Management.

The Board's compensation committee reviews that bonus criteria and option schemes are in line with the guidelines and intentions approved by the Annual General Meeting.

Borregaard holds a Directors and Officers Liability Insurance Policy on behalf of the members of the Board of Directors and the CEO. The insurance additionally covers any person acting in a managerial capacity and includes subsidiaries owned by more than 50%. The insurance policy is issued by a reputable, specialised insurer with appropriate rating.

Climate-related parameters, are part of the performance criteria for the compensation arrangements. These criteria cover progress on climate-related goals such as emission reductions and energy efficiency, aligning incentives with Borregaard's sustainability strategy.

GOV-4

Statement on due diligence

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT	ESRS DR
1: Embedding due diligence in governance, strategy and business model	<ul style="list-style-type: none"> • General (ESRS 2): Decision-making process and internal control procedures; p. 45 • Environment (ESRS E4): Material impacts, risks and opportunities and their interaction with strategy and business model; p. 103 • Social (ESRS S1): Material impacts, risks and opportunities and their interaction with strategy and business model; p. 122 	ESRS 2 GOV-2, ESRS 2 GOV-3 ESRS 2 SBM-3
2: Engaging with affected stakeholders in all key steps of the due diligence	<ul style="list-style-type: none"> • Interest and views of stakeholders; p. 32 	ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 IRO-1 ESRS 2 MDR-P
3: Identifying and assessing adverse impact	<p>Borregaard has conducted a double materiality assessment to identify material adverse impacts.</p> <ul style="list-style-type: none"> • General (ESRS 2): Description of the processes to identify and assess material IROs; p. 43. • Environment: p. 68, 90, 102, 112 • Social: p. 123 • Governance: p. 139 	ESRS 2 IRO-1, ESRS 2 SBM-3
4: Taking actions to address those adverse impacts	<p>Borregaard takes actions to mitigate and address the identified material adverse impacts. Our actions are explained with each material topic in our sustainability statements.</p> <ul style="list-style-type: none"> • Environment: p. 71, 92, 108, 114 • Social: p. 126 • Governance: p. 141 	ESRS 2 MDR-A
5: Tracking the effectiveness of these efforts and communicating	<p>We annually report on key metrics and monitor progress on our targets.</p> <ul style="list-style-type: none"> • Environment: p. 77, 80, 95, 96, 110, 116, 118 • Social: p. 129, 130 • Governance: p. 143, 145 	ESRS 2 MDR-M ESRS 2 MDR-T

GOV-5

Risk management and internal control

Identifying and managing risks and opportunities are integrated into multidisciplinary parts of the Group's business processes. Risk management ensures that risk relevant to Borregaard's objectives are identified, analysed and addressed early and in a cost-effective manner.

A sound risk culture in Borregaard's operating units is a prerequisite for a successful risk management process. An operating unit may be a plant, organisational department, subsidiary, or business unit. Comprehensive risk assessments related to either operations or projects are carried out on an ongoing basis in all operating units and reported to the next management level.

Top down risk evaluations are mainly focused on climate change, environment, health and safety (EHS) and profitability. The risk assessment is presented and reviewed quarterly by the Audit and Sustainability Committee and at least annually by the Board. An operating unit's risk assessment identifies the principle risk and opportunities associated with the unit's value chain. The individual unit managers in the Group are responsible for acquainting themselves with all significant risk factors within their own area of responsibility, thereby contributing to a financially and administratively sound handling of these risks.

Borregaard has established a central risk management function at the Group level, headed by the Chief Risk Officer (CRO), who is responsible for Borregaard's risk management model and implementation support. Furthermore, the Group CRO shall facilitate the risk assessment process and contribute to the identification, analysis and handling of risks across business areas and disciplines. The CRO consolidates the overall risk assessment which is reviewed by the Group Executive Management before being submitted to the Audit and Sustainability Committee and, finally, to the Board.

Stakeholder perspectives are considered in the identification, assessment and management of material impacts, risks and opportunities across the company's value chain, including potential environmental, social and economic effects. Climate- and nature-related risk assessments are conducted in accordance with the European Sustainability Reporting Standards (ESRS), as required under the Corporate Sustainability Reporting Directive (CSRD), and are informed by the [Task Force on Nature-related Financial Disclosures \(TNFD\)](#). The risks are prioritised based on the assessed impact and probability. The greater the impact and likelihood of the risk occurring, the higher the priority for implementing measures to reduce it.

Borregaard has identified material risks related to climate and environmental regulation, including transition risks arising from stricter requirements

and policy developments. These risks are mitigated through a long-term transition plan and investments in new technologies that reduce emissions, improve resource efficiency, and lower future compliance-related costs.

Supply chain risks related to raw materials are addressed through diversified sourcing, long-term contracts, and a target of 100% certified wood sourcing. Market and regulatory risks are managed through active monitoring of regulatory developments, participation in industry associations, and product innovation aligned with evolving requirements.

Financial risks are mitigated through long-term investment decisions focused on new technologies and process improvements that reduce future operating costs and environmental liabilities.

Operational and safety risks are managed by following recognised standards, conducting regular risk assessments, and implementing continuous process safety improvements.

Biodiversity risks are addressed through sustainable forestry practices, emission reduction measures, and stakeholder engagement.

Internal control of ESG matters is documented in the management system and includes a description of authority. Borregaard has documented its internal procedures, including a description of authorities, in the quality management system. The Group follows a dual control principle for approvals.

Key ESG data are reviewed by the ASC prior to the Board meetings and are included in the Group's biannual reports, starting from 2023.

SBM-1

Strategy, business model and value chain

Strategy – a biorefinery with high value creation

Borregaard operates one of the world’s most advanced biorefineries, utilising the three main components of wood – fibres, lignins, and sugars – to produce a broad and diversified portfolio of products for multiple applications. Most of these products serve as substitutes for fossil-based alternatives. The wood is sourced from sustainably managed forests, and the biorefinery utilises 94% of the feedstock to produce biochemicals, biomaterials, and energy, see the figure below ([read more](#)).

Borregaard is a supplier of specialised biochemicals and biomaterials to a global customer base. Our main products include lignin-based biopolymers and biovanillin, speciality cellulose, cellulose fibrils, fine chemical intermediates, and advanced bioethanol.

The products are used across multiple industries for a wide range of applications, including feed and agriculture, construction and building materials, food and pharmaceuticals, home and personal care, batteries, biofuels, and several other industries.

The Group’s strong market positions have been developed through an in-depth understanding of our markets, the development and production of advanced and specialised products, and a strong local market presence supported by a global sales and marketing organisation.

We are a competence-driven company, with research and development (R&D), production, sales, and marketing as our core competencies. To maintain our leading position, we place strong emphasis on training programmes and cross-disciplinary collaboration.

Borregaard has leading research capabilities through its three R&D centres, which combine various chemistry disciplines, biotechnology and microbiology, and are focused on developing new or improved products, applications, and production technologies.

In addition to our biorefinery in Norway, we operate five other lignin production sites based on the biorefinery concept, located in the USA, Germany, the Czech Republic, and the UK. In total, the

company has manufacturing operations and sales offices in 13 countries across Europe, Asia, and the Americas, serving our global customer base.

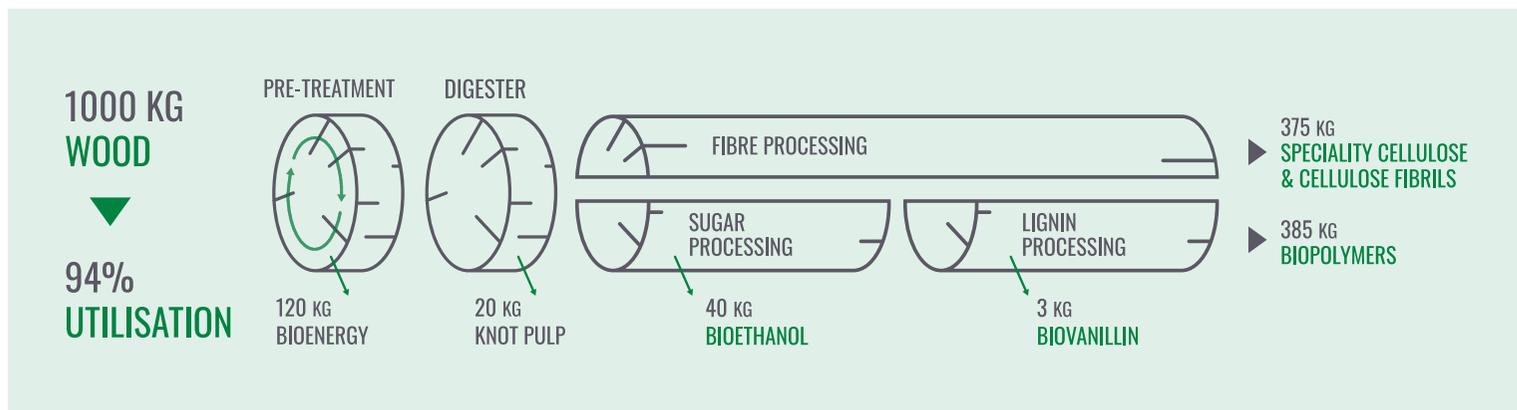
At the end of 2025, total number of employees (headcount) was 1,228 (1,177 FTE). Total revenue was NOK 7.7 billion.

Borregaard's understanding of sustainability and corporate responsibility stems from the fact that our business model, the way we run our company, and the products we produce are sustainable and meet global needs.

Business model and value chain

Borregaard takes a holistic approach to sourcing, developing, and securing the inputs essential for our operations. Raw materials are sourced from sustainably managed forests, in compliance with international standards such as FSC® and PEFC.

Borregaard has integrated ESG elements into our procurement strategy, including long-term contracts and partnerships with certified suppliers, to ensure a stable and sustainable supply chain. We also invest in research and development to drive innovation and improve the efficiency of our resource utilisation, thereby reducing waste and enhancing sustainability. This approach supports our business model, which focuses on delivering high value creation through full raw material utilisation and the inherent qualities of their



components. Our business model is closely linked to the integrated nature of our biorefinery concept.

In addition to wood and biomass, key input factors include energy and basic chemicals. We are strategically working to secure increased grid access and long-term sourcing of hydropower-based electricity. Around 70% of our demand for caustic soda, our main basic chemical input, is secured through captive production based on renewable energy at the biorefinery in Sarpsborg.

Generally, our supply chain for raw materials is geographically short and robust, with sustainable long-term suppliers.

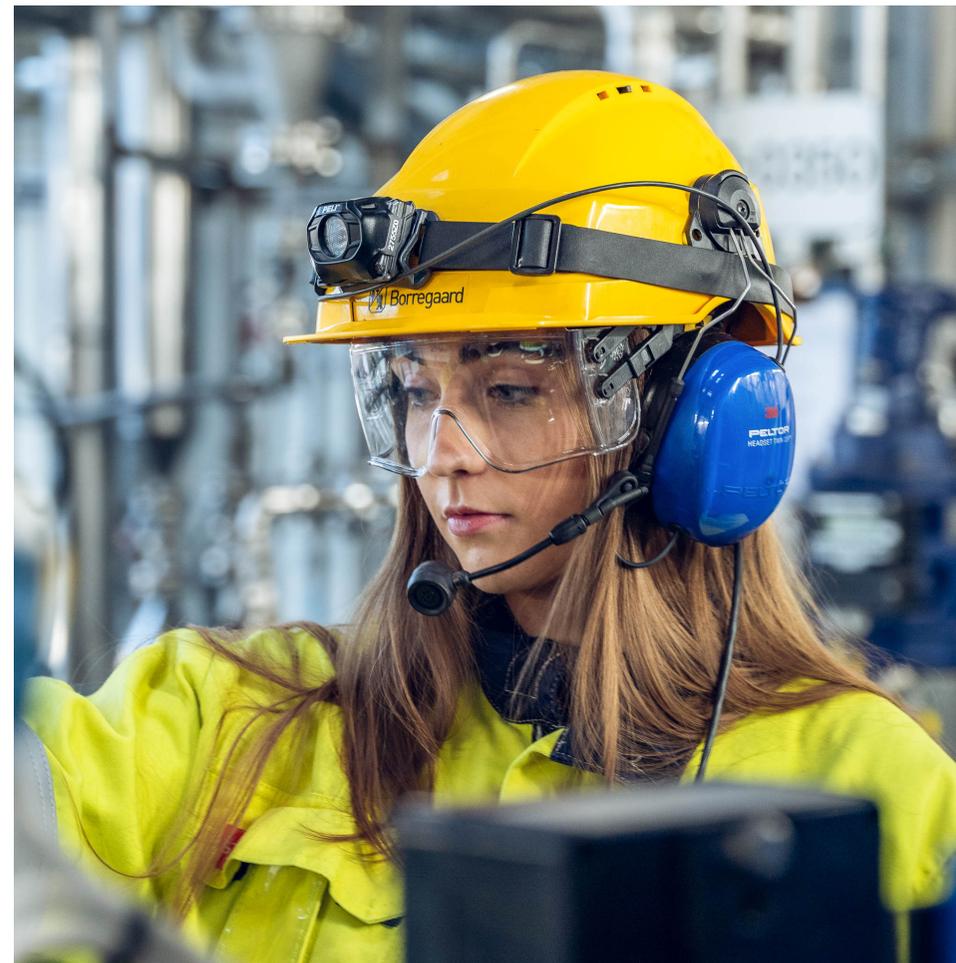
Borregaard's biochemicals, biomaterials, and bioethanol, all derived from renewable raw materials, offer significant environmental benefits by reducing dependence on synthetic products and lowering greenhouse gas emissions. For our customers, these sustainable products provide high-quality, eco-friendly alternatives that meet stringent regulatory standards.

Investors benefit from our strong market position and commitment to sustainability, which foster long-term value creation and position the company to meet future requirements and expectations.

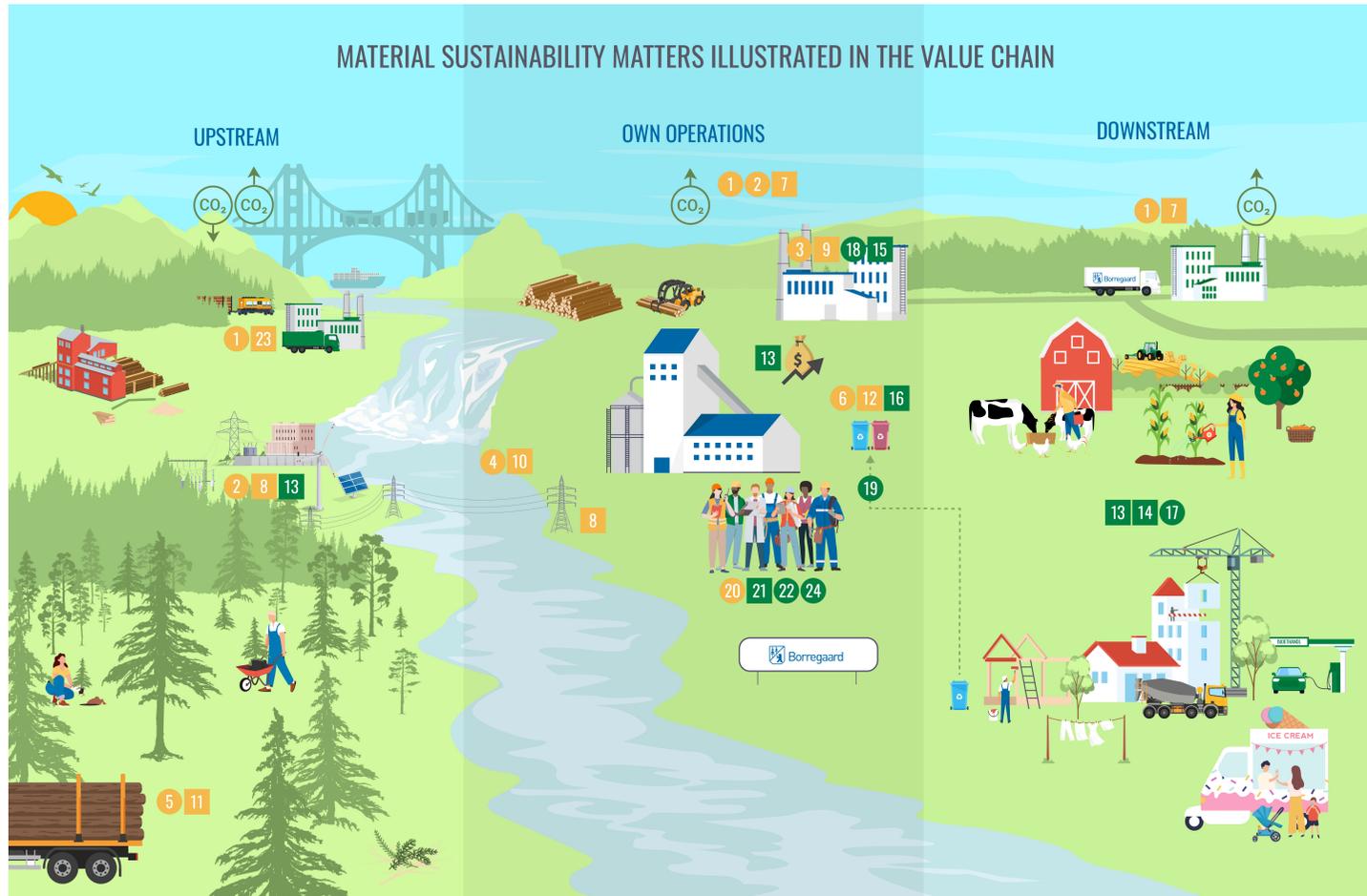
Furthermore, Borregaard's operations contribute positively to local communities through job creation and economic ripple effects.

Borregaard's value chain is characterised by integration from raw material sourcing to the production and distribution of bioproducts. Upstream, we collaborate with certified forest owners and suppliers to ensure the sustainable procurement of wood and other raw materials. Downstream, our products are distributed to a wide range of industries, including agriculture, construction, and pharmaceuticals, where they serve as sustainable alternatives to petrochemical raw materials. Our strategic position within this transparent value chain enables us to influence and promote sustainability practices throughout the entire network, from suppliers to end-users.

The value chain illustration on the next page provides details of the ESRs topics and sub-topics that are considered material. It shows where in the value chain each topic is material, and whether it represents a positive or negative impact on environment or people, or a financial risk or opportunity. Several topics may represent both positive and negative impacts, as well as risk and opportunities, depending on where in the value chain they are assessed. The IROs are further described in [SBM-3](#) and the topical chapters.



MATERIAL SUSTAINABILITY MATTERS ILLUSTRATED IN THE VALUE CHAIN



ENVIRONMENT

Negative impact

- 1 Climate change mitigation
- 2 Energy
- 3 Pollution of air
- 4 Pollution of water
- 5 Direct impact drivers of biodiversity loss
- 6 Waste

Risk

- 7 Climate change mitigation
- 8 Energy
- 9 Pollution of air
- 10 Pollution of water
- 11 Direct impact drivers of biodiversity loss
- 12 Waste

Opportunity

- 13 Climate change mitigation
- 14 Pollution of water
- 15 Resources inflows, incl. resource use
- 16 Waste

Positive impact

- 17 Climate change mitigation
- 18 Resources inflows, incl. resource use
- 19 Waste

SOCIAL

Negative impact

- 20 Working conditions – health and safety

Opportunity

- 21 Equal treatment and opportunities for all training and skills development

Positive impact

- 22 Equal treatment and opportunities for all, training and skills development

GOVERNANCE

Risk

- 23 Management of relationships with suppliers

Positive impact

- 24 Corporate culture

- Positive impact
- Opportunity
- Negative impact
- Risk

Market position and impact

Most of our customers purchase products primarily for their performance. However, customers and end-users are becoming increasingly concerned about which products they buy, favouring natural starting materials, health benefits and a low GHG footprint. Our products can often serve as a more sustainable alternative to fossil-based products or as a new sustainable solution tailored to the specific needs or challenges our customers face.

Our positive environmental impact within our customers' value chains varies depending on the application and each customer's production process. Reduced energy consumption, extended lifetime of process equipment due to less corrosion, enhanced raw material utilisation and increased production capacity, as well as less exposure to hazardous chemicals, are all examples of positive impacts our products have on our customers' processes.

End-users, such as farmers, benefit from increased crop yields and improved soil conditions from plant nutrition, as well as better working conditions resulting from less exposure to hazardous chemicals (pesticides). Further examples include our products contributing to long-term environmental impacts by extending the lifespan of lead batteries in energy storage systems and improving the recycling ability of packaging materials.

In addition to the direct benefits we provide to our customers, our commitment to sustainability

extends to our significant markets and customer groups. We actively engage with stakeholders to understand their sustainability goals and align our product development accordingly. This collaborative approach ensures that our innovations not only meet performance expectations but also contribute to broader environmental and social objectives.

A recent example is the innovative technology developed by Borregaard for the homecare market. This technology enables production of effective and sustainable anti-filming agents for automatic dishwasher detergents, offering a sustainable alternative to the widely used polyacrylates in this segment.

Several important markets, including agriculture, energy storage, and packaging, are placing greater emphasis on sustainability. By providing solutions that enhance resource efficiency and reduce environmental impact, we support our customers in achieving their sustainability targets.

Our innovative culture and the combination of a unique raw material base, biorefinery assets and expert knowledge, provide a solid foundation for capitalising on the increasing momentum for bio-based products. The increasing focus from consumers and investors, as well as supportive policy and regulatory measures, is driving the demand for sustainable solutions.

Our key strategic considerations mean that specialisation and value growth will continue to take priority in the years to come. For example, we

see significant potential for an upgrade of our product portfolios in BioSolutions and Speciality Cellulose. We also believe that environmental investments will strengthen our competitive advantage and that further development of the biorefinery in Norway is a low-risk investment.

Ultimately, the Borregaard specialisation journey is a continuous process towards full specialisation. We are continuously entering new markets with new products and in new geographies.

Borregaard has also invested in bio-based startups. The investment in Alginor exemplifies our commitment to growth based on sustainable biorefinery concepts with specialised products. Alginor, a marine biotechnology company, focuses on the sustainable utilisation of brown kelp. The company aims to achieve 100% biomass utilisation with zero downstream waste, aligning with several UN SDGs.

Although Borregaard's products generally exhibit strong climate and environmental performance, some applications still present dilemmas. Examples of such applications include oil extraction, fossil energy systems, selected crop protection products and cigarette filters. Borregaard's exposure to such applications is limited to less than 10% of the Group's operating revenues, which is below the reporting criteria outlined in the ESRS.

Our products either represent an improvement in an established value chain or can, with further

innovation efforts, be used in the manufacturing of products for more sustainable applications. Consequently, these products may represent new sustainable long-term opportunities.

Most of our products are bio-based. However, Borregaard also manufactures or sells products based on fossil or non-renewable raw materials, such as fine chemical intermediates for contrast agents, aroma chemicals and certain products for agricultural markets. These products may be difficult or currently unfeasible to produce using bio-based raw materials. Nevertheless, they are often complementary to Borregaard's bio-based products and supplement our overall market offering. We are constantly assessing possibilities of developing bio-based or more sustainable alternatives to these products.

Sustainability is a key value driver for Borregaard, and regulatory trends are now driving change. For example, Borregaard spent many years reauthorising our lignin-based biopolymers for use in animal feed within the EU, which was achieved in 2024. In this customer segment, we now see a strong demand for non-synthetic sustainable binders due to new regulations, typically banning substances of concern such as formaldehyde.

Borregaard is now increasing its market presence in Asia driven by the region's rapid growth and increasing sustainability focus. In India, we have in 2025 strengthened our R&D capabilities with a particular focus on the agricultural sector.

UN's Sustainability Development Goals

The UN predicts that the world's population will reach 8.5 billion by 2030 (+3.7%) and continue to grow to 9.7 billion by 2050 (+18.3%). This population growth is expected to lead to resource scarcity and significant demand for climate friendly solutions in our daily lives.

In response to these challenges, specific sustainability goals and measures have been defined in areas such as access to raw materials, energy, food, housing, and infrastructure. These factors are expected to increase demand for sustainable products, creating opportunities for Borregaard's innovative solutions to support good lives within a sustainable framework. This statement is supported by the [climate scenario analysis](#) we have conducted. The impact of these factors is included in the double materiality assessment.

Our business can advance sustainable development by minimising negative and maximising positive impacts on environment and people. Reduced emissions, increased resource utilisation and our offering of alternatives to petrochemical products, will contribute positively and directly to the UN's Sustainable development Goals (SDGs).

The successful development and marketing of our bio-based products will have a positive impact on the environment and our customers and end-users. Borregaard's business model and products are well positioned to support the SDGs set out in the UN 2030 Agenda for Sustainable Development.

We have prioritised six of the SDGs based on our contributions to addressing global sustainability challenges through our operations and solutions:

Food and feed production (SDG 2), decent working conditions and economic growth (SDG 8), innovation, transportation and infrastructure (SDG 9), and responsible production (SDG 12). Most of Borregaard's products have a favourable climate footprint compared to fossil-based alternatives. In addition we invest in energy solution with lower GHG footprint, thereby supporting efforts to mitigate climate change (SDG 13). Our emphasis on sourcing wood from sustainable manage forests supports "life on land" (SDG 15).

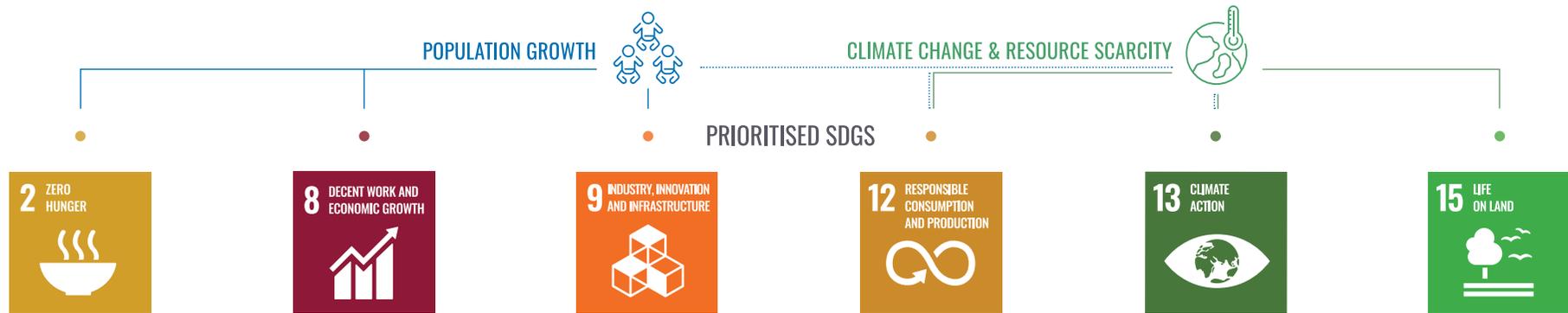
In addition, Borregaard's products and solutions also supports other SDG's than the six prioritised goals, such as water purification, clean energy, education, gender equality and cooperation and partnerships for the goals .

As a result, Borregaard's innovative products and solutions can play an important role in addressing some of the world's most pressing sustainable development challenges: Population growth, climate change and resource scarcity.

See SDG figure on page 31.



GLOBAL CHALLENGES



OUR CONTRIBUTION

SUSTAINABLE FOOD PRODUCTION

- Efficient and sustainable feed products
- Growth stimulants for food plants
- Improved and sustainable crop solutions and protection
- Raw materials do not compete with food production

RESPONSIBLE BUSINESS

- Profitability as a prerequisite in addition to environmental and social dimensions in the sustainability scope
- High value creation and local partners and suppliers create substantial ripple effects in society
- Profitability allows for investments, R&D and competence development
- Promoting human rights and decent working conditions

NEW AND IMPROVED PRODUCTS

- Market-driven innovation that involves the entire organisation
- Uses a significant share of revenues on innovation
- New and improved sustainable products with better performance
- Delivers sustainable products and solutions to infrastructure

SUSTAINABLE BIOREFINERY

- Full utilisation of raw materials
- Continuously improved environmental lifecycle impact
- Sustainable sourcing programme
- Continuous productivity improvements, including digitalisation
- Improved chemical safety
- Reduce emissions and impact on the environment

CLIMATE MITIGATION

- The biorefinery concept with sustainable products is an essential part of the business model
- Science-based targets for reduced GHG footprint
- Climate impact part of investment project evaluations
- Investments in renewable energy and reduced emissions

FOREST RAW MATERIAL

- Bio-based raw materials from responsibly managed and certified sources
- The wood raw material is sourced from responsibly managed forests that are certified by internationally recognised standards such as FSC® and PEFC, ensuring the protection and promotion of biodiversity.

SBM-2

Interest and views of stakeholders

We have identified our stakeholders by surveying groups, organisations, and individuals who are either impacted by our operations or influence our business, strategy, and the achievement of our goals.

We assess their views and concerns through our community involvement programme, regular dialogue, media analyses, investor meetings, and other relevant forums. The outcomes of these discussions are documented in various databases by the individuals responsible for the engagement.

Stakeholder views are used across our different business units and corporate functions as input for strategy processes. This information is included in the steps for identifying IROs as part of the risk management process. The results also serve as input for conducting the double materiality assessment. This process is overseen by Borregaard's Sustainability Board (SB) and is subsequently presented to the CEO and the Executive Management team for approval.

Our stakeholders include existing and potential customers, investors and lenders, current and potential employees, authorities, suppliers, local communities and neighbours, business partners, organisations, and the media.

Stakeholder engagement

A key input is engagement with customers and potential customers to understand their needs and emerging trends. Each business unit is responsible for its market strategy. Important sustainability topics in this dialogue include product performance, the demand for products or solutions with a low climate and environmental footprint, regulatory changes that promote more sustainable alternatives, safer chemicals, and our customers' Scope 3 emissions.

As part of our strategy to ensure a robust and sustainable supply chain with long-term suppliers and partners, we engage and collaborate with our suppliers on areas such as sustainable sourcing, technology (including digital solutions), certifications (such as chain of custody), the carbon footprint of raw materials and transportation, resource optimisation, security of supply, and risks related to the geopolitical situation.

There is an increasing engagement among stakeholders regarding the use of natural resources. Some groups express concerns about forest use for environmental, wildlife, climate change, or community reasons, and several of our stakeholders focus on ensuring that the wood we purchase comes from sustainably managed forests. Certification schemes play a key role in this effort. To address these concerns, Borregaard has made significant efforts to support high certification standards, with the ambition that all wood used by our company shall be certified.

Approximately 80% of Borregaard's wood purchases are sourced from Norway, where nearly all wood is certified according to PEFC or FSC® standards. The revision of the 2023 PEFC national standard was comprehensive, placing greater emphasis on biodiversity than previous versions. This revision was developed through collaboration between forest owners, the industry, and several environmental and outdoor organisations. We contributed to this effort through our industry association. Additionally, we regularly organise and participate in seminars and events to discuss sustainable forestry criteria, engaging relevant stakeholders such as forest owners, environmental organisations, and customers. The most recent event took place in 2024, and we plan to hold the next one in 2026.

Communication and collaboration with relevant stakeholders to follow the development of national and regional grid plans and activities, and to assess the potential effects of external changes and development, are important activities to support Borregaard's overall strategy for reducing GHG emissions and securing grid capacity for hydropower-based electricity. In 2025, Borregaard made progress on securing additional grid capacity to support our electrification targets for 2030, with ongoing collaboration on final agreements for an additional 35 MW.

Borregaard engages relevant stakeholders on emissions to water primarily through dialogue with public authorities and participation in the "Glomma

Sør" working group. This engagement supports Borregaard's reduction plan for emissions to water, including the COD emission target.

The regulatory landscape for sustainable products is evolving rapidly. By actively participating in trade associations such as [CEPI](#), [CEFIC](#) and [The Federation of Norwegian Industries](#), Borregaard stays informed about emerging regulations, contributes to the development of industry standards, collaborates on sustainability initiatives, and gains valuable insights from stakeholders across the value chain. This engagement is not only crucial for compliance, but also essential for maintaining a competitive edge in a sustainability-driven market, while supporting our strategy and business model for sustainable products.

Borregaard engages closely with key stakeholders and the value chain to prepare for compliance following the implementation of the EU Deforestation Regulation (EUDR).

Policy engagement takes place primarily through open consultations and structured dialogue via relevant industry associations at EU and national level, as well as through local business networks. Borregaard does not make financial contributions to political parties. Our policy is to be transparent about the issues we seek to influence, focusing on regulations that affect sustainability, innovation, and competitiveness. This approach ensures that our engagement is responsible, aligned with our values, and contributes to constructive policy

development in cooperation with relevant stakeholders.

As a cornerstone company in Sarpsborg, Norway, the local community is a particularly important stakeholder for Borregaard. Our commitment to the local community is organised through both formal forums and a range of informal platforms and arenas. We are active in the local Chamber of commerce ("Sarpsborg Næringsforening"), which provides numerous touchpoints and meetings with the municipal administration and political leadership, particularly regarding conditions for business, urban development, and infrastructure. We also contribute to organisations that enhance the attractiveness of the area and promote education and skills development in fields relevant to Borregaard.

In addition, regular open events and guided tours facilitate information sharing and dialogue with the local community. We also conduct an annual reputation survey among the population of Østfold County to gather feedback on various topics, including environmental issues, related to our company.

Borregaard plays an important role in the city and region as an employer, as a customer of many suppliers, as a socioeconomic contributor through taxes and duties from our operations, and as a partner to many stakeholders and voluntary organisations.

Our employees are key stakeholders in our strategy and business model. Borregaard's robust corporate culture, built on shared values and a focus on unique competencies, fosters engaged and satisfied employees. This contributes to consistently low turnover and competence building, making a significant contribution to our overall value creation.

Through continuous dialogue, we aim to understand our employees' perspectives, concerns, and expectations. The goal of engaging with our workforce is to incorporate their perceptions and experiences, fostering an attractive workplace, a positive working environment and ensuring safe workplaces. We actively engage with employees through formal meetings with their representatives.

Two employee representatives and two observers are included on our Board of Directors, and we host multiple formal forums where business strategies, objectives, and performance are discussed and monitored in collaboration with employee representatives.

To strengthen this dialogue, we gather workforce feedback on our culture and strategy through an annual employee engagement survey. The results are presented to the Working Environment Committee and followed up in close collaboration with employee representatives.



Managers and employees participate in annual appraisal dialogues, covering key topics such as expectations and goals, feedback, development, and overall performance.

We also maintain grievance mechanisms, allowing employees to raise concerns about our business practices and human rights topics. Borregaard has established clear guidelines on whistleblowing, outlining how concerns are addressed, and the channels available for reporting them. We include the public disclosure of logged grievances and actions taken into our compliance reporting.

Borregaard is assessed by several independent third parties on sustainability, providing valuable insights to inform our stakeholders about our high ESG standards. [EcoVadis](#) evaluates companies in the value chain based on various ESG parameters, and in 2025, we achieved gold status (top 5%). [CDP](#) evaluates companies on climate, water security, and forests, and Borregaard received an A/A- rating in all these categories for the years 2021-2023. As our sustainability reporting is prioritised and fully aligned with the CSRD, which covers most CDP topics, we chose not to report to CDP in 2024 and 2025, but plan to consider resuming CDP reporting in 2026.

Results from stakeholder dialogue in 2025

The stakeholder illustration on page [35](#) summarises our stakeholder dialogue in 2025,

reflecting both stakeholder expectations and how Borregaard responds through our strategy and business model.

In 2025, the primary focus of our stakeholder dialogue was on resilience in the face of global economic challenges related to tariffs, war, and conflicts. This dialogue centred on how these factors might impact Borregaard's markets and our strategic response through a robust and transparent value chain, as well as adjustments in market exposure. This topic was of particular importance to our customers and investors.

We have strategically increased our market presence in Asia, capitalising on the region's rapid economic growth and heightened focus on sustainability. This expansion aligns with our commitment to meeting the growing demand for sustainable products in emerging markets, which is of particular interest to our investors seeking growth opportunities.

After many years of a weakening Norwegian currency (NOK), we saw a strengthening of the NOK in 2025, using Borregaard's currency basket, particularly towards the US dollar. The company's hedging strategy more than compensated for the change in currency rates in 2025. However, over the longer term, a stronger NOK will negatively affect the competitiveness of our exports. We actively manage these financial implications to maintain stability and profitability, which are also important to our investors.

Our products are designed to meet current and upcoming regulatory requirements related to sustainability. Many of our products serve as safer alternatives to substances of concern, aligning with the EU Green Deal and other global sustainability initiatives. This proactive approach not only creates significant commercial opportunities and market access but also reassures our investors of our commitment to regulatory compliance and long-term sustainability.

At the same time, our investors have increasingly questioned the environmental investments at our biorefinery in Norway and the associated costs of the climate transition. We are committed to transparent communication about the long-term benefits and strategic importance of these investments, which are essential for sustainable growth and compliance with evolving regulations. This transparency helps build investor confidence in our strategic direction and priorities.

The regulatory landscape in Europe continues to evolve, presenting both challenges and opportunities. Compliance with new requirements necessitate a significant increase in resources. In this context, we welcome the Omnibus package, which introduces simplifications and timeline extensions under the CSRD and EU Deforestation Regulation.

Transparency within our value chain remains crucial for our stakeholders to better understand the impacts, risks, and opportunities associated with our business, including human rights considerations.

STAKEHOLDER GROUP	IMPORTANT TOPICS IN STAKEHOLDER DIALOGUE	STAKEHOLDER EXPECTATION AND HOW WE RESPOND
	Uncertainty in the global economy related to tariffs, war and conflicts.	<ul style="list-style-type: none"> • Increase market presence in Asia to leverage the region’s rapid growth and sustainability focus. • Ensure security of supply, act with a long-term perspective and maintain predictability in the market. • Provide transparent and accessible information to our stakeholders. • Operate across diverse markets, offering flexibility in both production and workforce capabilities.
	Cost inflation and Norwegian currency - NOK	<ul style="list-style-type: none"> • Offer competitive terms and conditions. • Provide clear and consistent reporting on important and relevant factors. • Maintain profitability.
	Resilient business model and Borregaard’s Sustainability Strategy	<ul style="list-style-type: none"> • Demonstrate environmental, climate and social responsibility. • Ensure product safety, quality, performance and sustainability including certifications. • Strengthen our market position and reputation. • Maintain compliance with regulations and uphold high governance standards. • Ensure the robustness of our business model and resiliency to climate change.
	Environmental and climate footprint of products. Sustainable solutions that meets regulatory trends.	<ul style="list-style-type: none"> • Documented climate and environmentally friendly products, EPD’s and certifications. • Ensure product safety, quality, and performance of products. • Meet current and emerging regulatory trends within sustainability.
	Scope 3 emissions	<ul style="list-style-type: none"> • Contribute to reducing Scope 3 emissions both in our supply chain and to our customers, supported by digital Scope 3 calculations.
	Transparency in the value chain	<ul style="list-style-type: none"> • Documented product safety, quality, performance and sustainability including certifications. • Maintain predictability and a long-term perspective, guided by strong business ethics. • Ensure no human rights violations.
	Transition plan to cut climate gas emissions to air and effluents to water by 2030	<ul style="list-style-type: none"> • Document our sustainability/ESG performance, ensuring transparency and avoiding greenwashing. • Maintain high ESG score and strengthen our position as climate leader.
	Omnibus of CSRD directive and EU Taxonomy.	<ul style="list-style-type: none"> • Provide transparent and accessible information on aligned and eligible economic activities, “Green” financing, and the documented cost of the climate transition and regulatory burdens.
	Renewable energy supply and grid capacity	<ul style="list-style-type: none"> • Implement energy and climate measures. • Ensure flexibility in energy consumption and maintain security of supply.
	Forest certification/changes in EU forest regulations/EUDR	<ul style="list-style-type: none"> • Sustainable sourcing of certified wood that comply with EUDR. • Maintain predictability/long-term perspective.
	Employer branding of Borregaard	<ul style="list-style-type: none"> • Sustainable and attractive jobs and educational systems.
	Investment forecast and financial resilience	<ul style="list-style-type: none"> • Maintain comprehensive risk management, including climate- and nature-related risks. • Provide transparent and accessible information about investments.

-  Customer
-  Suppliers
-  Investors and lenders
-  Local communities
-  Employee
-  Authorities
-  Business partners

SBM-3

Material IROs and their interaction with strategy and business model

Borregaard's impacts on the environment and people, as well as its financial risks and opportunities (IROs), have been assessed using a double materiality approach in line with ESRS requirements. The process is described in the IRO-1 section on page 43. This assessment identifies which ESRS topics and subtopics are material to our business, based on the scoring of each IRO.

This structured approach provides a clear foundation for informed strategic decisions and enables us to implement targeted measures that support our long-term business goals.

The double materiality assessment highlights the most important topics and shows how we address the related IROs to strengthen the resilience of our business model and strategy. This includes achieving our business and sustainability targets and contributing to the 1.5°C pathway and the objectives of the Paris Agreement.

The material topics span our entire value chain – from sourcing raw materials and production to product delivery, as well as R&D, business development, and sustainability activities. This is illustrated in the value chain diagram on page 28. These considerations are fully integrated into our decision-making processes and aligned with our strategic priorities.

Climate change mitigation

Energy use and GHG emissions (Scope 1, 2 and 3)

The impact from Scope 1 and Scope 2 emissions is primarily associated with energy use in our production processes. The high utilisation of wood for products (82%) at our biorefinery in Norway results in a limited quantity of residual biomass, and hence, limited available bioenergy. As a result, Borregaard obtains heat energy from other sources such as hydro power, energy recovery from production processes, incineration of sorted household waste, and natural gas.

The impact from Indirect GHG emissions (Scope 3) arises from activities associated with our operations but occurs at sources owned or controlled by other entities. These emissions account for 79% of our fossil GHG emissions, making it crucial to monitor and reduce them. Our major sources of Scope 3 emissions that we can influence include purchased goods and services (30%), upstream and downstream transportation, and distribution services (16%).

Borregaard has committed to a [science-based target](#) to reduce our GHG emissions across all scopes, and has published a [transition plan](#) outlining the steps to achieve this reduction and mitigate transition risks, such as carbon pricing. The main decarbonisation levers include increasing the share of renewable energy, enhancing energy efficiency and decarbonising our supply chain, focusing on both transportation and raw materials.

Our investments have resulted in reductions in [GHG emissions](#), and investment estimates are included in the financial planning for the next three-year period. These investments aim to increase the robustness and flexibility of our energy system and our energy carriers, representing a strategic opportunity.

Climate scenario analyses have provided valuable insights for our materiality assessment. Although the physical impacts of climate change do not present material risks to our production, we have implemented measures at our key sites to prepare for more extreme weather events. These risk mitigation actions include strengthening our supply chain resilience by engaging alternative suppliers to ensure continuity and mitigate potential disruptions, as well as implementing technical measures to protect against property damage from landslides or flooding. [Read more](#)

Climate and environmental impact from our products

Developing, producing, and selling sustainable and climate-friendly products is at the core of our business and our response to climate change, as these products have a positive impact on the climate and environment and offer significant opportunities.

The products from our biorefinery are made from a renewable raw material, wood, and generate only biogenic GHG emissions during the usage phase and the end-of-life treatment phase. As a result, our Scope 3 emissions are low in these two stages.

MATERIAL SUSTAINABILITY MATTERS



CLIMATE CHANGE

- Energy
- Climate change mitigation

POLLUTION

- Pollution of air
- Pollution of water

In recent years, the global trend has shown that customers and end-users are increasingly concerned with sustainability aspects, favouring natural starting materials, health benefits and a better climate footprint. We firmly believe that this strong trend presents a significant opportunity for our company and will positively impact our profitability. The benefits from sustainable products will grow as new products and solutions are developed and as more customers transition to our sustainable solutions.

Innovation plays a key role in developing the sustainability aspects of our business model. Through solutions that reduce process emissions, energy and water consumption, and increase resource utilisation and circularity, we improve the environmental footprint of our products as well as the environmental performance in our customers processes.

Regulatory restrictions or bans on chemicals or products also create new opportunities for Borregaard's products and solutions. The risks associated with such restrictions are monitored and incorporated into our innovation criteria.

Pollution to air and water

Borregaard's water pollution impacts are primarily linked to our main production facility in Norway. Emissions of organic compounds that contribute to chemical oxygen demand (COD) and biological oxygen demand (BOD) affect the aquatic environment of the River Glomma. The organic material mainly results from the washing and

processing of biomass to advanced products. Emissions to water from our operations outside of Norway are minimal. Impacts evaluated under the ESRS topics of water and marine resources are included in the pollution-to-water impact results.

Borregaard's emissions of SO₂, NO_x, and dust particles to air can impact local air quality, making air pollution a material sub-topic. These emissions are included in our non-GHG air emissions programme and primarily result from energy production. The spray drying of lignin-based biopolymers into powder also generates emissions of NO_x (from fuel) and dust particles (from lignin).

Borregaard's wood-based products offer a non-toxic alternative to chemicals that present health or environmental risks. For example, our biopolymers and cellulose fibrils replace harmful chemicals in applications such as coatings, agriculture, and adhesives. These products can positively impact the environment in our customers' processes, creating significant business opportunities.

Our response includes investments aimed at reducing environmental impact. The main target is to reduce COD to improve the ecological status of the River Glomma.

Biodiversity - sustainable forest raw material

Wood is the key raw material for Borregaard, as our business model focuses on delivering sustainable solutions based on renewable raw materials and the full utilisation of all components of the tree. We are a significant buyer of forest raw materials,

sourcing wood directly from responsible forestry operations in Norway and purchasing residuals from sawmills.

Nature-related risks and availability of forest raw materials are closely linked to the risk of reduced harvested volumes following the introduction of new and stricter regulations. Transparency across the entire value chain, from harvesting the tree to finished products, is essential to document sustainability aspects related to forest management and the utilisation of wood.

Borregaard's response is to ensure long-term access to sustainable forest raw materials with minimal impact on biodiversity. Our target is to purchase 100% PEFC or FSC® certified wood.

[Read more](#)

Circular economy and resources use

Borregaard's biorefinery delivers significant economic and environmental benefits by maximising the use of the entire log and components of wood. This approach has a positive impact and opportunity on [resource efficiency](#).

Wood is converted into a wide range of high-value products. Side streams that cannot be further utilised in product applications are used as bioenergy in the production processes, supporting efficient resource use and reducing waste.

By transforming the different components of wood into valuable biochemicals and biomaterials, Borregaard maximises the resource efficiency of

MATERIAL SUSTAINABILITY MATTERS



BIODIVERSITY AND ECOSYSTEMS

- Direct impact drivers of biodiversity loss
 - Land-use change, fresh water-use change and sea-use change
 - Direct exploitation
 - Pollution

RESOURCE USE AND CIRCULAR ECONOMY

- Resources inflows, including resource use
- Waste

renewable raw materials, which is a key driver for the low-carbon circular bioeconomy. Energy and material flows are optimised within a symbiotic industrial ecosystem. However, some waste streams remain and may represent a negative impact or risk. To address this, Borregaard continues to explore new markets and opportunities for these remaining materials, further strengthening the company's commitment to sustainability and the circular economy. This work is an integral part of the innovation process, supporting continuous improvement in resource utilisation and environmental impact, turning into future opportunities.

Own workforce

Equal treatment and equal opportunities, together with good working conditions for Borregaard's own workforce, have a positive impact on the achievement of our targets and create opportunities to improve value creation. A strong focus on training and competence development further reinforces this impact.

Although Borregaard generally provides good working conditions, there are still areas for improvement related to health and safety. This is reflected in metrics such as sick leave and injury rates.

Health and safety are integral parts of Borregaard's management system and include processes for managing impacts and risks related to both our own workforce and external contractors.

Business conduct

Corporate culture is a material sustainability matter underpinning ethical conduct, responsible decision-making, and alignment with the organisation's strategic goals. The Borregaard Way promotes integrity, competence development and a consistent behavioural framework that supports a resilient business model and strengthens long-term value creation.

Management of relationships with suppliers is a material matter due to the need for robust responsible sourcing practices across the value chain. Key risks include non-compliance with human rights, labour, environmental and anti-corruption standards, as well as shortages of supply that may affect business continuity and operational stability. These risks are mitigated through supplier screening, risk assessments and adherence to the Supplier Code of Conduct.

Overview of the IROs

The table below presents all material topics and subtopics, the related impacts, risks and opportunities (IROs), and indicates where in the value chain they occur and over which time horizon they are considered material. Each IRO is classified as short-, medium- or long-term according to ESRS 1, Chapter 6. Short-term refers to the reporting year, medium-term covers 1–5 years, and long-term is defined as more than 5 years. To illustrate the IRO scoring, we use a blue gradient. The blue gradient becomes darker as the score increases, and white indicates that an IRO is not material.

MATERIAL SUSTAINABILITY MATTERS



OWN WORKFORCE

- Working conditions
 - Health and safety
- Equal treatment and opportunities for all
 - Training and skills development

BUSINESS CONDUCT

- Corporate Culture
- Management of relationships with suppliers

MATERIAL SUSTAINABILITY MATTERS	VALUE CHAIN LOCATION	MATERIAL IMPACTS ON ENVIRONMENT/PEOPLE AND FINANCIAL RISKS AND OPPORTUNITIES DESCRIPTION	TIME HORIZON		
			0-1YR	1-5YR	>5YR
E1 Climate change					
Climate change mitigation	U	1 Negative impact. Emissions from upstream activities, including production and transport of raw materials, contribute to climate impact.	Dark Blue	Light Blue	Light Blue
	U	13 Opportunity. Renewable energy/flexibility in variable load. Flexibility in sourcing of raw materials, resilient business model.	White	Light Blue	Light Blue
	O	7 Risk. Current and emerging carbon pricing mechanism, other climate-related regulatory issues such as EU RED III. Investment costs related to transition plan.	Dark Blue	Dark Blue	Light Blue
	O	1 Negative impact. Direct greenhouse gas emissions from operations (Scope 1) contribute to climate impact.	Dark Blue	Light Blue	White
	O	13 Opportunity. Capital markets: Positive effect from funding of investment and innovations. Green bonds, effect from taxonomy. Investors.	Light Blue	Light Blue	Light Blue
	D	17 Positive impact. Product and services: Impact from Borregaard's climate friendly products are documented in Environmental Product Declarations and can be used for calculating avoided emissions.	Dark Blue	Dark Blue	Dark Blue
	D	1 Negative impact. Downstream emissions from product transport and processing contribute to climate impact.	Dark Blue	Light Blue	Light Blue
	D	13 Opportunity. Resilience, 800 different products in numerous applications reduces exposure to cyclical markets. Markets that will grow or decline due to climate change are identified, supported by regulatory changes. Business opportunities from Borregaard's products.	Light Blue	Light Blue	Light Blue
	D	7 Risk. Potential increase in transportation (cat.4 and cat.9) and raw material cost (cat.1) to meet Scope 3 emission reduction targets in 2030 (Science Based Target), including changes in routes due to physical climate incidents.	White	White	Light Blue
Energy	U	2 Negative impact. Greenhouse gas emissions from purchased steam and electricity (Scope 2) contribute to climate impact.	Light Blue	Light Blue	White
	U	8 Risk. Increased energy prices, long-term power supply contracts. Potential requirements for Guarantees of Origin, Power Purchase Agreements (PPAs), and grid capacity may pose future risks.	Dark Blue	Light Blue	Light Blue
	O	2 Negative impact. Energy-intensive production processes contribute to climate-related environmental impacts.	Dark Blue	Light Blue	White
	O	8 Risk. Capital investments aimed at reducing energy consumption and improving efficiency through grid optimisation. investment cost related to transition plan	Light Blue	Light Blue	Light Blue

- Value chain, see illustration p. 28
- U - Upstream
- O - Own operations
- D - Downstream
- Blue gradient: Light= low score, Dark= high score, White = not material

MATERIAL SUSTAINABILITY MATTERS	VALUE CHAIN LOCATION	MATERIAL IMPACTS ON ENVIRONMENT/PEOPLE AND FINANCIAL RISKS AND OPPORTUNITIES DESCRIPTION	TIME HORIZON		
			0-1YR	1-5YR	>5YR
E2 Pollution					
Pollution of air	O	3 Negative impact. Emissions of sulphur dioxide (SO ₂), nitrogen oxides (NO _x), and particulate matter contribute to air pollution.	Dark Blue	Dark Blue	White
	O	9 Risk. Increased capital expenditure to comply with new local air quality regulations and BAT requirements.	White	Light Blue	Dark Blue
Pollution of water	O	10 Risk. Investment costs for wastewater treatment upgrades, remediation of polluted soil (cost for landslide risk), and measures (cost) to reduce process safety risks that could result in pollution incidents.	Dark Blue	Dark Blue	Dark Blue
	O	4 Negative impact. COD emissions to water impact conditions in River Glomma, other components to water including polluted soil. Water withdrawal.	Dark Blue	Dark Blue	White
	D	14 Opportunity. Non-toxic alternative to chemicals in many applications can give business opportunities (all types of pollution included).	White	Light Blue	Dark Blue
E4 Biodiversity and ecosystems					
Direct impact drivers of biodiversity loss	U	5 Negative impact. Some harvesting practices of wood can impact ecosystems which affects local biodiversity or soil degradation.	Dark Blue	Light Blue	Light Blue
	U	11 Risk. Limited availability of forest raw materials due to deforestation, primarily driven by land conversion and certain selective harvesting practices, may lead to increased costs. Additional pressure comes from compliance with EU Deforestation Regulation (EUDR) and other forestry-related regulations which could further restrict access to forest resources.	Dark Blue	Dark Blue	Dark Blue
E5 Resource use and Circular economy					
Resources inflows, including resource use	O	18 Positive impact. Full utilisation of wood raw materials enhances resource efficiency and supports circular economy principles.	Dark Blue	Dark Blue	White
	O	15 Opportunity. Resource efficiency: Efficient use of wood resources contributes to cost savings and economic value creation.	Dark Blue	Dark Blue	White
Waste	O	6 Negative impact. Environmental impact from waste storage, landfilling.	Dark Blue	Light Blue	White
	O	19 Positive impact. Incineration of municipal waste has positive impact on society by supporting efficient and safe waste management.	Light Blue	Light Blue	White
	O	12 Risk. Long-term operational and regulatory compliance costs related to waste management, including a potential ban on landfilling of gypsum, reduced hazardous waste capacity in Norway (+/- 2030), and implementation of EU Packaging and Packaging Waste regulation from 2030.	White	Light Blue	White
	O	16 Opportunity. Recovering process waste for internal reuse or energy generation reduces costs and environmental impact.	White	White	Dark Blue

- Value chain, see illustration p. 28
- U - Upstream
- O - Own operations
- D - Downstream
- Blue gradient: Light= low score, Dark= high score, White = not material

MATERIAL SUSTAINABILITY MATTERS	VALUE CHAIN LOCATION	MATERIAL IMPACTS ON ENVIRONMENT/PEOPLE AND FINANCIAL RISKS AND OPPORTUNITIES DESCRIPTION	TIME HORIZON			
			0-1YR	1-5YR	>5YR	
S1 Own workforce						
Equal treatment and opportunities for all - Training and skills development	O	22	Positive impact. By attracting, developing and investing in training and skill development, Borregaard might have a positive impact on supporting our specialisation strategy while also strengthening employees' personal development, skills, motivation and well-being.	Dark Blue	Dark Blue	Dark Blue
	O	21	Opportunity. A highly skilled workforce is central to the business model and enhances long-term value creation, competitive advantage.	Light Blue	Light Blue	Light Blue
Working conditions - Health and safety	O	20	Negative impact. Operational activities may pose health and safety risks to employees.	Light Blue	Light Blue	Light Blue
G1 Business conduct						
Corporate culture	O	24	Positive impact. Borregaard's culture of market focus, innovation, integrity and responsibility drives ethical business practices and openness, reinforced through The Borregaard Way in onboarding, strategy and sustainability.	Light Blue	Light Blue	Light Blue
Management of relationships with suppliers	U	23	Risk. Disruption in the supply chain due to geopolitical instability, conflicts, wars, strikes, unforeseen events, trade barriers, or climate-related factors. Lack of ESG compliance among suppliers may lead to consequences and reputational risk, especially in cases of human rights violations.	White	Light Blue	White

- Value chain, see illustration p. 28
- U - Upstream
- O - Own operations
- D - Downstream
- Blue gradient: Light= low score, Dark= high score, White = not material

Resilience of strategy and business model

Borregaard regularly assesses how material sustainability-related IROs may influence the company's long-term strategy and business model. Scenario analyses covering both [climate](#)- and [nature](#)-related developments have been conducted in line with ESRS and informed by TNFD recommendations. These analyses test the robustness of our strategic direction under both favourable and challenging future conditions, including physical climate risks, transition risks, ecosystem degradation, regulatory changes, and market-driven pressures, see page [66](#).

The results show that impacts and risks may materialise differently across the short, medium and long term, both in our own operations and throughout the upstream value chain. This work enhances our understanding of where strategic adjustments may be required and where new business opportunities can arise, such as expanding into new markets and developing sustainable, high-value products.

Our governance processes ensure that material sustainability matters are fully integrated into decision-making. The Management Review process ensures that both voluntary schemes, such as certifications and adherence to voluntary agreements, and mandatory governmental requirements, including concessions, directives, and legislation, are integral to the company's follow-up and continuous improvement activities across all ESG areas.

Risk and opportunity management, including issues related to climate and nature, is an embedded and multidisciplinary part of our business processes.

Overall, the scenario analyses indicate that Borregaard's strategy remains resilient. We maintain strong access to financing, continues to build competitive advantage through innovation and specialised competence, and are well-positioned to capture opportunities linked to the transition towards low-carbon and nature-positive solutions.

Financial effect of IROs

The financial effects of IROs related to climate and nature are described qualitatively in [E1-9](#), [E2-6](#), [E4-6](#) and [E5-6](#), as well as in Notes [28](#) and [35](#) to the Consolidated Financial Statement. No IRO have been identified that are expected to pose a significant risk of material adjustment within the next annual reporting period. Note 28 also provides information on the short- and medium-term financial impacts of the main climate- and nature-related risks and opportunities.

Changes to material IROs to previous reporting period

The subtopic Energy under E1 – Climate Change has been reclassified from a material positive impact to a non-material impact. While the influence remains positive, the related actions primarily focus on minimising a negative impact, namely energy consumption. The topic continues to be material as a negative impact.

Borregaard has reclassified six sub-subtopics under S1 – Own Workforce from material positive impact to non-material impact. This decision reflects that, as a Norwegian company, we fully comply with the strict requirements of the [Working Environment Act](#) and maintain robust governance in these areas. It also confirms that no additional measures are required beyond those already comprehensively in place to mitigate potential negative impacts. The affected sub-subtopics are: diversity, gender equality, violence and harassment, collective bargaining, health and safety, and work-life balance. The subtopics Equal treatment and opportunities and Working conditions remain material. We will continue to report company-specific metrics on these areas, as they are requested by stakeholders and demonstrate strong governance.

The subtopic Corporate Culture under G1 – Business Conduct has been reclassified from non-material to material impact. Borregaard positively influences our employees through through Borregaard's culture and values document, The Borregaard Way, which embeds integrity and sustainability as core values and promotes high standards of business ethics. No new metrics have been introduced; however, indicators that reflect and support a strong corporate culture continue to be reported under S1 – Own Workforce: working conditions, particularly those related to employee training.

The subtopic Management of relationships with suppliers, including payment practices, under G1 – Business Conduct, has been reclassified from a material positive impact and opportunity to a

potential negative risk. While Borregaard's influence can be positive, suppliers and the wider supply chain may generate negative impacts that we actively work to reduce. The reclassification reflects that the related actions primarily focus on measures to minimise potential negative impacts. We will continue to report company-specific metrics related to the social and environmental assessment of suppliers; however, metrics related to payment practices are no longer considered relevant.

IRO-1

Description of the processes to identify and assess material impacts, risk and opportunities

Methodologies and assumptions

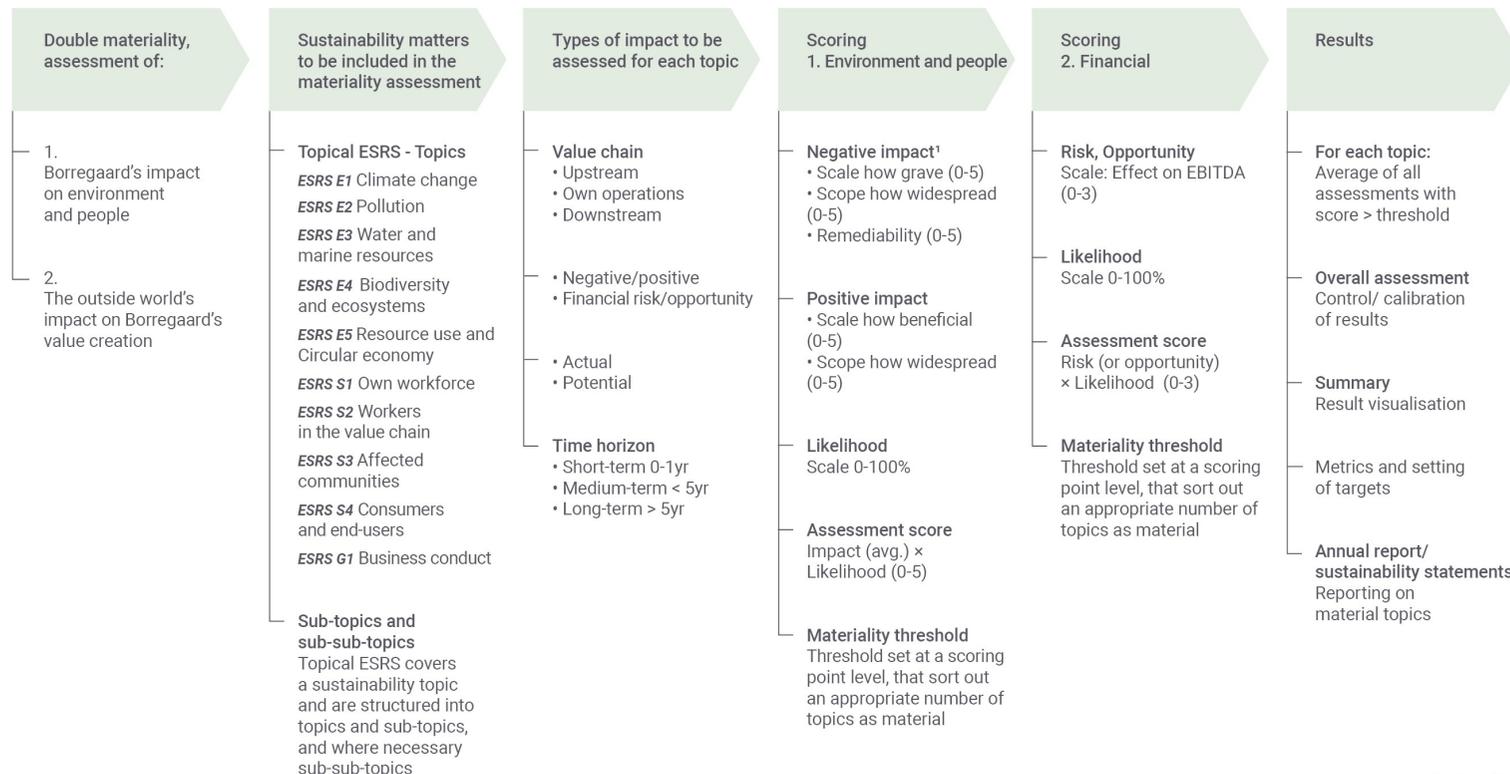
To identify our impacts, risks and opportunities we have performed a double materiality assessment (DMA) in accordance with the ESRS and the EFRAG IG1: Materiality Assessment Implementation Guidance.

The DMA is the process through which we identify material matters and the relevant information to be reported in our sustainability statement. We assess our impact on people and the environment (impact materiality) and risks and opportunities for Borregaard (financial materiality).

This assessment is not limited to Borregaard's own operations but covers the entire value chain, including both upstream and downstream activities. In addition, we use the [UN Sustainable Development Goals](#) as a framework for our double materiality assessment.

An overview of the process steps for determining the material matters is shown in the figure to the right. The process steps will be further explained in the subchapters below.

ESRS DOUBLE MATERIALITY ASSESSMENT BORREGAARD - METHOD



Identifying sustainability matters

The process of identifying our impacts, risks and opportunities is embedded in our day-to-day activities and serves as an integral and multidisciplinary part of the Groups management processes.

To understand our impacts, risks and opportunities, the assessment is based on value chain mapping of our business relationships, scenario analyses related to climate and nature, stakeholder dialogue, and other relevant sources. This approach enables us to identify impacts, risks and opportunities directly linked to Borregaard's operations, as well as indirect impacts, risks and opportunities arising from our business relationships.

The list below shows examples of processes were both impact and financial materiality are assessed and identified:

- Risk processes (ISO 31000)
- Management system (ISO certification)
- Audit processes (internal, customers, suppliers, authorities)
- Purchasing processes
- Sales and marketing processes
- Stakeholder assessment
- Human rights risk assessment
- Climate- and nature-related risks assessed using TNFD LEAP, aligned with ESRS, incl. scenario analysis.
- Life Cycle Assessment (ISO 14040/44)

We have used value chain mapping to assess the impacts of and on Borregaard's operations, focusing on risks, opportunities, and dependencies, as described in the [Climate and Nature Risk Report](#). This systematic assessment provides valuable insights into both direct and indirect activities within the value chain, enabling the development of strategies to mitigate risks to people and the environment throughout our value chain. Furthermore, it identifies opportunities to integrate sustainable practices and innovative solutions.

Mapping dependencies within the value chain allows for the identification of vulnerabilities and interconnections that may amplify risks. This enables us to implement strategic measures for resilience, ensuring a proactive approach to addressing potential challenges, and enhancing the sustainability of our operations.

Engaging with relevant stakeholders and experts is key in the process of identifying our sustainability matters. Read more about our engagement with stakeholders in ESRS 2 SBM-2 on page [32](#).

We have used the information described to assess all topical ESRS. Impacts, risks and opportunities are categorised in short-, medium- or long-term time horizons. Short-term is the reporting year, medium-term is 1-5 years and long-term is defined as more than 5 years. The scoring criteria for impact and financial materiality is described in the following sub-chapters.

Impact materiality scoring

To determine our material negative impacts, we have used the three parameters: scale, scope and irremediable character, to assess the severity according to the ESRS requirements and guidelines. When assessing potential negative impacts, we have also included the likelihood.

However, in the case of human rights impacts, severity takes precedence over likelihood. For identification of material positive impacts, we have assessed the parameters scale and scope and included likelihood for potential positive impacts.

When determining the scoring of the scale parameter, we have assessed the impact on people and the environment, considering mitigation actions that are already in place.

When scoring the scope parameter, we have assessed how widespread the impact is based on different input parameters, i.e. global versus local impact.

And finally, when scoring the irremediable character for negative impacts, we have assessed how difficult it is to reverse the damage, considering costs and time horizon.

We have set a materiality threshold to separate the topics that are material for Borregaard. The threshold value is set to include topics that are important to Borregaard and its stakeholders,

resulting in a reasonable number of topics that represent the overall and accurate picture of Borregaard's impacts.

Environmental impact

An environmental aspect refers to any element of an organisation's activities, products or services that has the potential to impact the environment.

When it comes to the metric of the scale parameter, it has been delineated following legal mandates and Borregaard's current situation, serving as a criterion to assess the actual or potential scale of the impact. The scale can be either negative or positive, indicating how grave the impact on the environment is or how beneficial the impact on the environment is.

In defining the scope of environmental impact, we have evaluated and assessed how widespread the impact is on the environment. This is exemplified by factors such as greenhouse gas emissions, which have a global effect on the environment.

When assessing the irremediable character, we have considered whether and to what extent the negative impact on the environment could be reversed or mitigated.

Impact on people

The impact refers to the effect that our organisation's actions has on people and the society in general.

The metrics used for scaling the impact are centred around legal mandates and international standards, as well as Borregaard's current situation. The scale can be either negative or positive.

When defining the scope of the impact on people, we have assessed how widespread the impact on people is, i.e. global, total or concentrated.

The irremediable character of negative social impacts is determined based on how difficult it is to reverse the impact on people. For potential impact, the scoring is connected to the likelihood of the impact in the future. In the case of potential negative human rights impacts, the severity of the impact takes precedence over its likelihood.

Financial materiality scoring

An ESG topic is material from a financial perspective if it affects or could reasonably be expected to affect the financial performance, position or value of an organisation.

Financial materiality includes both positive opportunities and negative risks related to sustainability topics, including those deriving from dependencies, such as environmental-, social- and economic dependencies.

Value chain mapping, identification and engagement with stakeholders forms the basis for the assessment of our risks and opportunities. We have included results from the Scenario analysis and the [Climate and Nature risk report](#) in the assessment of environmental risks and opportunities.

When assessing the financial materiality of sustainability topics, we have categorised risks and opportunities based on their actual or potential impact on EBITDA and investments, including the expected time horizon of these effects. EBITDA is defined by Borregaard as operating profit before depreciation, amortisation and other income and expenses. The EBITDA and investment levels are the same levels used throughout all financial risks and opportunities assessments in Borregaard. In the scoring of potential risks and opportunities we have also included the likelihood.

After all identified risks and opportunities have been scored and ranked descending, we set a threshold value for financial materiality, making sure to include all material risks and opportunities. The threshold value is set to separate the topics that are material and important for Borregaard and our stakeholders, and that results in a reasonable number of material topics.

Decision-making process and internal control procedures

Borregaard's Sustainability Board (SB) is responsible for the due diligence process of materiality outcome. SB addresses and monitors the material topics and reports the results of the Sustainability Statements in the Annual Report.

SB initiates processes to develop new policies, set new targets and measures, and to update the risk picture within sustainability. SB reports to the CEO and is chaired by the Senior Vice President of Public Affairs and Sustainability. The double

materiality assessment has been conducted by the SB, in collaboration with an interdisciplinary group of in-house specialists from relevant areas and experts from the most important stakeholder groups. The assessment is reviewed annually, and the identified material topics are approved by Borregaard's Board of Directors.

IRO-2

Disclosure requirements in ESRS covered by the undertaking's sustainability statement

Disclosure of topics assessed not to be material

ESRS S2 Workers in the value chain has been assessed as not material for Borregaard. This conclusion is based on a risk analysis that considers the countries, industries and value chains in which we operate, as well as the fact that the vast majority of our sales are executed through our own sales force.

Even though ESRS S2 is not material, Borregaard reports extensively on human rights and working conditions in the value chain due to the requirements of the Norwegian Transparency Act. Our corporate culture, together with our values on integrity and sustainability, as set out in [The Borregaard Way](#), commit us to conducting our business in a manner that prevents human rights violations. This commitment is further detailed in our [Human](#)

[Rights Policy](#), and our human rights and decent working conditions due diligence assessment pursuant to the [Norwegian Transparency Act](#). The results are published in a separate [Human Rights and Decent Working Conditions Report](#).

ESRS E3 (Water and Marine Resources) is not considered material, as Borregaard has secure access to abundant water resources and water-related risks are assessed as low in the medium and long term. Nevertheless, water-related information is disclosed under ESRS E2, as emissions to water and effluent quality are closely linked to potential environmental impacts and are of high interest to stakeholders.

Determination of material information

Borregaard is assessed by several independent third parties on sustainability, including EcoVadis and CDP. In line with our sustainability strategy to maintain a high ESG standard, our target is to achieve at least a gold rating (top 5%) from EcoVadis and to maintain an A/A- level for climate, water, and forests. This sets the benchmark for the level of detail in the material information we include in our ESRS reporting and ensures that we meet stakeholder expectations regarding the information we provide.

High performance in sustainability is also a key element of our commercial strategy, as the documented ESG benefits of our products serve as important selling points for our customers, helping them improve their products and processes.

List of datapoints from other EU legislation

ESRS	DR	Related datapoint	SFDR reference ¹	Pillar 3 reference ²	Benchmark Regulation reference ³	EU Climate Law reference ⁴
ESRS 2	GOV-1	Board's gender diversity paragraph 21 (e)	p. 132		p. 132	
ESRS 2	GOV-1	Percentage of board members who are independent paragraph 21 (e)			p. 22	
ESRS 2	GOV-4	Statement on due diligence paragraph 30	p. 23			
ESRS 2	SBM-1	Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Not material	Not material	Not material	
ESRS 2	SBM-1	Involvement in activities related to chemical production paragraph 40 (d) ii	Not material		Not material	
ESRS 2	SBM-1	Involvement in activities related to controversial weapons paragraph 40 (d) iii	Not material		Not material	
E1	SBM-1	Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Not material	
E1	E1-1	Transition plan to reach climate neutrality by 2050 paragraph 14				p. 61- 68
E1	E1-1	Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Not material	Not material	
E1	E1-4	GHG emission reduction targets paragraph 34	p. 77	p. 77	p. 77	p. 77
E1	E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	p. 80			p. 80
E1	E1-5	Energy consumption and mix paragraph 37	p. 80			p. 80
E1	E1-5	Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	p. 80			p. 80
E1	E1-6	Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	p. 82	p. 82	p. 82	
E1	E1-6	Gross GHG emissions intensity paragraphs 53 to 55	p. 82	p. 82	p. 82	
E1	E1-7	GHG removals and carbon credits paragraph 56				Not material
E1	E1-9	Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Not material	
E1	E1-9	Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		Not material		
E1	E1-9	Location of significant assets at material physical risk paragraph 66 (c)		Not material		
E1	E1-9	Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Not material		
E1	E1-9	Degree of exposure of the portfolio to climate- related opportunities paragraph 69			p. 87 (phase in)	

¹ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation) (OJ L 317, 9.12.2019, p. 1)

² Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).

³ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1.)

⁴ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law") (OJ L 243, 9.7.2021, p. 1).

List of datapoints from other EU legislation

ESRS	DR	Related datapoint	SFDR reference ¹	Pillar 3 reference ²	Benchmark Regulation reference ³	EU Climate Law reference ⁴
E2	E2-4	Amount of each pollutant listed in Annex II of the E- PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	p. 96			
E3	E3-1	Water and marine resources paragraph 9	p. 91			
E3	E3-1	Dedicated policy paragraph 13	Not material			
E3	E3-1	Sustainable oceans and seas paragraph 14	Not material			
E3	E3-4	Total water recycled and reused paragraph 28 (c)	Not material			
E3	E3-4	Total water consumption in m3 per net revenue on own operations paragraph 29	Not material			
E4	IRO 1 - E4	Activities negatively affecting biodiversity-sensitive areas paragraph 16 (a)	p. 103			
E4	IRO 1 - E4	Land degradation, desertification, or soil sealing paragraph 16 (b)	Not material			
E4	IRO 1 - E4	Threatened species paragraph 16 (c)	p. 106			
E4	E4-2	Sustainable land / agriculture practices or policies paragraph 24 (b)	p. 108			
E4	E4-2	Sustainable oceans / seas practices or policies paragraph 24 (c)	p. 108			
E4	E4-2	Policies to address deforestation paragraph 24 (d)	p. 108			
E5	E5-5	Non-recycled waste paragraph 37 (d)	p. 119			
E5	E5-5	Hazardous waste and radioactive waste paragraph 39	Not material			
S1	SBM3 - S1	Risk of incidents of forced labour paragraph 14 (f)	p. 123			
S1	SBM3 - S1	Risk of incidents of child labour paragraph 14 (g)	p. 123			
S1	S1-1	Human rights policy commitments paragraph 20	p. 124			
S1	S1-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21		p. 124		
S1	S1-1	Processes and measures for preventing trafficking in human beings paragraph 22	p. 124			
S1	S1-1	Workplace accident prevention policy or management system paragraph 23	p. 124			
S1	S1-3	Grievance/complaints handling mechanisms paragraph 32 (c)	p. 126			
S1	S1-14	Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	p. 135	p. 135		
S1	S1-14	Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	p. 135			

List of datapoints from other EU legislation

ESRS	DR	Related datapoint	SFDR reference ¹	Pillar 3 reference ²	Benchmark Regulation reference ³	EU Climate Law reference ⁴
S1	S1-16	Unadjusted gender pay gap paragraph 97 (a)	p. 137	p. 137		
S1	S1-16	Excessive CEO pay ratio paragraph 97 (b)	p. 137			
S1	S1-17	Incidents of discrimination paragraph 103 (a)	p. 137			
S1	S1-17	Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104(a)	p. 137			
S2	SBM3 – S2	Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Not material	Not material		
S2	S2-1	Human rights policy commitments paragraph 17	p. 126			
S2	S2-1	Policies related to value chain workers paragraph 18	Not material			
S2	S2-1	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	p. 123	Not material		
S2	S2-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19		Not material		
S2	S2-4	Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Not material			
S3	S3-1	Human rights policy commitments paragraph 16	p. 123			
S3	S3-1	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Not material	Not material		
S3	S3-4	Human rights issues and incidents paragraph 36	Not material			
S4	S4-1	Policies related to consumers and end-users paragraph 16	Not material			
S4	S4-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Not material	Not material		
S4	S4-4	Human rights issues and incidents paragraph 35	Not material			
G1	G1-1	United Nations Convention against Corruption paragraph 10 (b)	p. 54 , p. 140 , p. 151-153			
G1	G1-1	Protection of whistle- blowers paragraph 10 (d)	p. 151-153			
G1	G1-4	Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Not material	Not material		
G1	G1-4	Standards of anti- corruption and anti- bribery paragraph 24 (b)	Not material			

List of ESRS Disclosure Requirements

ESRS Topic	DR_ID	Disclosure Requirement	Objective	Page	Comments
ESRS 2	BP-1	General basis for preparation of sustainability statements	BP	21	
ESRS 2	BP-2	Disclosures in relation to specific circumstances	BP	21	
ESRS 2	GOV-1	The role of the administrative, management and supervisory bodies	GOV	22	
ESRS 2	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	GOV	23	
ESRS 2	GOV-3	Integration of sustainability-related performance in incentive schemes	GOV	23	
ESRS 2	GOV-4	Statement on due diligence	GOV	24	
ESRS 2	GOV-5	Risk management and internal controls over sustainability reporting	GOV	25	
ESRS 2	SBM-1	Strategy, business model and value chain	SBM	26	
ESRS 2	SBM-2	Interests and views of stakeholders	SBM	32	
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SBM	36	
ESRS 2	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	IRO	43	
ESRS 2	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	IRO	45	
ESRS 2	MDR-P	Policies adopted to manage material sustainability matters	IRO		
ESRS 2	MDR-A	Actions and resources in relation to material sustainability matters	IRO		
ESRS 2	MDR-M	Metrics in relation to material sustainability matters	MT		
ESRS 2	MDR-T	Tracking effectiveness of policies and actions through targets	MT		
ESRS E1	E1.GOV-3	Integration of sustainability-related performance in incentive schemes	GOV	23	
ESRS E1	E1-1	Transition plan for climate change mitigation	SBM	61	
ESRS E1	E1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SBM	66	
ESRS E1	E1.IRO-1	Processes to identify and assess material climate-related impacts, risks and opportunities	IRO	68	
ESRS E1	E1-2	Policies related to climate change mitigation and adaptation	IRO	70	

DR - Disclosure requirement

BP - Basis for preparation

GOV - Governance

SBM - Strategy, business model

IRO - Impact, risk and opportunity management

MT - Metrics and targets

List of ESRS Disclosure Requirements

ESRS Topic	DR_ID	Disclosure Requirement	Objective	Page	Comments	
ESRS E1	E1-3	Actions and resources in relation to climate change policies	IRO	71		
ESRS E1	E1-4	Targets related to climate change mitigation and adaptation	MT	77		
ESRS E1	E1-5	Energy consumption and mix	MT	80		
ESRS E1	E1-6	Gross Scope 1, 2, 3 and Total GHG emissions	MT	82		
ESRS E1	E1-8	Internal carbon pricing	MT	86		
ESRS E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	MT	86	Phase-in	
ESRS E2	E2.IRO-1	Processes to identify and assess material pollution-related impacts, risks and opportunities	IRO	90		
ESRS E2	E2-1	Policies related to pollution	IRO	91		
ESRS E2	E2-2	Actions and resources related to pollution	IRO	92		
ESRS E2	E2-3	Targets related to pollution	MT	95		
ESRS E2	E2-4	Pollution of air, water and soil	MT	96		
ESRS E2	E2-5	Substances of concern and substances of very high concern metrics	MT	100		
ESRS E2	E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	MT	100	Phase-in	
ESRS E4	E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	SBM	102		
ESRS E4	E4.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SBM	103		
ESRS E4	E4.IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	IRO	106		
ESRS E4	E4-2	Policies related to biodiversity and ecosystems	IRO	108		
ESRS E4	E4-3	Actions and resources related to biodiversity and ecosystems	IRO	108		
ESRS E4	E4-4	Targets related to biodiversity and ecosystems	MT	110		
ESRS E4	E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	MT	111	Phase-in	
ESRS E5	E5.IRO-1	Processes to identify and assess material resource use and circular economy-related impact, risks and opportunities	IRO	112		
ESRS E5	E5-1	Policies related to resource use and circular economy	IRO	113		
ESRS E5	E5-2	Actions and resources related to resource use and circular economy	IRO	114		
ESRS E5	E5-3	Targets related to resource use and circular economy	MT	116		
ESRS E5	E5-4	Resource inflows	MT	118		

DR - Disclosure requirement

BP - Basis for preparation

GOV - Governance

SBM - Strategy, business model

IRO - Impact, risk and opportunity management

MT - Metrics and targets

List of ESRS Disclosure Requirements

ESRS Topic	DR_ID	Disclosure Requirement	Objective	Page	Comments
ESRS E5	E5-5	Resource outflows (incl. waste)	MT	119	
ESRS E5	E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	MT	121	
ESRS S1	S1.SBM-2	Interests and views of stakeholders	SBM	32	
ESRS S1	S1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	SBM	123	
ESRS S1	S1-1	Policies related to own workforce	IRO	124	
ESRS S1	S1-2	Processes for engaging with own workforce and workers' representatives about impacts	IRO	125	
ESRS S1	S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	IRO	126	
ESRS S1	S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	IRO	126	
ESRS S1	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	MT	129	
ESRS S1	S1-6	Characteristics of the undertaking's employees	MT	130	
ESRS S1	S1-7	Characteristics of non-employees in the undertaking's own workforce	MT	130	
ESRS S1	S1-8	Collective bargaining coverage and social dialogue		131	
ESRS S1	S1-9	Diversity metrics	MT	132	
ESRS S1	S1-10	Adequate wages	MT	133	
ESRS S1	S1-13	Training and skills development metrics		134	
ESRS S1	S1-14	Health and safety metric	MT	135	<i>DR - Disclosure requirement</i>
ESRS S1	S1-16	Remuneration metrics (pay gap and total remuneration)	MT	137	<i>BP - Basis for preparation</i>
ESRS S1	S1-17	Incidents, complaints and severe human rights impacts	MT	137	<i>GOV - Governance</i>
ESRS G1	G1.GOV-1	The role of the administrative, supervisory and management bodies	GOV	139	<i>SBM - Strategy, business model</i>
ESRS G1	G1.IRO-1	Processes to identify and assess material impacts, risks and opportunities	IRO	139	<i>IRO - Impact, risk and opportunity management</i>
ESRS G1	G1-1	Business conduct policies and corporate culture	IRO	140	
ESRS G1	G1-2	Management of relationships with suppliers	IRO	142	<i>MT - Metrics and targets</i>



E - Environmental information

Taxonomy regulation

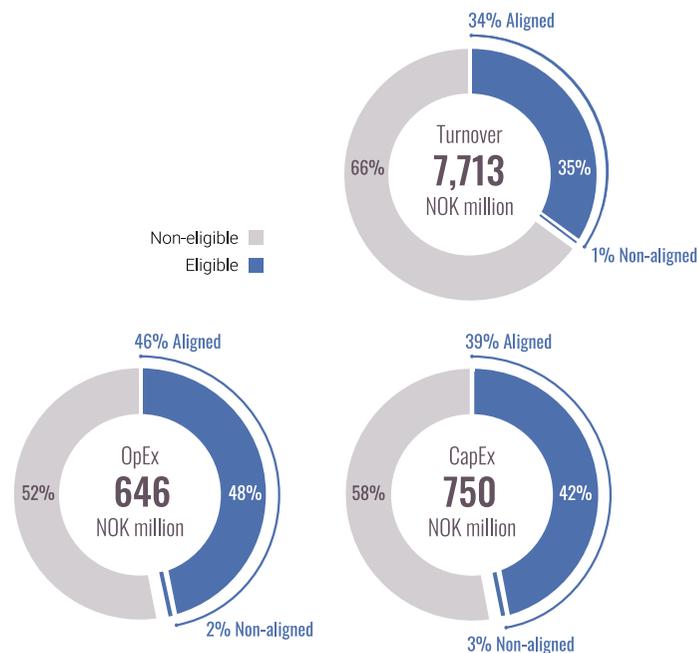
The EU Taxonomy ("Taxonomy") is a classification system that establishes a list of environmentally sustainable economic activities.

Borregaard falls within the Scope of the Taxonomy, as the regulation applies to large public interest entities under the EU Corporate Sustainability Reporting Directive (CSRD) (2022/2464). This report has been prepared in accordance with the EU Taxonomy Regulation (2020/852) and its supplementing delegated acts: Commission Delegated Regulation (2026/73), the Climate Delegated Act (2021/2139), the Environmental Delegated Act (2023/2486), and the Disclosure Delegated Act (2021/2178).

In line with the Disclosure Delegated Act, Borregaard applies the simplified taxonomy

disclosure tables. While the revised EU Taxonomy framework allows for the application of new threshold values, which are intended to reduce the reporting burden by limiting the scope of activities to be reported, Borregaard has chosen not to apply these. This decision is made in order to maintain an open and transparent taxonomy reporting approach, including all eligible activities.

For the reporting year 2025, Borregaard has identified three Taxonomy-eligible activities that contribute substantially to the climate change mitigation objective. The proportions of Turnover, CapEx, and OpEx associated with these Taxonomy-eligible and Taxonomy-aligned economic activities are summarised in the accompanying pie charts.



The processes at Borregaard's biorefinery are integrated into value chains that significantly support and enable the transition to a circular economy. Our bio-based products contribute substantially to climate change mitigation and often serve as less polluting substitutes for hazardous chemicals. However, for the 2025 Taxonomy reporting, Borregaard's eligible economic activities are limited to the climate change mitigation objective.

In 2023, we established a green financing framework that enables Borregaard to issue green financing instruments. The framework is structured in accordance with the 2021 ICMA Green Bond Principles (GBP) and the 2023 LMA, APLMA, and LSTA Green Loan Principles (GLP). S&P Global Ratings has provided a second-party opinion on the framework. In June 2023, Borregaard successfully issued NOK 500 million in new senior unsecured green bonds. In addition, Borregaard has a term loan and credit facilities linked to Borregaard's sustainability targets, where the margins can be adjusted based on progress, see Note [26](#).

Activities contributing to climate change mitigation

The business of biorefining intersects with the traditional pulp & paper and chemical sectors. Borregaard consequently operates under NACE codes 17.11, 20.13 and 20.14.

Although limited in economic significance to Borregaard, the economic activities Manufacture of biogas and biofuels for use in transport and bio-liquids and Manufacture of chlorine are relevant in the context of Taxonomy reporting for 2025. Innovation of new climate friendly products is an important enabling activity in the Taxonomy's definition of the Manufacture of other low carbon technologies.

CapEx related to the [transition plan](#) will result in reduced climate footprint for our products. It may also lead to increased share of products in the EU Taxonomy-eligible activity category: Other LowCarbon Technologies.

Manufacture of biogas and biofuels for use in transport and bio-liquids

The manufacture of biofuels for use in transport is a Taxonomy-eligible activity, pursuant to Article 4.13 in the Climate Delegate Act.

In Borregaard's biorefinery in Norway, bioethanol is produced from residual sugars. Approximately 20 million litres are produced annually and sold for use in fuel for transportation. The NACE code used for the production is 20.590.

Technical screening criteria

Borregaard's bioethanol for use in transport is certified according to ISCC EU, complying with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. The greenhouse gas (GHG) emission savings from this application meet the criteria of at least 65% in relation to GHG savings. Borregaard's bioethanol has around 90% lower emissions compared with the fossil fuel comparator of 94 gCO₂/MJ.

Do no significant harm criterion

Borregaard's manufacturing of bioethanol meets the DNSH criteria for the five environmental targets, see how we meet with the targets in chapter [E2 Pollution](#) and [E4 Biodiversity](#).

Manufacture of chlorine

Manufacture of chlorine is a Taxonomy-eligible activity, pursuant to Article 3.13 in the Climate Delegate Act.

Borregaard operates a chlor-alkali plant at its production site in Norway. The main purpose is to serve the biorefinery with sodium hydroxide, but we also run a commercial business through the sale of hydrochloric acid and hypochlorite. All the chlorine produced is immediately converted to hydrochloric acid or hypochlorite.

Technical screening criteria

The electricity used in the electrolysis of NaCl, is renewable with a carbon intensity of 19 g CO₂ e/kWh. The source of the emission factor is Norwegian Water Resources and Energy Directorate (NVE). The Norwegian Environmental Authorities uses the factor physical mix.

To make a substantial contribution to climate change mitigation, the electricity consumption for electrolysis and chlorine treatment must be equal or lower than 2.45 MWh per tonne of chlorine. In 2022, Borregaard installed new electrolyzers for 62% of its chlorine manufacturing capacity, which aligns with the requirement of equal or lower than 2.45 MWh per tonne of chlorine.

Do no significant harm criteria

Borregaard's manufacturing of chlorine meets the DNSH criteria for the five environmental targets, see how we meet with the targets in chapter [E2 Pollution](#) and [E4 Biodiversity](#).

Manufacture of other low carbon technologies

Manufacture of low carbon technologies is a Taxonomy-eligible activity, pursuant to Article 3.6 in the Climate Delegate Act.

Borregaard's lignin-based biopolymers and biovanillin are renewable, wood-based alternatives to fossil-based chemicals for use in a broad range of industries. A majority of Borregaard's revenues within the BioSolutions business area come from products that directly replace fossil-based alternatives. These products have a low-carbon footprint and can, in many cases, be regarded as low-carbon technologies.

Technical screening criteria

Borregaard's manufacture of lignin-based biopolymers and biovanillin is considered to make a substantial contribution to climate change mitigation. Such activity is aimed at demonstrating substantial life-cycle GHG emission savings compared to the best-performing alternative technology/product/solution available on the market.

Life Cycle Assessments (LCAs) according to ISO 14040:2006 and ISO 14044:2006 have been performed to investigate the potential environmental savings from the use of lignin products from Borregaard. The differences between ISO 14067:2018 and the underlying standards for LCA (14040 and 14044) have also

been examined and include clarifications and specifications specifically related to the climate change category, as well as some aspects concerning overall method choices. These differences have been incorporated in product category rules (PCRs) for development of environmental product declarations (EPDs) according to ISO 14025:2006 and subsequent updates in EPD programmes. Climate change results for Borregaard's lignin-based biopolymers are based on models for published EPDs. Analyses based onecoinvent database models have been used for comparable competing, products. Consequently, all method choices, data verification, and modelling of climate change are performed in accordance with ISO 14067:2018 and have been verified by a third party.

The indicator 'Climate change – total' and the characterisation factors from EN15804+A2, as provided in the SimaPro software version 9.5.0.0, have been used for analysis.

The calculation of climate change mitigation from Borregaard's portfolio of lignin-based biopolymers and biovanillin products shows a total savings of 692,000 metric tonnes of CO₂-equivalents for 2025, accounting for the total climate change impact from cradle to gate.

Do no significant harm criteria

Borregaard's manufacture of lignin-based biopolymers in Europe meets the DNSH criteria for the five environmental targets, see how we meet

with the targets in chapter [E2 Pollution](#) and [E4 Biodiversity](#).

Conclusion on activities

The assessments above show that Borregaard fulfils the technical screening criteria and DNSH criteria for the economic activities Manufacture of biogas and biofuels for use in transport and bio-liquids, Manufacture of chlorine and Manufacturing of other low carbon technologies. Consequently, the activities will be Taxonomy aligned provided that the minimum safeguards criteria are fulfilled.

Assessment of minimum safeguards

Minimum safeguard criteria are outlined in the EU Taxonomy Regulation Article 3 and 18. Compliance is required on an entity level to qualify activities as environmentally sustainable.

Pursuant to the EU Taxonomy Regulation Article 18 there is a requirement to ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

This also include the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. The purpose is to prevent green investments from being labelled and regarded as sustainable if they involve negative impacts on human rights such as labour rights, corrupt practices, or are linked to non-compliance with tax laws or anti-competitive practices.

Platform on sustainable finance – Final Report on minimum Safeguards (October 2022) provides guidance on how to ensure compliance with the minimum safeguards requirement and identifies four specific topics where compliance with minimum safeguards should be clarified:

- a. Human Rights, including workers' rights
- b. Bribery/corruption
- c. Taxation
- d. Fair competition

Borregaard has chosen to structure its review of compliance with minimum safeguard by reviewing each of these topics specifically.

Human rights

The main purpose of the Norwegian Transparency Act is to ensure that Norwegian enterprises subject to the act comply with fundamental human rights and decent working conditions in the enterprises themselves, in their supply chain and with their business partners. The act is based on the UN's Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The human rights requirements of the minimum safeguards criteria in the EU Taxonomy seems to be aligned with the requirements in the Norwegian Transparency Act. Consequently, by complying with this act Borregaard also fulfils the human rights requirements in the Taxonomy.

Anti-corruption

Borregaard has a zero tolerance for corruption including bribery, facilitation payments and illegal trading. We follow all applicable anti-corruption legislation and work actively to ensure that our business partners do the same. This is specifically addressed in Borregaard's Code of Conduct and in more detail regulated in the company's specific guidelines for anti-corruption.

Borregaard is actively working on training employees in ethical behaviour and has, among other initiatives, implemented interactive e-learning on anti-corruption. Even though Borregaard's

corruption risk is generally assessed as low, based on previous internal investigations among Borregaard management and key personnel, it is acknowledged that the company also has significant sales and activities in regions with a relatively high risk of corruption. In such high-risk areas, general activities are combined with specific local measures to ensure a clear understanding of the importance of anti-corruption efforts. Examples of concrete measures that Borregaard implements in high-risk countries include the very restrictive use of agents, minimal use of cash transactions, and thorough background checks of new distributors and customers. Additionally, the corporate culture is strengthened through discussions, transparency and awareness of corruption.

Borregaard has established guidelines on whistleblowing, how the concerns are handled, and which channels can be used to report them. We also have a third-party whistleblowing system for both external and internal alerts, which provides the option for anonymity.

Tax

Borregaard's policy is to comply with the tax laws requirements in the countries where the Group has commercial activity. The company will not enter into arrangements which could be considered artificial, or which have tax avoidance as their sole or main objective. Borregaard uses the OECD

guidelines for internal pricing, which is an important factor in ensuring that profits and taxes are distributed fairly among different countries.

Fair competition

Borregaard's commitment to compete in a fair and ethical manner in accordance with applicable competition legislation is addressed in Borregaard's Code of Conduct. A more detailed competition law manual is also established to guide the employees in various situations. Furthermore, specific written procedures have been established in subsidiaries with co-owners who are also competitors, ensuring that information is shared only in a manner that complies with competition legislation.

Competition law restrictions are an integral part of the introduction programme for all new employees at Borregaard. More targeted training related to competition laws and regulations is also regularly included in the company's sales training programmes.

Conclusion on minimum safeguards

Based on the review in the above sections, Borregaard considers to be compliant with the requirements related to human rights, anti-corruption, tax and fair competition respectively, and thereby fulfils the minimum safeguards requirements in Article 3 and 18 in the EU Taxonomy Regulation.

Standard tables associated with Taxonomy-aligned economic activities in 2025

PROPORTION OF TURNOVER, CAPEX AND OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2025

FINANCIAL YEAR 2025

KPI (1)	Total (2)	Proportion of Taxonomy eligible activities (3)	Taxonomy aligned activities (4)	Proportion of Taxonomy aligned activities (5)	Breakdown by environmental objectives of Taxonomy aligned activities						Proportion of enabling activities (12)	Proportion of transitional activities (13)	Not assessed activities considered nonmaterial (14)	Taxonomy aligned activities in previous financial year (N-1) (15)	Proportion of Taxonomy aligned activities in previous financial year (N-1) (16)
					Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)					
Text	NOK million	%	NOK million	%	%	%	%	%	%	%	%	%	NOK million	%	
Turnover	7,713	35%	2,595	34%	34%						—%	1%		2,572	34%
CapEx	750	42%	293	39%	39%						—%	4%		308	46%
OpEx	646	48%	299	46%	46%						—%	4%		278	45%

REPORTED KPI TURNOVER

TURNOVER

Financial year (N)	2025	Taxonomy eligible KPI (Proportion of Taxonomy eligible Turnover) (3)	Taxonomy aligned KPI (monetary value of Turnover in NOK million) (4)	Taxonomy aligned KPI (Proportion of Taxonomy aligned Turnover) (5)	Environmental objective of Taxonomy aligned activities						Enabling activity (12)	Transitional activity in NOK million (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
					Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)			
Economic Activities (1)	Code (2)												
3.1.3.Manufacture of chlorine	3.1.3	2%	108	1%	1%	%	%	%	%	%	(E where applicable)	108	62%
4.13. Manufacture of biogas and biofuels for use in transport and of bioliquids	4.13	3%	218	3%	3%								100%
3.6. Manufacture of other low carbon technologies	3.6	29%	2,269	29%	29%								100%
Sum of alignment per objective					34%								
Total KPI (Turnover)		35%	2,595	34%	34%							108	98 %

REPORTED KPI CAPEX	CAPEX													
	Financial year (N)	2025	Environmental objective of Taxonomy aligned activities											Transitional activity in NOK million (13)
Economic Activities (1)	Code (2)	Taxonomy eligible KPI (Proportion of Taxonomy eligible CapEx) (3)	Taxonomy aligned KPI (monetary value of CapEx value in NOK million) (4)	Taxonomy aligned KPI (Proportion of Taxonomy aligned CapEx) (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)			
3.1.3.Manufacture of chlorine	3.1.3	7%	33	4%	4%							33	62%	
4.13. Manufacture of biogas and biofuels for use in transport and of bioliquids	4.13	2%	17	2%	2%								100%	
3.6. Manufacture of other low carbon technologies	3.6	33%	244	33%	33%								100%	
Sum of alignment per objective					39%									
Total KPI (CapEx)		42%	293	39%	39%							33	93%	

REPORTED KPI OPEX

OPEX

Financial year (N)	2025	Taxonomy eligible KPI (Proportion of Taxonomy eligible OpEx)	Taxonomy aligned KPI (monetary value of OpEx in NOK million)	Taxonomy aligned KPI (Proportion of Taxonomy aligned OpEx)	Environmental objective of Taxonomy aligned activities						Enabling activity (12)	Transitional activity in NOK million (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
					Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)			
Economic Activities (1)	Code (2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
3.1.3.Manufacture of chlorine	3.1.3	6%	23	4%	4%							23	62%
4.13. Manufacture of biogas and biofuels for use in transport and of bioliquids	4.13	4%	23	4%	4%								100%
3.6. Manufacture of other low carbon technologies	3.6	39%	253	39%	39%								100%
Sum of alignment per objective					46%								
Total KPI (OpEx)		48%	299	46%	46%							23	96%

Accounting policy

Turnover

The numerator consists of turnover derived from manufacture for chlorine, manufacture of biogas and biofuels for use in transport and of bio-liquids, and manufacture of other low carbon technologies. Other low carbon technologies consist of lignin-based biopolymers and biovanillin that replace fossil-based products. The denominator consists of total operating revenues for the Borregaard Group. See Note Z to the Consolidated Financial Statements for 2025.

Principles of no double-counting

In the taxonomy we focus on direct economic activities and the sales of products or solutions from Borregaard. This means that indirect economic activities, such as production of biogas for internal energy purposes in Borregaard, are not considered directly. In this way, we avoid double-counting in the Taxonomy. For example, we have made a conscious decision not to count the renewable energy content twice; it is only part of the Life Cycle Assessment of the product Borregaard sells, not accounted for as a separate economic activity for renewable energy production (of biogas) in the Taxonomy

CapEx

The numerator consists of capital expenditures related to manufacture of chlorine, the manufacture of biogas and biofuels for use in transport and of bio-liquids, and manufacture of other low-carbon technologies. Capital expenditures included are only related to the manufacturing of the products and leasing related to manufacturing of the products. Investments of buildings are not included. The denominator consists of the Group's total capital expenditures related to manufacturing and leasing of its products.

OpEx

The numerator consists of operating expenses related to manufacture of chlorine (3.1.3), manufacture of biogas and biofuels for use in transport and of bio-liquids (4.13), and manufacture of other low carbon technologies (3.6). Operating expenses included are only related to operating equipment and maintenance of the equipment used in manufacturing of those products, research and development costs excluding overhead costs related to those products and operating lease related to manufacture of those products.

The denominator consists of the Group's total operating expenses related to maintenance, research and development costs excluding overhead costs and operating lease related to manufacturing of its products.

Of the operating expenses of NOK 23 million related to manufacture of chlorine, NOK 22 million relate to operating equipment and maintenance and NOK 1 million relates to operating lease. There are no costs related to research and development.

Of the operating expenses of NOK 23 million related to manufacture of biogas and biofuels for use in transport and of bio-liquids, NOK 20 mill relate to operating equipment and maintenance and NOK 3 million relates to operating lease. There are no costs related to research and development.

Of the operating expenses of NOK 253 million related to manufacture of other low carbon technologies, NOK 168 million relates to operating equipment and maintenance, NOK 49 million relates to research and development and NOK 36 million relates to operating lease.



E1 Climate change

Borregaard's strategy is to provide sustainable solutions with a documented favourable environmental and climate impact, helping our customers improve their climate footprints or substitute chemicals of concern. To support this strategy, we have developed a GHG transition plan, that is fully embedded in and aligned with our overall business strategy.

Our continuous efforts to reduce GHG emissions by enhancing our energy efficiency, increasing the use of renewable energy, improving resource efficiency in production, and sourcing input chemicals and raw materials with a lower footprint, will reduce the input factors per tonne of product produced. In this way, the GHG footprint of our products is continuously lowered. Because the products are made from renewable wood and generate only biogenic emissions during use and at end-of-life, they have low Scope 3 emissions and help reduce our customers' Scope 3 footprint compared with fossil-based alternatives.

The IROs described in the ESRS E1 section are shown in the table to the right. To illustrate the IRO scoring, we use a blue gradient. The blue gradient becomes darker as the score increases, and white indicates that an IRO is not material.

IROs - Climate change

MATERIAL SUSTAINABILITY MATTERS	MATERIAL IMPACTS ON ENVIRONMENT/PEOPLE AND FINANCIAL RISKS AND OPPORTUNITIES DESCRIPTION	TIME HORIZON		
		0-1yr	1-5yr	>5yr
Climate change mitigation	Negative impact. Emissions from upstream activities, including production and transport of raw materials, contribute to climate impact.			
	Opportunity. Renewable energy/flexibility in variable load. Flexibility in sourcing of raw materials, resilient business model.			
	Risk. Current and emerging carbon pricing mechanism, other climate-related regulatory issues such as EU RED III. Investment costs related to transition plan.			
	Negative impact. Direct greenhouse gas emissions from operations (Scope 1) contribute to climate impact.			
	Opportunity. Capital markets: Positive effect from funding of investment and innovations. Green bonds, effect from taxonomy. Investors.			
	Positive impact. Product and services: Impact from Borregaard's climate friendly products are documented in Environmental Product Declarations and can be used for calculating avoided emissions.			
	Negative impact. Downstream emissions from product transport and processing contribute to climate impact.			
	Opportunity. Resilience, 800 different products in numerous applications reduces exposure to cyclical markets. Markets that will grow or decline due to climate change are identified, supported by regulatory changes. Business opportunities from Borregaard's products.			
	Risk. Potential increase in transportation (cat.4 and cat.9) and raw material cost (cat.1) to meet Scope 3 emission reduction targets in 2030 (Science Based Target), including changes in routes due to physical climate incidents.			
Energy	Negative impact. Greenhouse gas emissions from purchased steam and electricity (Scope 2) contribute to climate impact.			
	Risk. Increased energy prices, long-term power supply contracts. Potential requirements for Guarantees of Origin, Power Purchase Agreements (PPAs), and grid capacity may pose future risks.			
	Negative impact. Energy-intensive production processes contribute to climate-related environmental impacts.			
	Risk. Capital investments aimed at reducing energy consumption and improving efficiency through grid optimisation. investment cost related to transition plan			

E1-1

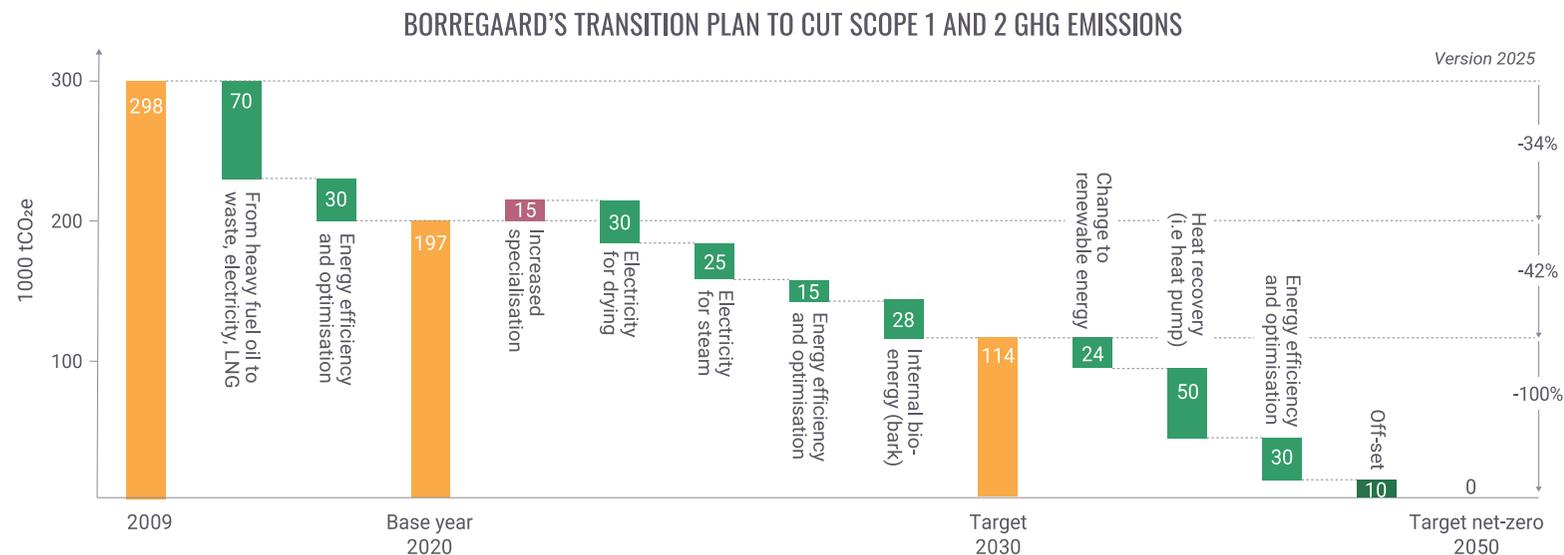
Transition plan for climate change mitigation

To ensure that our GHG reduction efforts align with the target set in the Paris Agreement, Borregaard has committed to near- and long-term science-based targets for Scope 1,2 and 3 greenhouse gas (GHG) emissions. These targets have been approved by the Science Based Target initiative (SBTi). The near-term targets for Scope 1 and 2, and the long-term targets for Scope 1, 2 and 3, are aligned with limiting the global warming to 1.5°C in line with the Paris Agreement.

The transition plan for Scope 1 and 2, approved by our Board, was initially presented at our Capital Markets Day in September 2022. Since then, any updates to the plan have been communicated during our quarterly financial presentations.

Key investments to reduce GHG emissions, in line with Borregaard's transition plan, are integrated into the financial planning, with capital expenditures estimated at approximately NOK 1,000 million through 2030. Of this, around 85% relates to ongoing and completed projects, with NOK 446 million spent by the end of 2025.

For 2026–2028, investments under the transition plan will be in the range NOK 350 to 450 million. The total impact of operating expenses related to the transition plan is not considered material.



The diagram shows our transition plan with measures to reach our science-based target from base year 2020 towards our near-term target in 2030 and net-zero target in 2050, and the results of completed measures from 2009 to 2020. Net-zero means 90% absolute reduction and 10% carbon offsetting. The table corresponding to this diagram can be found in E1-4 (see page [79](#)).

The transition plan will reduce the climate footprint of Borregaard's products and may align more products with the Taxonomy, enabling classification of activities under [Manufacturing of other low-carbon technologies](#).

Key actions and progress in implementation of transition plan for scope 1 and 2

As illustrated in the figure of Borregaard's transition plan below, our investments in renewable energy and energy efficiency have led to substantial reductions in GHG emissions since 2009.

In the period 2020–2030, investments to reduce GHG emissions, improve energy efficiency, and increase energy flexibility are being operationalised at our biorefinery in Norway - where over 85% of emissions originate.

The investments so far has resulted in a reduction of 29,000 tonnes of CO₂, contributing to the total net reduction target of 83,000 tonnes between 2020 and 2030. The actual reduction in scope 1 and 2 GHG emissions compared with the 2020 base year, is 15%.

Electricity for drying

In the second half of 2024, a project to convert our lignin spray dryers from using LNG to electricity was completed. The project is on track to reduce GHG emissions by 30,000 tonnes annually.

Electricity for steam

In the first half of 2025, Borregaard made an investment decision to install a 45-bar electric boiler at our biorefinery in Norway. This project has the potential to reduce CO₂ emissions by up to 18,000 tonnes annually from 2028, increasing to 35,000 tonnes once the associated energy supply infrastructure project is completed closer to 2030. The effect in the transition plan before 2030 is set to 25,000 tonnes of CO₂ annually.

Infrastructure for electricity

In April 2024, a NOK 275 million investment in a new power intake station was approved, together with an associated upgrade of the electricity transformation capacity. This ongoing project is a key part of Borregaard's electrification strategy and supports our future growth, and is necessary for the full effect of the electricity for steam project. The project is scheduled for completion in 2028.

Energy efficiency and optimisation

Energy efficiency activities are a core part of operating our biorefinery, and continuous improvements are implemented through our ISO 50001 energy management system. These efforts are combined with enabling projects, for example, the electrification of spray dryers, which has resulted in a 50 GWh reduction in energy consumption. In the transition plan we have estimated an effect of 15,000 tonnes CO₂.

Internal bioenergy

Several measures have been implemented to reduce GHG emissions from the use of liquid natural gas as auxiliary fuel in our bio-boiler. In 2022, a project to increase the calorific value of the biofuel was completed, and at the beginning of 2024, a share of LNG was replaced with biogas, resulting in a further reduction in GHG emissions. In 2025, Borregaard invested in preheating the combustion air, which will reduce auxiliary fuel use from 2026 and may enable close to zero fossil emissions during normal operation.

In addition, we are assessing the potential to utilise internal bark for energy production, with implementation planned closer to 2030. The total effect in the transition plan before 2030 is 28,000 tonnes CO₂.

Resiliency of energy supply

The transition plan takes into account both internal factors within Borregaard, such as the planned increase in production and further specialisation of our product portfolio, and evolving external factors. The target on ambitious GHG emission reductions, however, remains unchanged. A prerequisite for achieving this target is that electric power is available at the system level, supported by grid capacity upgrades and sufficient access to the required power.

As we convert our steam boilers from fossil to renewable energy, there are no locked-in GHG emissions from our energy-producing units. Efficient maintenance of the existing base-load supply is crucial for securing future cost levels, maintaining the inherent flexibility of Borregaard's energy system, and ensuring a reliable energy supply. This enhances the robustness of the business model and is identified as a material opportunity in E1.

Transition plan 2030 to 2050

The investments and projects conducted so far have mainly focused on technologies for energy efficiency and increased use of renewable energy sources, such as hydropower-based electricity and biogas. These remain the main decarbonisation levers for reducing Scope 1 and Scope 2 emissions also beyond 2030.

The science-based targets allow the use of carbon offsetting for the final 10% of the target. Whether this will be necessary to achieve the target will be assessed after 2030.

Borregaard is not excluded from EU Paris-aligned Benchmarks.

Key actions and progress in implementation of transition plan for Scope 3

Among the 15 Scope 3 categories, the largest contributors to our emissions are purchased goods and services (cat.1), upstream and downstream transportation (cat.4 and cat.9), and downstream emissions from the processing of sold products (cat.10).

Our key decarbonisation levers include engagement and collaboration with suppliers and customers, sustainable sourcing of materials, optimisation of transport and logistics, carbon accounting and reporting, and sustainable procurement.

The key actions in our transition plan are:

Purchased goods and services (cat.1)

We expect that our sourcing of chemicals with lower carbon footprint will increase, as many suppliers are raising their share of renewable energy in their processes and expanding the use of recycled and renewable raw materials.

Borregaard actively explores alternative suppliers and solutions for goods and services that offer products with low GHG emissions. We set firm requirements and apply emission reduction criteria in our sourcing processes. Sodium hydroxide is an example of a chemical subject to this approach, resulting in a reduction of 5,500 tonnes of CO₂e in 2025 compared to 2024.

BORREGAARD'S TRANSITION PLAN TO CUT GHG EMISSIONS - SCOPE 3



The diagram shows our transition plan with measures to reach our science-based target from base year 2020 towards our near-term target in 2030 and net-zero target in 2050. Net zero means 90% reduction and 10% carbon offsetting. The table corresponding to this diagram can be found in E1-4 (see page 79).

Upstream and downstream transportation (cat.4 and cat.9)

In the years to come, we expect emissions from both upstream and downstream transportation to decrease as new technologies in the sector continue to develop. This includes the use of renewable fuels, increased adoption of electric vehicles, and optimisation of logistics routes and modes of transport.

These actions imply a gradually shift in our sourcing and logistics strategy, where low-carbon performance becomes an increasingly important factor in supplier selection, contract renewal, and logistics design, thereby integrating Scope 3 emission reduction into core business decisions.

Processing of sold products (cat.10)

Reductions in the category “processing of sold products” are expected as our customers increase the share of renewable energy in their production processes. While these emissions are not directly within our control, discussions with customers indicate that many have set ambitious GHG reduction targets and place sustainability at the top of their priorities.

In recent years, we have collected more detailed, customer-specific data on how our sold products are processed. This new information revealed that emissions from this stage are higher than previously estimated, resulting in a significant increase in our reported Scope 3 emissions.

To ensure that our reporting is accurate and transparent, we have recalculated our 2020 base year emissions to reflect these updated figures. In addition, we have included data related to activities that were present in 2020 but were not captured at the time, see also [BP-2](#). This new information will be included in the process of updating our science-based targets.

We are continually working to improve the quality of our Scope 3 data. Ongoing data collection and enhancements in data quality will affect our overall Scope 3 emissions, and we expect to update our transition plan accordingly.

Value chain impact and risk

Reduction in our Scope 3 emissions depends on our suppliers' and partners' ability to lower their GHG emissions. Some suppliers have energy-intensive infrastructure and/or carbon-heavy processes. The transportation of goods and materials, particularly over long distances, may require transitioning to low-carbon infrastructure, which could be capital-intensive and take several years. The postponement of the [IMO Net-Zero Framework](#) increases the risk of not meeting our Scope 3 target, as it may delay emission reductions in the shipping sector and limit the decarbonisation options offered by our transport providers.

The shift to low-carbon alternatives may be challenging in certain regions and will depend on the pace at which society as a whole reduces its

GHG emissions. This could result in locked-in GHG emissions in certain areas. Borregaard expects that the main progress towards the target will be achieved close to 2030.

The science-based targets allow the use of carbon offsetting for the final 10% of the target. Whether this will be necessary to achieve the target will be assessed after 2030.

Our products serve as a decarbonisation lever for our customers. The low carbon footprint of our bio-based products helps customers reduce their Scope 3 emissions, particularly when compared to fossil-based alternatives.

E1.SBM-3

Material IROs and their interaction with strategy and business model

The material IROs for climate, under the subtopic Energy and Climate Change Mitigation, are presented [above](#). Both physical and transition risks have been assessed; however, only transition risks are considered material.

Resilience of Borregaard's strategy

Borregaard has analysed how climate change may impact our operations and value chain through climate scenario analysis conducted in accordance with ESRS E1 and informed by TNFD recommendations. The resilience analysis was presented in our [Climate and Nature risk report](#) published 19 March 2025.

The scenarios were selected to test Borregaard's strategic resilience and to gain a better understanding of potential future strategic and financial impacts under both favourable and unfavourable conditions. The identified physical and transition risks and opportunities materialise differently across scenarios and over the short, medium and long term. This analysis has enabled a deeper assessment of the resilience of Borregaard's strategy moving forward, both in the upstream value chain and in Borregaard's direct operations.

The scenarios explore two critical uncertainties: the rate of degradation of ecosystem services, and the

balance between market forces, such as supply chain disruptions and resource scarcity, and non-market forces, including regulatory changes and societal pressures. These factors are assessed to determine their combined impact on both economic and environmental systems.

The time horizons applied to assess resilience to climate-related risks and opportunities cover the short (1 year), medium (2–9 years), and long (10+ years) terms. To ensure the scenario analysis results are relevant, Borregaard has differentiated the definition of the medium and long-time horizons presented in this IRO process, aligning them with the ESRS, see section [BP-2](#).

The resilience of our strategy in securing continued access to finance at an affordable cost of capital remains strong, see [Taxonomy regulation](#).

The climate resilience analysis demonstrates that Borregaard's business model is strong and adaptable. Its diverse portfolio of more than 800 products, used across a wide range of applications, reduces exposure to cyclical markets and provides a solid foundation for growth in sectors expected to expand due to climate change and new regulatory requirements. The analysis also identifies opportunities linked to the increasing demand for low-carbon and bio-based products, where Borregaard is well positioned to develop new or expanded markets. The company has a proven ability to adjust its strategy and business model in response to climate change. Operating across diverse markets, Borregaard can adapt both

production and workforce skills as demand shifts. Key markets such as agriculture, energy storage, and packaging, continue to prioritise sustainability, while Borregaard is expanding into new areas, including home care and battery materials, and strengthening its presence in Asia. These developments demonstrate the company's ongoing ability to adjust to a changing external environment.

The assessment also considers physical climate risks. Infrastructure upgrades at key sites strengthen operational continuity by addressing vulnerabilities to extreme weather events. While current risks are assessed as low, uncertainties remain regarding the timing and severity of physical climate impacts, as well as the future availability and scalability of renewable energy required for further electrification. Continued scenario planning and adaptive measures will help manage these uncertainties and support long-term resilience.

Flexibility in sourcing raw materials and energy further reduces exposure to supply chain disruptions. Current and planned investments forming part of the transition plan, including renewable energy, emissions reduction technologies and the development of new biopolymers, strengthen the company's ability to meet future environmental requirements and maintain competitiveness.

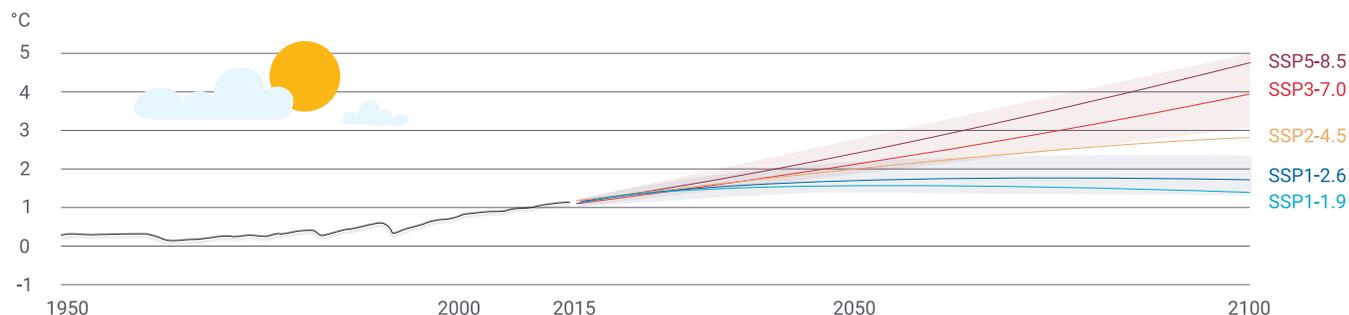
In a Net Zero scenario, the evolving regulatory landscape driven by the EU Green Deal, including updated frameworks such as the CSRD, the EU Deforestation Regulation, the Renewable Energy

Directive, and emerging biodiversity targets under the Global Biodiversity Framework, signals a clear shift in global expectations for corporate responsibility, transparency, and nature-positive outcomes. These initiatives will influence procurement practices, while also supporting the development of new products and investments in production sites that prepare Borregaard for future requirements.

Overall, the climate resilience analysis concludes that Borregaard is well positioned to respond to both transition and physical risks. Thanks to its diverse product portfolio and proactive approach to transition planning, the company faces a low to medium level of risk from new climate-related regulations. Flexibility in sourcing, production, and product development contributes to a business model that remains resilient as climate-related expectations continue to evolve.

Scenario analysis - Climate

Borregaard has evaluated climate-related risks and opportunities arising from identified impacts and dependencies in the value chain. These were examined under different scenarios to inform the resilience analysis of our strategy. The scenarios derive data from the sixth phase of the [Coupled Model Intercomparison Projects \(CMIPs\)](#), covering the short-, medium-, and long-term. CMIP6 supports the [IPCC Sixth Assessment report](#).



Low emission scenario (SSP1-2.6)

Climate impacts are expected to be minimal in the short term, with stable sea surface temperatures (SSTs) and negligible sea level rise in Florida, and slight precipitation changes in Sarpsborg. In the medium term, gradual increases in SSTs and sea levels in Florida may lead to slightly stronger hurricanes and moderate flooding risks, while Sarpsborg faces heavier rainfall, raising localised flooding and landslide risks. In the long term, further SST and sea level rise in Florida will increase hurricane and storm surge risks, while wetter conditions and snowmelt in Sarpsborg will steadily raise landslide risks. Overall, while climate action under SSP1-2.6 moderates these risks, Borregaard's location-specific adaptation measures remain necessary.



High emission scenario (SSP5-8.5)

Borregaard's site in Florida faces increased storm surge risks and more frequent flooding, while the site in Sarpsborg experiences more intense storms, overwhelming drainage systems, and increased landslide risk. Low water levels in the Rhine River may disrupt Borregaard's river transport, necessitating alternative arrangements. Sarpsborg is exposed to frequent extreme rainfall, which can trigger landslides, and threaten infrastructure, while severe drought conditions can disrupt Rhine transport. In the long term, Florida's sea level rise of over 1 meter could make even low-category hurricanes catastrophic, requiring costly flood defences or relocation, whereas Sarpsborg faces a prolonged and severe risk of landslides. Persistent drought cycles in Europe will continue to impact Rhine transport, requiring a shift to more expensive road and rail logistics. Overall, escalating climate impacts demand adaptation measures across all sites to mitigate operational and financial disruptions.



IEA Net Zero Emissions

Borregaard faces significant risks from rising carbon prices, stricter air quality regulations, and increased competition from low-carbon competitors. In the short term, higher carbon prices will increase energy and chemical costs, while tightening air quality standards will require investments in conventional emission-reduction technologies. In the medium term, as carbon prices rise and stricter emissions regulations come into effect, Borregaard will need to accelerate investments in renewable carbon technologies, such as biomass/bark boilers and electrification. In the long term, with carbon prices potentially exceeding €200/tonne and broader emissions accounting (including Scope 3 emissions), Borregaard will need to adopt breakthrough technologies, such as extended heat recovery and carbon capture, to remain competitive and compliant. These ongoing regulatory pressures and market shifts will necessitate continuous investment in sustainable solutions.

E1.IRO-1

Processes to identify and assess material climate-related impacts, risks and opportunities

Borregaard's impacts on the environment and people, as well as its financial risks and opportunities (IROs), have been assessed using a double materiality approach in line with ESRs requirements. The process is described in the IRO-1 section on page 43. As described in IRO-1, climate-related considerations are fully integrated into the company's governance, risk management, and strategic decision-making processes.

Our process covers the entire value chain, including upstream activities (raw material sourcing and supplier operations), Borregaard's own operations (production and logistics), and downstream activities (distribution, product use and end-of-life). This comprehensive approach ensures that both direct and indirect climate-related impacts and dependencies are identified, in line with ESRs E1 requirements.

The assessment includes:

- Mapping of value chain activities.
- GHG Emission Inventory: Comprehensive data covering all emission Scopes in accordance with the GHG Protocol.

- Life Cycle Assessments (LCAs): Based on ISO 14040/44 standards, to quantify the environmental impacts of products and operations.
- Scenario analysis to test the resilience of our strategy and different climate futures.
- Stakeholder engagement to incorporate diverse perspectives.
- Integration with risk management (ISO 31000), ensuring climate risk are embedded in the Groups overall risk register and management system.

Borregaard has engaged an independent third party, Norsus, to perform Life Cycle Assessments (LCAs). LCAs provide valuable input to our materiality and impact assessment process and are the most valuable tool for understanding the environmental impact of our business model across the entire value chain. This includes both the severity of negative environmental impacts from production and transportation, as well as the positive impact when our products replace fossil-based alternatives for our customers and end-users. The LCAs evaluate the environmental footprint of Borregaard's products, from raw materials to finished products and identify areas within the value chain where improvements can reduce the overall impact. Additionally, LCA data is used to benchmark Borregaard's products against relevant competitors, providing insights into how our customers can lower their Scope 3 emissions by choosing our products.

Furthermore, LCA tools are an integral part of Borregaard's innovation process, enabling both the assessment and verification of the environmental impacts of new products.

We conduct climate scenario analyses in line with ESRs and TCFD recommendations, using at least three scenarios:

- SSP1-2.6, representing a low-emissions pathway with strong mitigation efforts.
- SSP5-8.5, modelling high emissions and severe physical risks.
- IEA NZE 2050 (Net Zero Emissions) scenario, aligned with global decarbonisation goals.

The analysis focused on key operational sites, including the Sarpsborg biorefinery in Norway, the Fernandina Beach facility in Florida, and the Karlsruhe logistics hub in Germany. In addition, critical dependencies, such as the Rhine River for logistics and various forests across Europe and the Americas that Borregaard relies on for raw materials, are assessed.

These scenarios were chosen to address a diverse range of potential futures, encompassing both physical risks (e.g., flooding, hurricanes, droughts) and transition risks (e.g., regulatory shifts, decarbonisation efforts). The IEA NZE scenario specifically focuses on the transition to a net-zero economy, while the SSP scenarios provide a broader view of physical climate risks under varying levels of mitigation. These scenarios were selected

for their relevance to Borregaard's operational resilience and long-term sustainability targets, with SSP1-2.6 and IEA NZE aligned with the Paris Agreement's climate goals.

For the identification and assessment of climate-related IROs, see [IRO-1](#). Key sources of risk and opportunity include energy use, GHG emissions, resource availability, regulatory developments, and market trends. The process is iterative and updated annually, or more frequently if significant changes occur.

Stakeholder input is gathered through regular dialogue, surveys, and participation in industry and community forums. These perspectives are integrated into the identification and prioritisation of material climate-related topics, ensuring alignment with external expectations and regulatory requirements.

The outcomes of the E1.IRO process are directly linked to Borregaard's climate transition plan, science-based targets, and financial planning. Identified risks and opportunities are incorporated into capital allocation, investment decisions, and product development, supporting the company's long-term resilience and value creation.

Climate change adaptation involves financial risks related to the supply chain and the cost of securing operations against physical climate risks, such as landslides. However, the investments required for these adaptations are not considered material.

The climate scenarios used are consistent with critical climate-related assumptions made in financial statements. In [E1-9](#) we have evaluated the effect of climate-related risks and opportunities.

The process is subject to regular review and improvement, incorporating new data, methodologies, and stakeholder feedback. Limited assurance over the process and outcomes is provided by an independent third party.



E1-2 AND E1.MDR-P

Policies related to climate change mitigation and adaptation

Sustainability is embedded in our corporate policies to ensure a comprehensive approach to reducing climate impacts.

Borregaard's ambitions to mitigate climate change cover the entire value chain, from reducing emissions related to the sourcing and transportation of raw materials, through production and transportation of products to our customers, to developing and producing new products with positive climate impacts.

We are actively implementing measures that can contribute to environmentally sound resource management. Our business model and strategy are aligned with the transition to a climate-neutral economy and [the goal of limiting global warming to 1.5°C](#).

Our efforts to achieve these targets are guided by our [Policy for Environment, Climate, Health and Safety Engagement](#). The policy aims to strengthen commitment, raise awareness and drive continuous improvement in these areas, while establishing specific procedures and practices. It addresses climate change by integrating climate-related factors into our longterm targets and strategic development plans, considering both opportunities and risks.

Our climate targets have been approved by the Science Based Targets initiative (SBTi), ensuring alignment with the latest climate science.

We pursue climate mitigation efforts from both short- and long-term perspectives to reduce our impact and risks while capitalising on opportunities.

LCAs are employed to evaluate the climate impact of our activities and products, providing data-driven justification for decisions and enabling continuous improvement.

GHG emissions from our operations are documented in accordance with the Greenhouse Gas Protocol, ensuring transparency and accountability in our reporting, and enabling us to track progress in emission reductions.

Innovation is at the core of Borregaard's strategy. We are committed to developing and offering new products and customer solutions with a low climate footprint, ensuring that sustainability is central to our offerings while addressing key long-term global challenges. Borregaard's bio-based products contribute to several of the [UN's Sustainable Development Goals](#), creating value for both our stakeholders and society.

Energy efficiency and increased use of renewable energy are prioritised through clear targets for energy efficiency improvements and a strategic

plan to increase the share of renewable energy in our operations.

For all sustainability matters, Borregaard has established specific goals, targets, and action plans. These are continuously monitored and updated to ensure we meet our commitments outlined in the policy and contribute to global climate goals.

The policy applies to the entire Borregaard Group and sets out our expectations for suppliers and key partners. It is approved by the Board of Directors. The SVP Public Affairs and Sustainability chairs the company's Sustainability Board and holds overall responsibility for the policy.

E1-3 AND E1.MDR-A

Actions and resources in relation to climate change policies

Action and resources Scope 1+2 and use of energy

Borregaard's Scope 1 and Scope 2 emissions are primarily linked to energy use in the production processes. Operations in Norway account for 84% of our Scope 1 and 2 emissions, making this our main area of focus.

The high utilisation of wood for products (82%) at the biorefinery in Norway results in a limited but important quantity of residual biomass and, consequently, biogas available for use as renewable energy. Therefore, Borregaard obtains heat energy from other sources, such as renewable energy, energy recovery from production processes, incineration of sorted household waste, and natural gas. Our operations in Norway meet the continuous need for base-load heat energy in the form of steam from internal bio-based sources and biogas (bio-boiler), energy recovery from waste incineration (at Borregaard's own energy recovery boiler(EGK) and imported steam from SAREN Energy AS), and heat recovery from production.

For variable peak loads, Borregaard primarily balances between electric power and liquid natural gas in our multifuel-boiler. Annual GHG emissions vary depending on weather conditions(cold and dry

vs mild and wet), production volume, and the share of renewable energy in the variable load. Borregaard reports GHG emissions, energy consumption, and progress on reduction targets monthly or quarterly.

To address the identified climate IRO related to Scope 1 and Scope 2, several planned projects in [Borregaard's transition plan](#) have been completed, marking important milestones associated with significant GHG emission reductions. The transition plan is supported by integrated financial planning covering short-, medium-, and long-term time horizons. Key investments to reduce GHG emissions in line with our transition plan are integrated into Borregaard's financial planning, with capital expenditures estimated at approximately NOK 1,000 million through 2030, see section [E1-9](#).

Borregaard's overall strategy is to continuously increase the use of electric boilers for steam production as a replacement for fossil alternatives. Electricity for steam therefore represents a key decarbonisation lever. Supporting measures include ongoing investments in a new power intake station and increased electric boiler capacity. In 2025, the investment decision was made to install an additional electric boiler.

Access to electric power from the transmission and distribution systems is a prerequisite for Borregaard's electrification efforts and for implementing the transition plan towards 2030 and 2050. Borregaard maintains close dialogue and collaboration with relevant stakeholders and closely monitors the development of national and regional

grid plans and related activities. This enables the company to assess the potential impacts of external developments on its overall emission-reduction strategy.

Complementing the technical projects are commercial agreements for long-term power supply. A 10-year Power Purchase Agreement (PPA) with Å Energi commenced in January 2024. From January 2025, a similar 10-year supply contract with Hafslund Kraft began, with both contracts covering an annual volume of 88 GWh. These long-term power contracts increase the share of renewable electricity in Borregaard's energy mix and directly contribute to reducing Scope 2 emissions in line with the company's transition plan to reduce GHG emissions.

Borregaard recognises that energy markets, including the power market, remain fragile due to geopolitical uncertainty, which can lead to periods of high price volatility. This increases Borregaard's exposure to rising energy costs and long-term power supply constraints, as reflected in the identified IRO. To manage and mitigate this risk, controlling power costs through long-term PPA's, while maintaining robustness and flexibility in our energy system and energy carriers, is a key focus. Borregaard expects to reduce GHG emissions by 25,000 tonnes by 2030 through the increased use of electric boilers. These measures will correspondingly reduce the need for fossil fuels in the period leading up to 2030.

Part of the strategy also includes increasing the use of internal biofuel as a replacement for fossil fuels, with an estimated additional reduction of 17,000 tonnes of CO₂ by 2030. This will allow for a combined GHG reduction of approximately 28,000 tonnes from the utilisation of internal bioenergy.

Overall, increased electrification and greater use of biofuels are expected to reduce GHG emissions by approximately 83,000 tonnes by 2030, representing a 42% reduction compared with emissions in the 2020 base year. In 2025, the Borregaard Group achieved a 15% reduction in GHG emissions relative to the base year.

Efficient maintenance of the existing base-load supply is crucial for securing future cost levels, maintaining the inherent flexibility of Borregaard's energy system, and ensuring a reliable energy supply. This enhances the robustness of the business model and is identified as a material opportunity in E1.

Borregaard will seek funding from relevant government support schemes, such as Enova, to further advance these initiatives.

Energy management at Borregaard's biorefinery in Norway is ISO 50001 certified. Internal resources, both within the dedicated energy team and across the wider organisation, focus on developing and implementing projects required to deliver the transition plan. This includes addressing changes in energy and climate framework conditions, such as EU ETS, energy costs including CO₂ taxes,

technological developments, and the availability of renewable energy. GHG emissions, energy consumption, and progress against reduction targets are reported and evaluated on a monthly or quarterly basis at Group level (Scope 1 and Scope 2) across Borregaard's sites. External resources are engaged as needed to support these activities. Cooperation with European and national industry associations plays an important role in navigating evolving regulatory and market framework conditions.

The district heating system in Sarpsborg municipality is supplied with surplus heat from low-temperature water from Borregaard's biorefinery in Norway. This surplus energy is part of a symbiotic industrial ecosystem and serves as the main energy source for the local district heating plant. As a result, our sustainable energy contribution reduces the use of fossil fuels for district heating. Continuous efforts to improve energy efficiency and increase the utilisation of low-temperature surplus heat are expected to further increase our deliveries to the district heating system. However, the associated avoided GHG emissions are not included in Borregaard's emission-reduction targets. This local contribution from Borregaard's activities amounted to 15 GWh in 2025.

Action and resources Scope 3

Borregaard applies a structured and well-governed approach to reducing Scope 3 emissions through its established Scope 3 Programme, which reports to the Sustainability Board. The programme is composed of specialists from the business areas

that contribute most significantly to the Group's indirect emissions and serves as a key mechanism for implementing Borregaard's climate policy and supporting its emission-reduction targets. The related internal labour costs are not reported as a separate line item, but form part of the overall resource allocation necessary to implement the actions effectively.

The programme focuses on initiatives that actively involve suppliers, the sourcing function, and internal operational units to ensure targeted and measurable emission reductions. As purchased goods, particularly chemicals, along with upstream and downstream transportation and the processing of sold products represent the Group's primary sources of Scope 3 emissions, the programme prioritises actions within these categories.

In line with our supplier engagement strategy, we collaborate with suppliers through information sharing, the setting of clear requirements, and learning from our best-in-class partners. We continuously strengthen our carbon accounting capabilities by increasing the use of primary data and monitoring suppliers' progress towards their own climate targets. In 2025, we collected verified documentation such as Environmental Product Declarations (EPDs) and Product Carbon Footprint (PCF), and assessed the extent to which suppliers' targets are science-based, including alignment with the Science Based Targets initiative (SBTi). Several suppliers have adopted emission-reduction targets that are expected to reduce the climate footprint of

purchased materials, thereby contributing to lower Scope 3 emissions for Borregaard.

In 2025, it was established as a prerequisite for suppliers in the categories of logistics, wood and chemicals to disclose their greenhouse gas (GHG) reduction targets and the key actions they plan to take towards 2030 and 2050 for their tenders to be considered. It also became mandatory to present Borregaard's approach to GHG emissions and to request corresponding information from key suppliers in these categories during supplier meetings. These requirements promote consistent engagement with suppliers on value chain impacts and ensure alignment with Borregaard's transition and emission reduction objectives.

Suppliers of chemicals are required to provide documented data on products they offer, and this information forms a key evaluation criterion alongside price and security of supply. Selecting suppliers with lower documented emission intensities contributed, in 2025, to an estimated reduction of 11,600 tonnes of CO₂ compared with the previous year.

Wood is our primary raw material, and we continuously work to improve its inbound transportation through both internal initiatives and collaboration with external stakeholders across the supply chain. Our supplier agreements for wood include a financial incentive designed to reduce transport-related emissions. Suppliers receive higher compensation for deliveries from nearby sources compared with longer transport distances.

In addition, we prioritise rail over road transport where feasible, provided that security of supply and cost considerations are not compromised. These initiatives contributed to a reduction of 500 tonnes of CO₂ in 2025.

Logistics represents a significant share of our value-chain emissions, as our products are distributed to customers in more than hundred countries. In 2025, we continued efforts to optimise transport and logistics operations. We maintained the digital solution implemented (Scope 3 Logistics), which improves the accuracy and reliability of logistics-related emission data. The tool integrates internal shipment information with verified external data covering distances, emission factors, and transport modes. The Scope 3 Logistics digitalisation initiative has contributed to improved data quality and enhances visibility of our customer's Scope 3 emissions. In 2025, the tool was maintained without additional functional development, but it continues to provide a solid foundation for future analytical enhancements and supports ongoing engagement with customers and suppliers on emission-reduction opportunities in logistics.

Overall, Scope 3 emissions decreased by 10% compared to 2024. The main driver for this reduction was an 18% decrease in emissions from the category purchased goods and services. This improvement is primarily due to better data quality and our ability to source chemicals, such as sodium hydroxide, with lower greenhouse gas emissions. Additionally, as more of our suppliers provide

Environmental Product Declarations (EPDs) or Product Carbon Footprints (PCFs), we are increasingly able to make well-informed and effective decisions to further reduce our emissions.

We have developed a Marginal Abatement Cost Curve (MACC) for our Scope 3 emissions, which identifies and prioritises the most cost-effective measures. In 2025, initiatives for the reporting year were identified, prioritised, and those selected were implemented. In addition, the MACC was further developed to include initiatives targeting 2030. While the actions implemented in 2025 have had limited financial impact, the IRO assessment indicates that more capital-intensive measures may be required to achieve the Scope 3 targets towards 2030. This could result in potentially material financial impacts in future periods, depending on the timing and scope of implementation.

In 2025, Borregaard held a Scope 3 seminar with both internal and external participants to strengthen organisational understanding of indirect emissions, regulatory developments, transition planning, and associated cost implications. The seminar reinforced the importance of robust data, cross-functional collaboration, and transparent communication in achieving Borregaard's Scope 3 reduction targets.

The implementation of these actions is supported by dedicated human resources, investment in digital systems for emissions data, economic incentive schemes for suppliers, and operational measures across the sourcing and logistics

functions. These resources ensure that Borregaard's climate policy is operationalised and contribute to the company's long-term emission-reduction targets.

We prioritise employee involvement in achieving our GHG emissions targets through advocacy and training initiatives. We have expanded our electric vehicle fleet, installed additional EV charging stations, and participate in the 'Home-Work-Home' programme at our operations in Norway. 55 employees use e-bikes, and/or subsidised public transport tickets. We are committed to promoting sustainable commuting, with new initiatives planned for 2026. Training of personnel to support informed decision-making in sourcing and purchasing was planned and carried out throughout 2025.

Our most effective strategy for advancing sustainable sourcing and reducing emissions is to maintain active engagement with our suppliers, continually refine our sourcing practices, and empower our employees.

We will continue to improve the quality of our Scope 3 emissions data, with the aim of increasing the proportion of primary data. As we improve the quality and coverage of our emission data, we anticipate that the reported emissions may fluctuate across different categories. These changes may reflect both reductions and increases. For example, we observed an increase in the category Processing of sold products (cat.10) after incorporating EPDs provided by a customer, this led

to a significant rise in the emissions. Consequently, we recalculated our base year, 2020, to ensure that these changes were accurately reflected.

Action and resources from our products' contribution to climate change

Today, most customers still purchase products primarily for their performance. However, customers and end-users are increasingly considering sustainability aspects, including raw material origin, safety and health benefits, and the overall environmental impact of products. We firmly believe that this strong trend represents a significant opportunity for Borregaard, with positive implications for profitability. The positive impact of sustainable products is expected to grow as they become the preferred choice and as new products and solutions are developed within our portfolio.

The use of Borregaard's products represents a positive climate impact IRO by acting as a decarbonisation lever for customers who choose our products for their low GHG footprint. This favourable climate performance contributes to lower Scope 3 emissions for our customers compared with the use of fossil-based alternatives. A prime example is our wood-based bioethanol, which has around 90% lower GHG emissions than petrol, as calculated under the EU Taxonomy methodology.

Another good example is dispersants. A comparison of the life cycle of a lignin-based dispersant derived from wood and a synthetic dispersant based on a fossil raw materials is illustrated in the figure below.

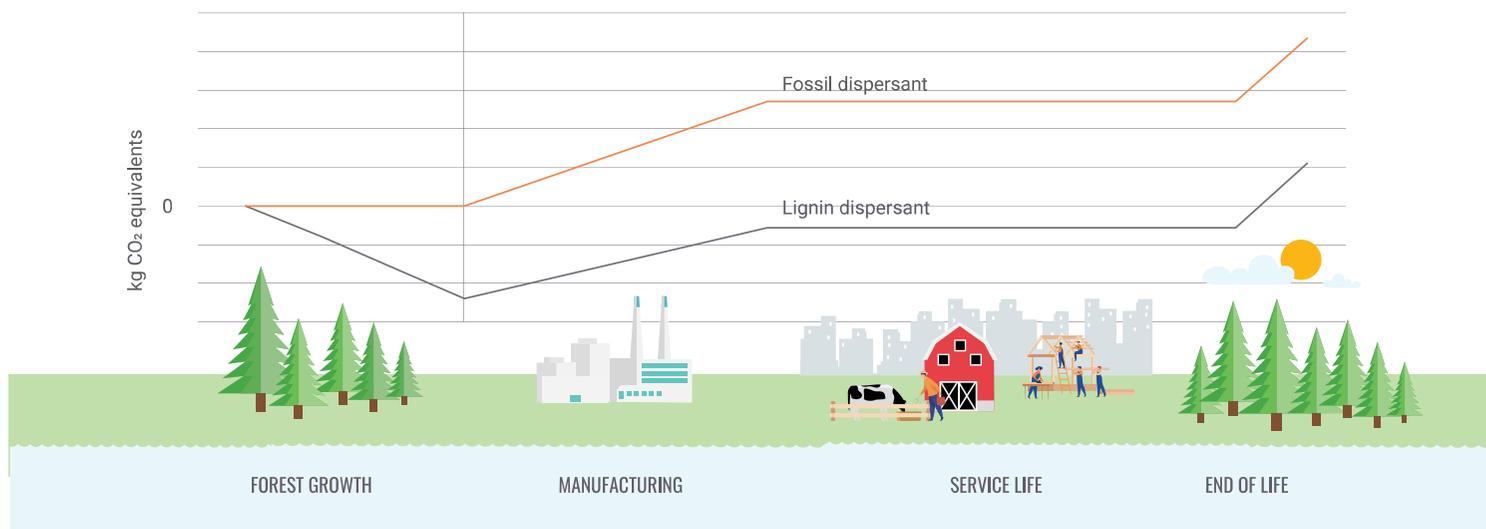
During forest growth, trees capture CO₂, and the biogenic carbon stored in the lignin raw material is accounted for as negative CO₂ emissions. In contrast, the life cycle of a fossil-based synthetic dispersant starts at zero biogenic carbon uptake.

During production, the extraction and refining processes contribute to an environmental load for both lignin-based and fossil-based dispersants.

In this example the CO₂ emissions associated with producing 1 kg of lignin-based biopolymers are

more than 30% lower than those associated with producing 1 kg of fossil-based dispersants. During the service life, no emissions are associated with the use of either product, resulting in a negative CO₂ footprint for the lignin-based dispersant during this phase.

COMPARING CO₂ LIFECYCLE OF FOSSIL AND BIO-BASED PRODUCTS



A comparison is carried out by the Norwegian Institute for Sustainability Research using life cycle analysis methodology according to the ISO-standards 14040/44. The model substance used as the fossil dispersant is polycarboxylate.

In the final end-of-life phase, a theoretically calculated CO₂ emission is included, assuming 100% degradation of both products to CO₂. Overall, replacing a fossil-based dispersant with a lignin-based dispersant results in a 70% lower CO₂ footprint from cradle-to-grave. See the figure on the previous page.

The significant life-cycle GHG emission savings, compared to the best-performing alternative technologies, products, or solutions on the market, qualify this activity under the technical screening criteria for the enabling activity "Manufacture of other low-carbon technologies" (see [Taxonomy chapter](#)).

Sustainability documentation of products

Borregaard has adopted a fact-based approach to documenting the sustainability of our products through Life Cycle Assessments (LCAs). Such documentation is crucial for raising market awareness of our sustainable products and providing a solid basis for comparing their environmental performance with competing alternatives. In recent years, we have expanded our sustainability documentation and have now completed LCAs for all of our lignin-based biopolymer plants.

The standards for sustainability documentation are evolving towards stricter use of third-party verified data, standardised methods for calculating biogenic CO₂ and more comprehensive product category rules to define environmental impacts in

LCAs. Conducting and updating LCAs and Environmental Product Declarations (EPDs) of our products will continue in the coming years to ensure they reflect changes in regulations and standards. In 2025, we updated our LCA model for the site in Sarpsborg, and new EPDs are expected to be completed and published in the first quarter of 2026. Additionally, we developed LCA models and published EPDs for our sites in the Czech Republic and the UK during the year. Once the new EPDs for our Sarpsborg site are finalised, we will have a total of 41 EPDs covering all our production sites. All of our EPDs are publicly available on [EPD Global's website](#).

We are well prepared for upcoming EU regulations that will impose strict requirements for the documentation of sustainability claims in the market.

Certification is an important element of Borregaard's sustainability documentation. Our advanced bioethanol is certified under both the ISCC EU and ISCC PLUS sustainability schemes. In addition, speciality cellulose, lignin, and biovanillin produced at Borregaard's biorefinery in Norway are ISCC PLUS certified. Products within speciality cellulose, cellulose fibrils, biovanillin, and lignin from Borregaard Sarpsborg are certified according to PEFC Chain of Custody (CoC) standards. Furthermore, our various cellulose fibrils and lignin-based biopolymer products are, or are eligible to be, listed, certified, and/or labelled for sustainable usage depending on the end-use applications, product, and geographical locations. Several examples,

though not exhaustive, include USDA Certified Bio-based products and OMRI- and PLONOR-listed products.

Resources for development and innovation of sustainable climate-friendly products

Maintaining strong innovation efforts remains one of Borregaard's strategic priorities, with sustainability now serving as a key driver in our innovation processes. We have an innovation team of 98 employees, including 32 PhDs. Central R&D is located in Sarpsborg, Norway, which at year-end 2025 employed 73 people from 8 different countries. Additional R&D activities take place at R&D centres in India and the US. Each R&D unit serves as a centre of excellence fostering targeted collaboration with customers, universities, and research institutes worldwide.

Borregaard's innovation success stems from its world-class in-house R&D, skilled sales force, advanced manufacturing capabilities, and close collaboration with customers, research institutes and universities across several countries. Innovation efforts are organised through an "Innovation Management Team" for each business unit. These teams are cross-functional and operate across the entire innovation portfolio, from idea to implementation. This cross-functional approach is crucial in maximising the positive impacts of innovation.

We have introduced a comprehensive set of assessment criteria to ensure that our entire project

portfolio is thoroughly evaluated in terms of sustainability impact.

Each project proposal related to new products, processes, or product applications is assessed against Borregaard's sustainability criteria throughout its lifetime. This approach ensures that we focus on developing the most sustainable products while avoiding potential negative impacts from non-sustainable innovations.

The sustainability assessments relate to how we operate our business and the impact our products have on enhancing customers' sustainability profiles. They evaluate the use of raw materials, direct and indirect effects on emissions to air and water, compliance with upcoming regulatory requirements, and health and safety aspects within Borregaard's working environment. The assessments also consider the potential of our products to save energy, reduce GHG emissions, limit exposure to toxic chemicals, and minimise water consumption in our customers' value chains. Combined with thorough technological and market analyses, these assessments provide a solid foundation for informed decision-making and effective prioritisation of resources in our innovation efforts.

To maintain our position as the world's most advanced biorefinery, Borregaard is committed to continuously enhancing its biorefinery concept by identifying new bio-based raw materials and developing products with high value and a strong environmental profile. Borregaard's strategic

priorities emphasise increased specialisation and value growth, with a strong focus on product development to support entry into new markets.

By focusing on innovation and productivity, we aim to enhance the value-added outputs from our unique biorefinery in Norway, as well as from our production units in Europe and the US. With a diversified portfolio of around 800 products across numerous applications, Borregaard captures a material IRO opportunity by reducing exposure to cyclical markets and strengthening business resilience. We continue to advance our radical innovations, including our cellulose fibrils business, through continued market development across diverse applications and geographies.

Borregaard is investing NOK 100 million in a new technology platform. This includes the construction of a demonstration plant dedicated to next-generation lignin-based biopolymers, as well as the granulation of existing and new products. Target application areas include homecare, industrial cleaners, water treatment, and agriculture. These initiatives exemplify our strategy of innovation-driven growth and targeted capital expenditure.

Borregaard's strategic priorities remain increased specialisation and value growth, with sustainability as a key driver. In 2025, the second of two investments to debottleneck and expand capacity at the Sarpsborg site was announced. Combined, these two investments are expected to increase capacity by 5–10%, with a total investment of approximately NOK 800 million. Production output

is expected to increase gradually from the 2nd quarter of 2027. In addition to increasing capacity for speciality cellulose, lignin-based biopolymers, and bioethanol, the investments will enable higher raw material utilisation and reduce effluents to water.

We continue to explore and pursue business opportunities across several markets where our bio-based products can contribute to improved sustainability. Regulatory developments, such as the EU's strategy for sustainable chemicals, may also create new opportunities and markets for our products.

In parallel, we are exploring inorganic growth through investments in companies and technologies that convert bio-based raw materials into chemicals and materials, such as our investments in Alginor and Kaffe Bueno.



E1-4 AND E1.MDR-T

Targets related to climate change

Measurable targets related to climate change	Retrospective			Future targets			Comments
	Base year 2020	Result 2025	Target 2025	2026	2030	2050	
Scope 1 and 2 GHG emissions, % absolute reduction from base year 2020	0	15	10	17	42	90	Achieved, electrification of spray drying.
Scope 3 GHG emissions, % absolute reduction from base year 2020	0	14	-	-	25	90	
Scope 1 and 2 GHG emissions, % net reduction from base year 2020	0	15	-	-	-	100	
Scope 3 GHG emissions, % net reduction from base year 2020	0	14	-	-	-	100	
Gross Scope 1 and location-based Scope 2 GHG emissions, 1000 tCO ₂ e	197	167	177	163	114	20	
Gross Scope 3 GHG emissions, 1000 tCO ₂ e	727	625	727	727	546	73	
Heat consumption (GJ) at the Sarpsborg site per air dried tonne (TAD) of cellulose, GJ/TAD	20.9	21.7	20.7	21.6	-	-	Not achieved due to production mix.
Sourcing activities related to green electricity/ grid capacity to the Sarpsborg site	-	Achieved	Achieve	Achieve	Achieve	-	
Electricity consumption, including electric boilers, at the Sarpsborg site, GWh	699	762	-	800	-	-	
Innovation rate, %	-	11	15	15	-	-	

As part of our response to the identified climate-related iIROs, we have established science-based targets that guide our long-term decarbonisation pathway. These targets are aligned with international climate science and constitute a core element of our transition plan and resilience strategy.

To assess future developments and relevant decarbonisation levers, Borregaard has applied three climate-related scenarios: SSP1-2.6, representing a low-emissions pathway with strong mitigation efforts; SSP5-8.5, reflecting a high-emissions pathway with severe physical climate risks; and the IEA Net Zero Emissions by 2050 (NZE 2050) scenario, which is aligned with the Paris Agreement's climate goals. Based on these scenarios, Borregaard has set near- and long-term science-based targets, see page 61. These targets have been approved by the Science Based Targets initiative (SBTi) and are integrated into our transition plan and overall business strategy.

Our climate targets also contribute directly to SDG 13 on climate action. The rationale for choosing 2020 as the base year for GHG emissions is in line with SBTi requirements for target approval. We will update our targets in 2027 to reflect the revised SBTi methodology for the 1.5°C pathway.

Borregaard's expected decarbonisation levers are summarised in a separate table on the next page and represent the key measures required to achieve our science-based targets. The most important levers include increased use of electricity in the drying process, replacement of LNG with steam generated from renewable electricity, electrification of steam production, increased use of bioenergy, and targeted energy-efficiency measures across production areas.

Together, these initiatives support a gradual reduction of Scope 1 and 2 emissions as fossil-based energy sources are phased out.

The Group achieved a 15% reduction in Scope 1 and 2 GHG emissions compared with the base year, with emissions decreasing from 196,500 to 167,500 tonnes of CO₂e. During 2025, we made significant progress in our long-term transition plan towards meeting our science-based targets for 2030 and 2050, with emissions 8% lower compared with 2024. This reduction was primarily driven by a full year of reduced LNG consumption following electrification and energy-efficiency improvements in the spray dryers at the biorefinery in Norway.

In 2025, we invested in preheating the combustion air in the bio-boiler at the biorefinery, which will reduce auxiliary fuel use from 2026, based on this the target for Scope 1 and 2 GHG emissions from base year is set to 17%.

Historical data demonstrates the impact of our decarbonisation measures. Between 2009 and the

2020 base year, Borregaard reduced emissions by approximately 100,000 tonnes of CO₂ through investments in energy efficiency and the transition from heavy fuel oil to renewable energy sources. These reductions form an important foundation for our current transition plan and demonstrate the long-term contribution of early decarbonisation initiatives.

The target for electricity consumption in 2026 is in line with the 2025 level, at approximately 800 GWh. In 2025, total electricity consumption amounted to 767 GWh.

The target for heat consumption at the Sarpsborg site per air-dried tonne (TAD) of cellulose was not achieved and remained at the same level as in 2024, at 21.7 GJ/TAD cellulose (21.7 GJ/TAD). The main reason for not meeting the target was a more specialised production mix at the biorefinery in Norway. The target for 2026 is increased to the level achieved for 2025, as production mix is the same.

Borregaard's Scope 3 emissions decreased by 10% compared to 2024. Compared to our recalculated base year 2020, we decreased our Scope 3 emissions by 14%. In recent years, we have collected a greater proportion of primary data from both our suppliers and customers, resulting in significant changes within certain categories and necessitating a recalculation of our 2020 base year (read more in [BP-2](#)). As a result of these adjustments, we need to review and evaluate our existing science-based targets for Scope 3. This work will continue in 2026.

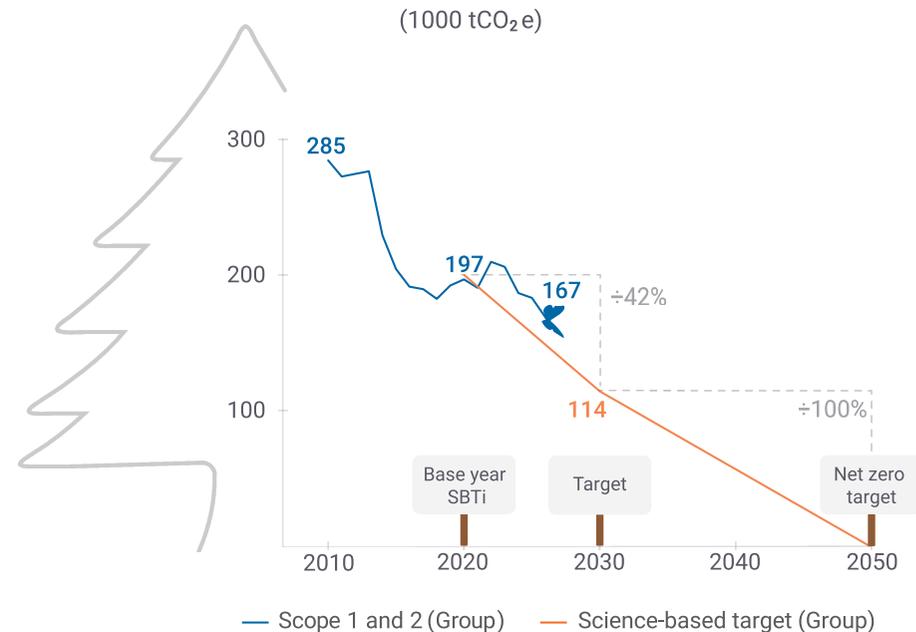
In order to improve the accuracy of our Scope 3 emissions reporting, we have established a target that 90% of emissions associated with purchased chemicals will be determined using primary data sources, including Environmental Product Declarations (EPDs) and Product Carbon Footprints (PCFs) before 2030. In 2025 we held EPDs from 59 % of purchased chemicals.

Innovation remains a key lever supporting our long-term climate strategy. Our innovation target is designed to encourage the development of sustainable, climate-friendly products that enhance customer climate performance and support decarbonisation across the value chain. The innovation target has been informed by close collaboration with customers and other relevant stakeholders, including research institutes and universities, drawing on both external input and internal expertise.

During 2025, Borregaard's innovation efforts focused on advancing the company's overall specialisation strategy, resulting in an innovation rate of 11% (14%). The decrease compared to the previous year reflects the definition of the innovation rate, which is based on revenues from products launched within the last five years. Products introduced during the initial years of operation of the LignoTech Florida plant have now exceeded this five-year period and are therefore no longer included in the calculation, rather than indicating a reduction in innovation activity.

GHG emission reduction targets and climate change mitigation actions, 1000tCO ₂ e	2020 Base year	2030 target	2050 target
GHG emissions Scope 1+2 (location-based)	197	114	0
Increased specialisation 2030		15	
Electricity for drying		-30	
Electricity for steam		-25	
Internal bio-energy (bark+alvamix)		-28	
Energy efficiency and optimisation		-15	-30
Energy efficiency and optimisation			
Change to renewable energy			-24
Heat recovery (heat pump)			-50
Off-set			-10
GHG emissions Scope 3	727	547	2
Cat.1: Engage with suppliers, increased use of renewable energy, low-carbon products, recycled or renewable raw material		-46	
Cat.4 and cat.9: Engage with logistic providers, switch to low-carbon transport modes, optimise transportation logistics, increased use of renewable fuels		-18	
Cat.10: Engage with customers, increased use of renewable energy		-116	
Change to renewable energy			-331
Energy efficiency and optimisation			-142
Off-set			-73

SCOPE 1 AND 2 GREENHOUSE GAS REDUCTIONS AND TARGETS



The illustration shows Borregaard's progress towards our science-based target (SBTi). Scope 1 and 2 emissions decreased by 15% from 2020 to 2025, as a result of investment activities in line with the transition plan.

E1-5

Metrics related to energy consumption and mix

ESRS DP_ID	Metrics related to energy consumption	Unit	Base year 2020	2024	2025	Δ (%) (2025-2024)
E1-5_01	Total energy consumption	MWh	1,878,593	1,858,886	1,846,803	-1
E1-5_02	Total energy consumption from fossil sources	MWh	700,838	640,462	586,640	-8
E1-5_05	Total energy consumption from renewable sources	MWh	1,177,755	1,218,423	1,260,163	3
E1-5_06	Fuel consumption from renewable sources	MWh	339,257	348,698	353,073	1
E1-5_07	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	838,498	869,726	907,090	4
E1-5_09	Percentage of renewable sources in total energy consumption	%	63	66	68	3
E1-5_11	Fuel consumption from crude oil and petroleum products	MWh	420,322	347,651	286,615	-18
E1-5_12	Fuel consumption from natural gas	MWh	398,365	316,118	265,003	-16
E1-5_13	Fuel consumption from other fossil sources	MWh	146,435	143,953	146,410	2
E1-5_14	Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	MWh	134,081	148,858	153,615	3
E1-5_15	Percentage of fossil sources in total energy consumption	%	37	34	32	-6
E1-5_18	Energy intensity from activities in high climate impact sectors (total energy consumption per net revenue)	MWh/NOK	0.00035	0.00024	0.00024	-2
E1-5_22	Net revenue from activities in high climate impact sectors	NOK	5,328,000,000	7,617,000,000	7,713,000,000	1
E1-5_CS1	Amount of Heat energy consumption of total energy consumption	MWh	1,367,639	1,318,057	1,298,458	-1
E1-5_CS2	Amount of Electricity consumption of total energy consumption	MWh	510,954	540,829	548,345	1
E1-5_CS3	Heat energy consumption at Borregaard Norway(total) pr air dried tonnes (TAD) of cellulose	GJ/TAD cellulose	20.9	21.7	21.7	0

Accounting policy

Energy

Total energy consumption includes the energy used for production of heat and electricity. This is calculated based on the type of fuel, its weight, and its lower heating value (LNG, light oil, biogas, internal bioenergy sources, municipal waste). The electricity consumed for plant operations, heating buildings, and producing steam in electric boilers is determined using invoices provided by grid operators. Purchased steam is calculated based on supplier invoices.

The GHG emissions from electricity are calculated as consumption times emission factor, using physical mix for electricity. The emissions within the EU ETS system are verified by a third party.

Net revenue from activities in high climate-impact sectors is the same as total revenue for Borregaard, as all our business activities are defined within these sectors. Net revenue is the same as operating revenue, see page 157 of the Consolidated Financial Statements.

Total energy consumption in direct operations, along with the share of renewable energy, is a key metric used to evaluate Borregaard's performance and effectiveness in managing material climate-related impacts, risks and opportunities. These metrics are consistently monitored across all production units and have been tracked over many years, enabling comparison over time and across locations. They provide essential insight into how efficiently we operate, the energy-intensity of our production processes, and the effectiveness of our decarbonisation measures.

Energy consumption is closely linked to climate-related risks and opportunities. Reducing energy use lowers operating costs, decreases exposure to volatile energy markets, and aligns with our long-term transition plan. At the same time, this metric reflects our specialisation strategy: producing more advanced and specialised products may require additional energy, making energy-efficiency efforts an important driver of both competitiveness and emission reductions.

Total energy consumption in the Borregaard Group was 1,847 GWh in 2025, compared with 1,859 GWh in 2024. The share of renewable energy was 68%, an increase of 3% compared with 2024, driven by increased use of renewable electricity at the biorefinery in Norway.

By tracking total energy use and changes over time, Borregaard assesses the effectiveness of energy-efficiency measures, electrification projects, and process improvements. This metric is therefore central to evaluating progress towards our climate

targets, enhancing operational resilience, and identifying further opportunities to reduce energy demand and associated emissions.

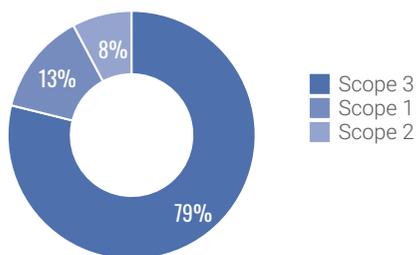
Biorefineries are classified within the ESRS sector "Manufacturing" as a high-impact sector, reflecting the energy-intensive nature of the industry.



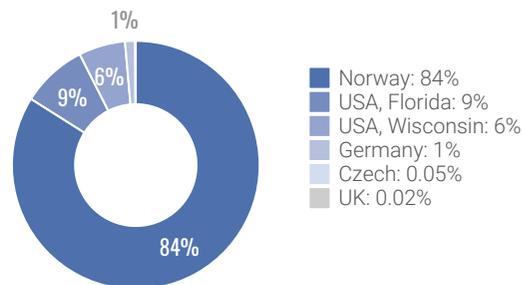
E1-6

Metrics related to gross Scope 1, 2, 3 and total GHG emissions

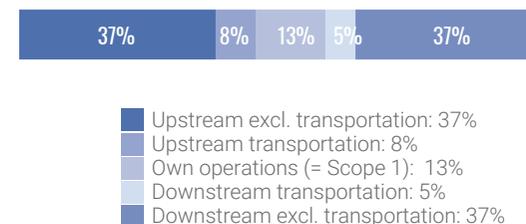
GHG emissions by Scope



GHG Scope 1+2 emissions by country



GHG emissions in value chain



Gross Scope 1, Scope 2, and Scope 3 GHG emissions are the key metrics used to evaluate Borregaard's performance and effectiveness in managing climate-related impacts, risks, and opportunities. These metrics reflect both the direct emissions from our operations and the upstream and downstream emissions generated across the value chain, providing a comprehensive view of our overall climate impact.

The majority of Scope 1 and Scope 2 emissions originate from the biorefinery in Norway, while our units in the USA and Germany process lignin raw

materials from adjacent biorefineries and consequently have significantly lower operational emissions. This geographical distribution provides valuable insight into where decarbonisation measures are most effective and where investment in new technologies delivers the greatest climate benefit.

Scope 3 emissions represent the largest portion of Borregaard's total greenhouse gas emissions. The most significant contributions arise from purchased goods and services, transportation, and the processing of sold products. In recent years,

Borregaard has improved the quality, coverage, and robustness of its Scope 3 data, including increased use of supplier- and customer-specific information. These improvements have resulted in a substantial increase in reported Scope 3 particularly within the downstream category Processing of sold products.

In line with the GHG Protocol, which requires recalculation of the base year when there are significant changes, we have updated the Scope 3 base year data, to ensure that our reporting remains accurate and comparable over time. As a result, our 2020 base year emissions increased substantially,

from 399,998 tCO₂e to 727,387 tCO₂e. The recalculation reflects better data quality only and does not represent a real increase in Borregaard's historical emissions (see also [BP-2](#)).

As Scope 1 and 2 emissions have declined due to energy-efficiency and electrification initiatives, the relative share of Scope 3 emissions has increased, emphasising the importance of supplier engagement, improved data quality, and collaboration across the value chain.

Tracking these metrics over time allows us to assess the effectiveness of our transition plan and the impact of decarbonisation levers such as electrification, energy recovery, sourcing of lower-carbon inputs, and optimisation of transport. They also enable comparison of emissions intensity over time and across countries, helping to evaluate whether actions deliver meaningful reductions relative to production volumes, strategic priorities and regulatory expectations.

Overall, GHG emissions metrics serve as the primary indicators for assessing progress towards our science-based targets and for evaluating the effectiveness of measures taken to mitigate climate-related risks and capture climate-related opportunities.



Accounting policy cont.

GHG emissions

GHG emissions are reported in line with the Greenhouse Gas Protocol and calculated according to international standards.

Scope 3 emissions include all relevant upstream and downstream categories. Based on Borregaard's input data, a third party calculates our emissions, and the results are published in a separate Scope 3 Emissions Report. For 96% of the reported emissions the data quality is considered good. Scope 3 emissions are calculated using a combination of primary and secondary data. Primary activity data, applying supplier- and customer-specific emission factors, cover 59% of total Scope 3 emissions. The remaining emissions are calculated using secondary emission factors from the ecoinvent database.

The direct GHG emissions and the GHG emissions from sourced steam at Borregaard's biorefinery in Norway are calculated using emission factors and methods according to the EU ETS permit provided by the Norwegian Environment Agency.

Sources for emission factors are the International Energy Agency (IEA), Emissions & Generation Resource Integrated Database (eGRID) and the Norwegian Water Resources and Energy Directorate (NVE). Borregaard's full year GHG emissions data are approved by a third party. Emission components are measured in line with Norwegian or international standards and are regulated by the permits given by local or national authorities. All climate gases are included in the calculations of GHG emissions, and the consolidation approach used for the calculation is "operational control".

ESRS DP_ID	Metrics related to GHG emissions	Unit	Retrospective					Milestones and target years		
			Base year 2020	2024	2025	% N / N-1	% reduction vs base year	2030	2050	Annual % target / Base year
Scope 1 GHG emissions										
E1-6_07	Gross Scope 1 GHG emissions	tCO ₂ e	130,945	120,312	105,935	88	19			
E1-6_08	Percentage of Scope 1 GHG emissions from regulated emission trading schemes	%	90	88	86	98	5			
Scope 2 GHG emissions										
E1-6_09	Gross location-based Scope 2 GHG emissions	tCO ₂ e	65,414	62,468	61,539	99	6			
E1-6_10	Gross market-based Scope 2 GHG emissions	tCO ₂ e	336,964	501,812	462,129	92	-37			
Scope 1 and Scope 2 GHG emissions										
E1-6_03	Total Scope 1 and location-based Scope 2 GHG emissions	tCO ₂ e	196,500	182,780	167,473	92	15	114,000	20,000	4.2
E1-6_CS1	Reduction of total Scope 1 and Scope 2 location-based GHG emissions from base year 2020	tCO ₂ e	0	13,579	29,027	214				
Significant Scope 3 GHG emissions										
E1-6_11	Total Gross indirect (Scope 3) GHG emissions	tCO ₂ e	727,387	694,863	624,618	90	14	546,000	73,000	2.5
E1-6_11	Cat.01 Purchased goods and services	tCO ₂ e	185,301	226,317	185,301	82				
E1-6_11	Cat.03 Fuel-and-energy-related activities (not incl. in Scope 1/2)	tCO ₂ e	17,559	14,780	15,857	107				
E1-6_11	Cat.04 Upstream transportation and distribution	tCO ₂ e	103,850	61,645	59,601	97				
E1-6_11	Cat.09 Downstream transportation and distribution	tCO ₂ e	75,201	42,654	43,258	101				
E1-6_11	Cat.10 Processing of sold products	tCO ₂ e	290,274	308,299	281,433	91				
E1-6_11	Cat.11 Use of sold products	tCO ₂ e	0	0	0					
E1-6_11	Cat.12 End of life treatment of sold products	tCO ₂ e	8,006	8,810	8,104	92				
E1-6_25	Percentage of GHG Scope 3 calculated using primary data	%	0	54	59	109				
E1-6_CS2	Scope 3: Upstream GHG emissions, %	%	46	48	47	97				
E1-6_CS3	Scope3: Downstream GHG emissions, %	%	54	52	53	103				
Total GHG emissions										
E1-6_12	Total GHG emissions location based	tCO ₂ e	923,746	877,643	792,091	90	14	659,000	92,000	2.9
E1-6_13	Total GHG emissions market based	tCO ₂ e	1,195,297	1,316,987	1,192,682	91	0			

DP_ID	Metrics related to biogenic emissions of CO ₂	Unit	2023	2024	2025	Δ (%) (2025-2024)
E1-6_17	Biogenic emissions of CO ₂ from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions	tCO ₂	146,000	158,000	154,000	-2
E1-6_24	Biogenic emissions of CO ₂ from combustion or bio-degradation of biomass not included in Scope 2 GHG emissions	tCO ₂	70,000	73,000	76,000	4
E1-6_28	Biogenic emissions of CO ₂ from combustion or bio-degradation of biomass that occur in value chain not included in Scope 3 GHG emissions	tCO ₂	983,000	1,024,000	996,000	-3
Metrics related to emission intensity and reduction						
E1-6_30	GHG emissions intensity, location-based (total GHG emissions per net revenue)	tCO ₂ e/NOK	0.000028	0.000024	0.000022	-10
E1-6_31	GHG emissions intensity, market-based (total GHG emissions per net revenue)	tCO ₂ e/NOK	0.000074	0.000082	0.000074	-10
E1-6_33	Net revenue	NOK	7,132,000,000	7,617,000,000	7,713,000,000	1
E1-6_CS4	Direct and indirect GHG emission (Scope 1 and Scope 2) per total energy consumption	tCO ₂ e/MWh	0.11	0.10	0.09	8
E1-9_CS3	Direct and indirect GHG emission (Scope 1 and Scope 2) per value creation	NOK/tCO ₂ e	13,200	14,800	16,500	12
Metrics related to emission allowances						
E1-9_25	Number of emission allowances stored (from previous allowances) at beginning of reporting period	Number	690,000	665,000	647,000	-3
E1-9_24	Number of Scope 1 GHG emission allowances within regulated ETS	Number	158,000	158,000	158,000	0
E1-9_CS2	Scope 1 GHG emissions within regulated ETS	tCO ₂	120,000	106,000	91,000	-14



Accounting policy cont.

The data quality for our main impact categories is generally considered to be good, although some of the minor impact categories are of lower quality. We are continuously improving this by collecting more data and working with our suppliers and customers to gather primary data. We report on all relevant categories in line with the GHG Protocol.

Scope 3 emissions are updated annually. We gather all the relevant data and work with an external consultant to calculate the emissions. The consultant uses primary data from our suppliers and customers, and where primary data is unavailable, they use emissions factors from the ecoinvent database.

Borregaard's definition and accounting policy for the innovation rate is the share of sales revenues from new products and applications introduced during the previous five years.

Net revenue is the same as total revenue for Borregaard, total revenue can be found in Notes 7 and 8 in the financial statements.

E1-8

Internal carbon pricing metrics

Borregaard applies the prevailing EU Emissions Trading System (EU ETS) allowances price as a core input in its internal decision-making related to energy sourcing and optimisation. This carbon price is not applied as a separate internal shadow price but is inherently embedded in the financial cost of electricity and fuels, and is therefore reflected in the financial statements through operating expenses and cost of production.

As a result, the carbon price used for internal carbon pricing purposes is consistent with the carbon price underlying the financial statements, although it is not disclosed as a separate assumption in financial reporting.

Internal monitoring of EUA price developments is used to support operational prioritisation, investment planning, and long-term energy strategy,

while the same market-based price signal is reflected in realised and expected energy costs recognised in the accounts.

In our longer-term analysis, Borregaard assesses the internally applied carbon price based on the Ministry of Finance's carbon price curve, external studies, and future EUA prices as indicated by the marketplace. This supports the annual determination of the internal carbon price.

Borregaard's electric boilers and the multifuel boiler provide the variable top load for our production facilities, and the use of electric power is prioritised over fossil-based energy sources on a monthly basis. The carbon price serves as a benchmark when evaluating available energy sources.

Longer-term carbon price assessments are also a key consideration when entering long-term Power Purchase Agreements (PPAs), allowing comparison

between two alternatives. Recently entered PPAs have enabled increased utilisation of the electric boilers by establishing a higher fixed minimum load for electric power than previously.

Consequently, this leads to reduced emissions from the variable top load, in line with Borregaard's strategy.

- Monthly: EUA price on the marketplace (varies monthly)
- Annual budget price: 812 NOK/tCO₂

As the carbon price is highly correlated with the gas price, Borregaard actively monitors the geopolitical situation to gain insights into trends and developments. Our assumptions are therefore often closely linked to how the carbon price will be affected by gas supply and utilisation in both Europe and globally. The impact of regulatory changes, such as the inclusion of the maritime sector in the EU ETS, is also closely followed by Borregaard's dedicated energy team.



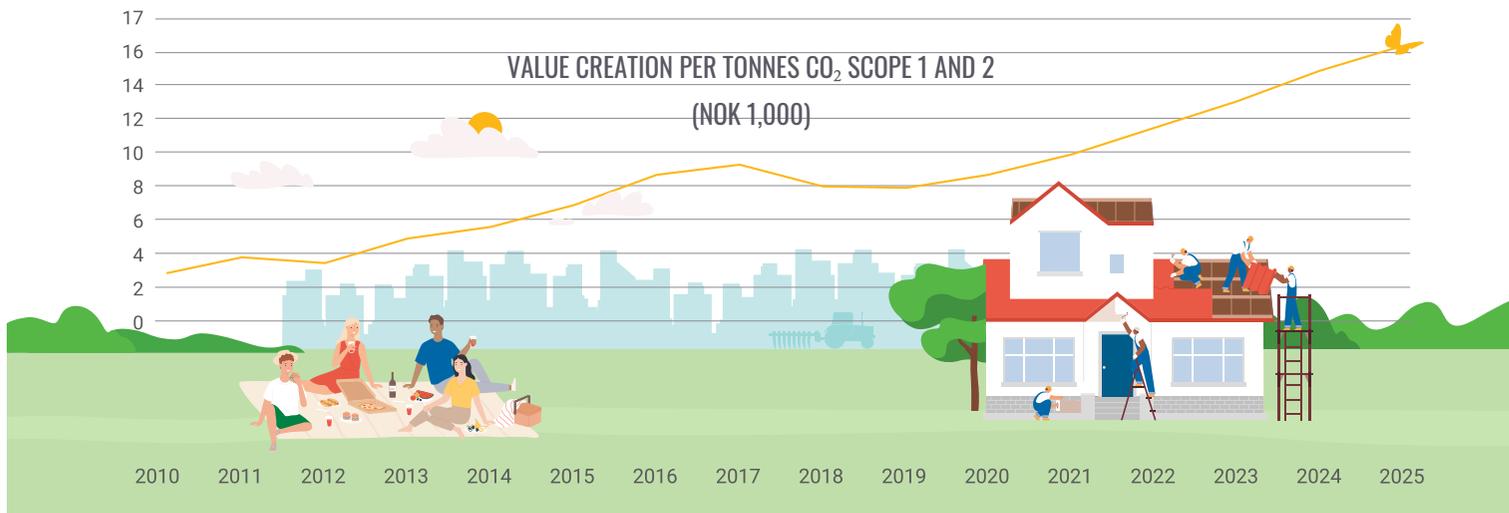
ESRS DP_ID	Metrics related to internal carbon pricing	Unit	2023	2024	2025	Δ (%) (2025-2024)
E1-8_04	Carbon price applied for each metric tonne of GHG emission	NOK/tCO ₂ e	844	1,019	812	-20
E1-8_06	Percentage of gross Scope 1 GHG emissions covered by internal carbon pricing scheme	%	90	88	86	-3
E1-8_07	Percentage of gross Scope 2 GHG emissions covered by internal carbon pricing scheme	%	78	80	79	-1
E1-8_10	Volume of gross Scope 1 GHG emissions covered by internal carbon pricing scheme	Number	120,000	106,000	91,000	-14
E1-8_11	Volume of gross Scope 2 GHG emissions covered by internal carbon pricing scheme	Number	50,000	50,000	48,000	-3

E1-9

Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

The climate material risks and opportunities (IROs) are described in the tables on the following pages, covering both current and future exposure. For the disclosure requirements under E1-9, we will make use of the phase-in opportunities and therefore not yet fully address all requirements. However, a thorough qualitative assessment of future impacts has been conducted, taking into account the relevant uncertainties associated with future exposure.

The graph below shows that value creation per tonne of CO₂ is increasing over time. This demonstrates that Borregaard's business model is becoming more efficient in contributing to climate change mitigation. Value creation per tonne of CO₂ is a metric commonly used to compare companies' climate efficiency.



The illustration shows the increase in value creation in NOK 1,000 per tonnes CO₂ Scope 1 and 2 emissions. The increase was 12% from 2024 to 2025.

Accounting policy cont.

Calculation of value creation: Value creation is defined as the value of products sold (revenues) minus cost of materials, services, and depreciation.

In Note 28 to the Consolidated Financial Statements we have disclosed information about current price level and cost for climate related risks and opportunities.

MATERIAL FINANCIAL RISKS AND OPPORTUNITIES	CURRENT EXPOSURE, PRICE LEVEL AND COST	FUTURE (2030) EXPOSURE	TIME HORIZON		
			0-1YR	1-5YR	>5YR
<p>Risk. Current and emerging carbon pricing mechanism, other climate-related regulatory issues such as EU RED III. Investment costs related to transition plan.</p>	<ul style="list-style-type: none"> EU ETS: 90,718 tCO₂ in 2025. The EU Emissions Trading System is governed by the European Commission under Directive 2003/87/EC and requires companies covered by the EU ETS to hold allowances for every tonne of CO₂ they emit. Emission rights owned (beginning of 2025): 647,269 Scope 1 and 2 emissions: 167,473 tCO₂e CO₂ Tax for waste incineration: 42,385 tCO₂. Set by the government and administered by the Ministry of Finance, the Norwegian CO₂ Tax Act obliges waste-incineration plants to pay a tax on the fossil CO₂ emitted from each tonne of waste incinerated. 	<ul style="list-style-type: none"> EU ETS: Remaining exposure in 2030 20,000 t CO₂/year, future EUA price and no free allowances (unlike today). Expect free allowances to cover CO₂ emissions to 2030. Plan to reduce CO₂ emissions will reduce future need for emission rights. CBAM: Main raw materials sourced within EU. Borregaard's products produced outside of EU is not included in the first phase of CBAM. 			
<p>Risk. Increased energy prices, long-term power supply contracts. Potential requirements for Guarantees of Origin, Power Purchase Agreements (PPAs), and grid capacity may pose future risks.</p>	<ul style="list-style-type: none"> Total energy 1,847 GWh, energy from fossil-based sources is 587 GWh (from LNG, light oil and waste), whereas 1,260 GWh is from renewable sources (power supply, biofuel and biogas) of which 793 GWh is from electricity. Long-term power supply contracts. Energy is 8% of total cost in 2025, NOK 472 million CO₂ compensation 2025 NOK 125,6 million, see Note 34 	<p>Main factors that impact energy cost in 2030:</p> <ul style="list-style-type: none"> Long-term power supply contracts Risk of insufficient grid capacity, 35 MW increase necessary. Uncertain future framework for CO₂ compensation for power consumption 			
<p>Risk. Capital investments aimed at reducing energy consumption and improving efficiency through grid optimisation. Investment cost related to transition plan</p>	<ul style="list-style-type: none"> Investments under Borregaard's transition plan are estimated to a total of approximately NOK 1,000 million through 2030. Of this, about 85% relates to ongoing and completed projects. For 2026–2028, investments according to the transition plan will be in the range NOK 350 to 450 million. 	<ul style="list-style-type: none"> Risk of delay in investments due to unclear frame conditions, grid capacity. 			
<p>Risk. Potential increase in transportation (cat.4 and cat.9) and raw material cost (cat.1) to meet Scope 3 emission reduction targets in 2030 (Science Based Target), including changes in routes due to physical climate incidents.</p>	<ul style="list-style-type: none"> Supply chain/Operations: Challenging river conditions (Rhine and Glomma) Scope 3 GHG emissions: 624,618 tCO₂ for 2025. 	<p>Physical climate risk:</p> <ul style="list-style-type: none"> More challenging river conditions (Glomma and Rhine) can increase supply chain cost. Increased risk of hurricanes and possible downtime cost for the operations. <p>Scope 3:</p> <ul style="list-style-type: none"> Transportation cost (volume) to reduce Scope 3 high, or solutions not available. Increased transportation cost related to EU ETS. 			

MATERIAL FINANCIAL RISKS AND OPPORTUNITIES	CURRENT EXPOSURE, PRICE LEVEL AND COST	FUTURE (2030) EXPOSURE	TIME HORIZON		
			0-1YR	1-5YR	>5YR
<p>Opportunity. Renewable energy/flexibility in variable load. Flexibility in sourcing of raw materials, resilient business model.</p>	<ul style="list-style-type: none"> Total energy 1,847 GWh, 1,260 GWh from renewable sources. CO₂ emissions from energy is the major emissions source. Technology is available to invest in more renewable energy solutions to achieve our science-based emission targets. Flexibility for variable load (LNG, electricity and light oil). Average electricity spot price (Oslo region) at 684 NOK/MWh in 2025. 	<ul style="list-style-type: none"> Investments under Borregaard's transition plan of NOK 350-450 million in 2026–2028 will reduce exposure to CO₂ emission cost and increase energy flexibility. Maintained flexibility for variable load in strained periods for renewable energy, results in reduced energy cost. Heat recovery solutions reduces demand for new renewable energy capacity. 			
<p>Opportunity. Resilience, 800 different products in numerous applications reduces exposure to cyclical markets. Markets that will grow or decline due to climate change are identified, supported by regulatory changes. Business opportunities from Borregaard's products.</p>	<ul style="list-style-type: none"> About 50% (NOK 3.8 billion) of Borregaard's sales revenues in 2025 came from bio-based products with lower climate/environmental footprint compared with fossil-based products. 800 different products in numerous applications, reduced exposure to cyclical markets. Markets that will grow or decline due to climate changes are identified. <p>Average sales price in 2025:</p> <ul style="list-style-type: none"> BioSolutions products NOK 12,027 per mtds. BioMaterials products NOK 17,678 per mt 	<ul style="list-style-type: none"> Increased value of bio-based products. Changes in EU chemical and environmental regulations may favour Borregaard's products. Upgrading the product portfolios in both BioSolutions and Speciality Cellulose. Innovation portfolio and sustainability offering new opportunities. Maintained/increased flexibility in sourcing, especially within energy and basic chemicals. Increased value creation pr tonnes of CO₂. 			
<p>Opportunity. Capital markets: Positive effect from funding of investment and innovations. Green bonds, effect from taxonomy. Investors.</p>	<ul style="list-style-type: none"> 86% of long-term financing (including Revolving Credit Facilities) at the end of 2025 had a sustainability linked margin or were issued in accordance with Borregaard's Green Financing Framework ("green financing"). There were indications that the margin on the green bond issued in 2023 got a slight discount compared to a traditional bond issue. However, it is difficult to quantify the exact effect 	<ul style="list-style-type: none"> 100% "green financing" ambition in 2030. Expect the margin discount on "green financing" to increase towards 2030, which will mean lower interest expenses. 			

E2 Pollution

E2.IRO-1

Processes to identify and assess material pollution-related IROs

Borregaard's impacts on the environment and people, as well as its financial risks and opportunities (IROs), have been assessed using a double materiality approach in line with ESRS requirements. The process is described in the IRO-1 section on page [43](#).

Pollution-related IROs are reported in this chapter and are also included in the overall overview of our biodiversity- and ecosystem-sensitive locations and impacts, as presented in the [impact map](#).

The pollution-related IROs described in the ESRS E2 section are shown in the table to the right. Pollution to air and water have been assessed as material. To illustrate the IRO scoring, we use a blue gradient. The blue gradient becomes darker as the score increases, and white indicates that an IRO is not material.

IROs Pollution

MATERIAL SUSTAINABILITY MATTERS	MATERIAL IMPACTS ON ENVIRONMENT/PEOPLE AND FINANCIAL RISKS AND OPPORTUNITIES DESCRIPTION	TIME HORIZON		
		0-1YR	1-5YR	>5YR
Pollution of air	Negative impact. Emissions of sulphur dioxide (SO ₂), nitrogen oxides (NO _x), and particulate matter contribute to air pollution.			
	Risk. Increased capital expenditure to comply with new local air quality regulations and BAT requirements.			
Pollution of water	Risk. Investment costs for wastewater treatment upgrades, remediation of polluted soil (cost for landslide risk), and measures (cost) to reduce process safety risks that could result in pollution incidents.			
	Negative impact. COD emissions to water impact conditions in River Glomma, other components to water including polluted soil. Water withdrawal.			
	Opportunity. Non-toxic alternative to chemicals in many applications can give business opportunities (all types of pollution included).			

More than 99% of Borregaard's effluents to water and 90% emission to air originate from the biorefinery in Norway. The Group's other units are significantly smaller, and primarily process lignin raw materials into biopolymers in liquid or powder form. Pollution-related impacts from these units are monitored and are not considered material.

The main sources of data assessed to identify actual and potential pollution-related impacts, risks, and opportunities include:

- Disclosure on emissions to water and air from production processes (in accordance with BAT requirements and compliance with emission permit)
- Data from the monitoring of recipients in accordance with the [EU Water Framework Directive](#) (Borregaard Sarpsborg)
- Local air quality measurements (Sarpsborg municipality)
- Monitoring of site areas with historical pollution (Borregaard Sarpsborg)
- Results from risk assessment according to ISO 14001 (Borregaard Sarpsborg, Borregaard Germany) and ISO 30001 (risk)
- Scenario analysis of nature-related impacts
- [Climate and Nature risk report](#), including WWF biodiversity and water risk filter, LEAP approach
- LCA of own products and competing products
- Data from the use of chemicals, including process safety data

- Changes in environmental and chemical regulations
- Stakeholder dialogue (NGO's, authorities, neighbours, investors, customers)

Both physical and transition-related risks and opportunities across the short, medium, and long term were identified using risk maps, stakeholder dialogue, desk research, environmental risk assessments of our operations (ISO 14001), and reviews of regulatory compliance.

Two of Borregaard Group's six production sites, the operations in Norway and in Germany, are certified under the ISO 14001 Environmental Management system. The system ensures processes for continuous improvement and enables tracking of its effectiveness.

A water emission reduction plan to achieve the target of good ecological status in the River Glomma has been developed in consultation with authorities, and is shared with other relevant stakeholders, including local authorities and NGOs. The implementation of the EU Water Framework Directive (WFD) in Norway is organised into local areas with shared interests in specific rivers or lake regions. Borregaard participates in a working group organised by the nearby municipalities, called "Glomma Sør". The plan is directly linked to the [target](#) for reduction of COD. Reports from the monitoring of the River Glomma are publicly available.

E2-1 AND E2.MDR-P

Policies related to pollution

With reference to Borregaard's [Policy for Environment, Climate, Health and Safety Engagement](#), we undertake environmental efforts from both short- and long-term perspectives to reduce the impact and risks from emissions to air and water. This applies to both our own operations and those across our value chain. Producing and developing new products with an improved environmental footprint, capable of replacing substances of concern, enhancing performance, or reducing water consumption in our customers processes, represent a significant opportunity. The aim of the policy is to foster commitment, raise awareness, and drive continuous improvement in these areas, while defining specific procedures and practices.

The policy applies to the entire Borregaard Group and sets out our expectations for suppliers and key partners. The policy has been approved by the Board of Directors. The SVP of Public Affairs and Sustainability serves as Chair of the company's Sustainability Board and has overall responsibility for the policy

Our [Process Safety Policy](#) guides efforts to prevent incidents and emergency situations, as well as to control and minimise impacts on people and the environment if such events occur. This policy applies to Borregaard Sarpsborg, with the SVP of Manufacturing and Technology holding overall

responsibility for its implementation. The policy is aligned with the requirements of the [Seveso III Directive](#), and a process safety management system is in place. We strive to maintain open communication about potential risks and ongoing improvement projects with those who live and work near our production facilities.

E2-2-AND E2.MDR-A

Actions and resources related to pollution

Borregaard has systematically worked to reduce the environmental impact of our operations for many years. Our planned actions focus on further reducing our emissions in order to achieve our established targets. Within our long-term transition plan, priority is given to reducing Chemical Oxygen Demand (COD) in effluents to water and greenhouse gas (GHG) emissions to air. These measures are also expected to lead to reductions in other emission components.

Actions and resources related to pollution of water

More than 99% of Borregaard's effluents to water originate from the biorefinery in Norway, and our efforts and resources are therefore primarily focused on this site.

Borregaard, in cooperation with the Norwegian Institute for Water Research (NIVA), monitors the River Glomma in accordance with the requirements and standards of the EU Water Framework Directive (WFD). This monitoring programme assesses environmental impacts and has shown that emissions of easily degradable organic matter (BOD or COD) from our biorefinery have contributed to the proliferation of bacteria covering riverbed sediments close to the plant. This can lead to

reduced oxygen conditions, with implications for the growth of the river's wild Atlantic salmon stock. As a result, the ecological status of the river outside the Borregaard Sarpsborg plant is classified as poor.

NIVA's assessments of chemical status, conducted in line with the WFD standards, indicate good chemical status. Recent analyses from NIVA show that downstream conditions have improved, and that reduction in emissions of several substances have had a positive effect. External factors such as effluents from farming or the community sewage system may also impact the water quality in the river.

Borregaard in Sarpsborg has submitted a long-term action plan to the Norwegian Environment Agency to reduce COD effluents to water. The plan includes several measures including recipe and process optimisation, as well as technical upgrades such as improved washing and evaporation processes and enhanced spill collection systems. The target is to reduce COD emissions to below 46 tonnes per day by 2026. The long-term target is to reduce emissions to below 40 tonnes of COD per day by 2030.

The COD reduction programme is managed by a cross-functional team consisting of process owners, research scientists, and technical experts. Borregaard also operates its own pilot water treatment plant through the R&D department and engages external expertise when required. Progress is reviewed quarterly by a dedicated committee, with overall oversight responsibility held by the EVP of Manufacturing and Technology.

The plan includes investments in technical installations related to washing and evaporation processes, as well as improved spill collection systems. These investments are part of the debottlenecking plan for Borregaard in Sarpsborg. The plan also includes increased redundancy and the treatment of a larger share of effluent within the existing wastewater treatment system, alongside overall improvements in wastewater treatment performance. Several operational measures, including recipe and process optimisation, will also be implemented. The climate transition plan includes measures to achieve a substantial reduction in water use.

These measures are implemented over an extended time horizon to reduce environmental and financial risks associated with emissions to water, see [E1-1](#) and [E1-3](#), and are aligned with Borregaard's long-term environmental and financial risk management.

Our current production processes and storage of chemicals do not result in soil pollution. A baseline report on polluted soil, prepared in accordance with [article 22 of the Industrial Emission Directive](#) and submitted to the Environment Authorities in 2024, summarised historical pollution at Borregaard's site in Norway and assessed the associated risk of polluting groundwater or the nearby recipient. The risk of emissions to water from former landfills and historically contaminated areas is monitored through an established emission control measurement programme. In 2025, Borregaard

also implemented measures to secure ground conditions at the site (see Note [35](#)), reducing the risk of landslides that could potentially release contaminated soil into the recipient.

Between 1949 and 1997, Borregaard used mercury-based technology for chlor-alkali production at the site in Norway. This process resulted in soil contamination in areas surrounding the plant. A six-year programme for improving contaminant barriers, cleaning and depositing of the polluted areas was finalised in 2021. As a result of these measures, mercury concentration in ground water wells and in the sewage system have decreased significantly. The area is continuously monitored by an independent third-party expert on polluted soil, in cooperation with the authorities, to ensure stable and acceptable mercury levels. Current measurements show that mercury concentrations are well below the permitted limits. However, monitoring results indicate that it is necessary to extend the ground water barrier around the chlor-alkali plant to ensure that all groundwater is captured and treated in the mercury treatment plant. The extension of the barrier will be completed in 2026, together with an upgrade of the treatment plant. Accordingly, a provision of NOK 30 million was made in 2024. See Notes [13](#) and [35](#).

Our process safety management system includes measures to minimise the risk of chemical spills to water, including the use of online detection equipment .

The revision of the [EU's Industrial Emissions Directive \(IED\)](#), which is relevant to our operations in Europe, was finalised in 2024. The updated directive integrates regulatory requirements for emissions with regard to climate, resource optimisation and circularity. With our circular approach and comprehensive transition plan, we are well-prepared for the implementation of the revised IED.

Actions related to water usage in direct operation

Water is one of Borregaard's main nature-related dependencies, as it is essential for cooling, steam and hot water production, as well as for washing and transporting biomass in our production processes. We have implemented a sustainable water management system to ensure responsible use. At the biorefinery in Norway, water withdrawal is high, but the site is self-sufficient and draws water from the River Glomma via its own water treatment facility. Most of the water used is returned to the river. The water use at Borregaard's facilities producing lignin-based biopolymers outside Norway is relatively low, accounting for about 5% of the company's total water consumption. At these sites water is sourced from public waterworks or adjacent industrial facilities. The Water Risk Filter has been applied to identify physical, transitional, and reputational risks associated with water. Given the abundant water resources available at the biorefinery in Norway, water withdrawal is considered to have little or no

impact compared with regions of the world where water scarcity presents a risk. Consequently, water withdrawal represents a low risk from both medium- and long-term perspectives, and is not considered material.

Opportunities to reduce water withdrawal or consumption are evaluated in connection with investment projects. This is also motivated by the potential benefits from energy savings and more efficient water treatment. A significant proportion of process water is treated to ensure that levels of substances such as halogenated organic compounds (AOX) and COD in the effluent remain below permitted discharge limits.

Action and resources related to process safety

Borregaard's process safety management system plays a crucial role in preventing unexpected releases to air or water. We apply a systematic approach to hazard analyses, the proactive implementation of mitigating measures, and the identification of root causes for process safety incidents. Safety is also continuously improved through the implementation of new technology, as well as through research and development of new processes. Quantitative risk analyses for the biorefinery in Norway demonstrate a significant improvement in the assessment of risk associated with third parties. Independent experts have conducted extensive risk assessments in accordance with guidelines from the Norwegian

Directorate for Civil Protection (DSB). Based on these assessments and DSB recommendations, the municipality has established a consideration zone around Borregaard's operations in Sarpsborg. This ensures that the long-term development of the surrounding area aligns with the principles of the [Seveso III Directive](#).

Borregaard will continue to enhance process safety through the systematic identification of risks, and the implementation of measures to mitigate the risk of incidents or emergency situations. Following process hazard analyses conducted in 2022 and 2023, a programme was established to implement process safety measures in the digester and in the hydrochloric acid production plant. These measures aim to reduce the risk of unexpected releases and enhance overall process safety in these areas. The programme will continue into 2026. Process safety is a key priority at Borregaard. All incidents and near misses are systematically assessed, and events with significant potential impact are thoroughly investigated. Findings are used to implement corrective actions and to share lessons learned across the organisation. This approach has contributed to a positive downward trend in incidents with potential environmental impact. Practical, scenario-based training is conducted to ensure that teams gain hands-on experience in managing incidents in ways that minimise the risk of releases. Process safety performance is monitored through regular reviews, enabling the identification of trends, reinforcement of preventive barriers, and further reduction of risk.

Fire prevention is a critical aspect of both process and public safety, as emissions from fires can impact people and the environment. All near fires and fire incidents are recorded in our non-conformity reporting system, and the root causes of all fires are thoroughly investigated. At the biorefinery in Norway, an ongoing programme is in place to modernise the fire protection system. The site is regularly inspected by independent fire protection experts as part of our property and business interruption programme.

Actions related to pollution downstream

Borregaard's sustainable biochemicals can replace chemicals that may contain substances of concern or microplastics, representing both a business opportunity and an environmental benefit. Changes in EU chemical regulations are also expected to favour our products. Health and safety considerations influence customer purchasing behaviour, and our bio-based products offer non-toxic alternatives to chemicals with negative health implications. Health and safety aspects influence customers' purchasing behaviour. Biopolymers and cellulose fibrils are examples of products replacing harmful chemicals in applications such as coatings, agriculture, and adhesives. Product safety is fully integrated in our [Health, Safety and Environment \(EHS\)](#) ambitions, ensuring that all products are designed, manufactured and used in ways that prevent unacceptable risks to human health, safety, and the environment throughout their entire life cycle.

We also produce products for sustainable crop solutions, including ingredients for plant nutrition and biostimulation. When applied in the cultivation of corn, vegetables, and fruits, the lignin-based biopolymers improve fertiliser efficiency and soil structure, increase plant resistance to stress, and enhance crop quality and yield.

Sustainable lignin-based biopolymers can play a key role in optimising the efficiency of water-intensive industries such as agriculture, oil production, and water treatment. We aim to deepen our understanding of the positive effects our products have on water consumption and emissions in customer applications. This aspect is included in sustainability assessments during the [innovation process](#).

Action and resources related to pollution of air

Borregaard has steadily reduced its emissions to air over several years. The majority of these emissions originate from the biorefinery in Norway, where the reduction of SO₂ emissions to air is a key priority.

SO₂ is an essential input in our production processes and cannot be replaced by other chemicals. Emissions of SO₂ primarily occur during the separation of lignin from cellulose in the digesting stage. Most emissions are captured by scrubbers, although some diffuse emissions still occur. The municipality of Sarpsborg monitors local air quality to ensure compliance with limits set by the [EU Ambient Air Quality Directive](#). Measurements indicate a general reduction in SO₂ concentrations

around the plant, with air quality remaining within established limits 99% of the time.

The air quality directive is under revision, and the updated framework will introduce stricter limit values from 2030. In response, we will continue implementing measures to further reduce SO₂ emissions. The action plan focuses on process improvements in washing and recovery processes, as well as strengthening process barriers to minimise the risk of unexpected releases to the atmosphere.

Emissions of NO_x originate from the use of fuel for energy. Reduction in fossil fuel consumption and investments in NO_x reducing technology have reduced our NO_x emissions over time. Further reductions are expected through the [GHG transition plan](#), which includes transitioning from fossil fuels to renewable electricity for heat energy. This switch eliminates local emissions of NO_x. The strategy also includes increasing the use of internal biofuel to replace fossil fuels. However, since biofuel also contains nitrogen, NO_x emissions may temporarily increase during the transition period.

Spray drying of lignin-based biopolymers to powder results in some emissions of NO_x (from fuel) and dust particles (lignin). The recent conversion from Liquid Natural Gas (LNG) to steam produced from electricity at the spray dryers in Sarpsborg has eliminated NO_x emissions from the drying process.



E2-3 AND E2.MDR-T

Targets related to pollution

Measurable targets related to pollution	Retrospective			Future targets		Comments
	Base year 2018	Result 2025	Target 2025	2026	2030	
COD, organic material in process water discharged, t/day	61	47	47	46	40	
COD, organic material in process water discharged, reduction vs. base year, %	0	23	22	24	34	
Number of exceedances of local air quality limits due to SO ₂	13	3	0	0		
Number of fires	1	3	0	0		

As part of our response to identified impacts, risks, and opportunities related to emissions to air and water, we have set specific targets to reduce pollution across our operations. These targets address material IROs linked to regulatory requirements, local environmental quality, and long-term ecosystem health, guiding our efforts to ensure resilient and compliant operations. The targets are derived from, and implemented in line with, the [policies related to pollution](#), which sets the overall principles and commitments for environmental protection and pollution prevention.

Stakeholder involvement in target setting has primarily focused on consultation with public authorities through the implementation of the EU Water Framework Directive (WFD), including participation in the "Glomma Sør" working group. This engagement directly informs Borregaard's targets for emissions to water, including the COD emission target.

Borregaard's target to reduce effluents to water is part of our long-term plan, aligned with the WFD and the Industrial Emissions Directive, to reduce the

impact of COD. This will help us prepare for new requirements and reach good ecological status of the River Glomma. The long-term goal is to achieve good ecological status of the river by 2033, in line with WFD target. For more details on performance, see actions [E2-2](#).

To reduce the impact from air emissions, the target is to achieve 0 hourly exceedances of local air quality limits in 2026. In 2025, there were 3 hourly exceedances of local air quality limits set by the local air quality directive at Borregaard's biorefinery

in Norway. Two exceedance were caused by a failure in the scrubber absorption capacity for SO₂ and one from a valve leakage. With the investment in a new SO₂ plant in 2022, along with upgrades to the absorption and recovery system for SO₂ carried out the last 2–3 years, we expect to see an improvement in local air quality.

To strengthen process safety performance, we have set a target to reduce the number of fire incidents. This metric reflects our ability to prevent and control process safety events.

E2-4

Metrics related to pollution of air and water

The metrics used to evaluate performance and the effectiveness of pollution-related impacts, risks and opportunities are the same emission parameters defined in the emission permits for each production unit, and therefore represent the most material indicators of Borregaard’s environmental impact and compliance performance.

We measure the actual concentration and load of each regulated pollutant and compare these values with the permitted limits in our emission accounting system to ensure compliance. The data are consolidated annually for all sites to provide a total yearly load and to track performance over time.

The volume of process water discharged, and its effluent components, are measured and reported as required in the permit from the authorities. Emission load and concentration from the various production units are regulated by national and/or local authorities.

Because the emission limits and measurement parameters are legally defined and location-specific, these metrics offer a reliable method to evaluate both compliance and the effectiveness of Borregaard’s efforts to reduce pollution and mitigate environmental risks across the value chain.

Changes over time (pollution of water)

More than 99% of Borregaard’s water effluents originate from the biorefinery in Norway, so the reported pollution metrics are related to that unit.

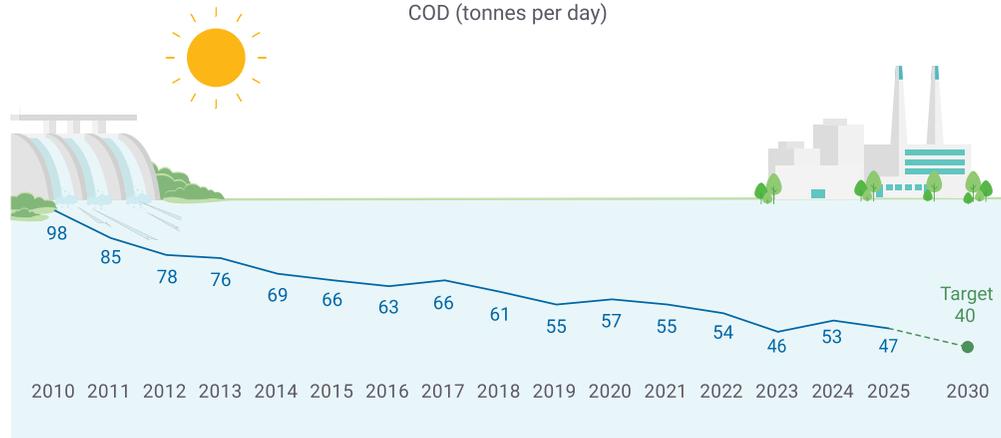
The emissions of COD to the River Glomma decreased from 53 to 47 tonnes/day, representing a 13% reduction. The main reasons for this decrease were improved performance of the wastewater treatment plant and the effect of improvement projects within our emission reduction portfolio.

Different products can have varying emission loads, so market fluctuations between years can lead to variations in emissions. For 2025, this resulted in lower emissions. The emissions of adsorbable halogens (AOX) were reduced for the same reason, by 28% compared to 2024.

The emissions of nitrogen and phosphorous increased by 1% and 34%, respectively. The main reason for these changes was the performance of the wastewater treatment plant.

EFFLUENTS OF ORGANIC MATERIAL

COD (tonnes per day)



The illustration shows the reduced COD effluents (tonnes per day) from the biorefinery in Norway, which has a positive impact on SDG 12 (12.4)



Accounting policy

The reporting of pollutants are done in accordance with [Regulation \(EC\) NO 166/2006 of the European parliament and of the council](#) from page 12.

Emissions to water

Emission components are regulated by permits issued by local or national authorities and are measured in accordance with the standards specified in these permits, which predominantly follow international measurement standards. Sampling and parts of the analysis are performed by independent third parties, and the measurement process is to some extent subject to external validation, including third-party reviews and interlaboratory comparisons.

Chemical Oxygen Demand (COD), an indirect measure of the organic content in the effluent, is the main parameter in the water emission monitoring programme. The concentration of the effluent parameter is recorded in the emission accounting, where the volume of discharged water multiplied by the concentration determines the water discharge quality.

Borregaard’s site in Norway accounts for 95% of the total water discharges. Several effluent parameters are measured daily or weekly from process wastewater, including COD, Biochemical Oxygen Demand (BOD), Adsorbable Organic Halides (AOX), suspended solids (fibres), nitrogen, phosphorus, and metals. Total Organic Carbon (TOC) is calculated from the COD data using a factor of 0.33.

However, the long-term trend from the base year shows a gradual decline in nutrient emissions.

The emissions of metals remained at the same level as last year. Negative trends in suspended solids (fibre) emissions have been reversed due to technical improvements, and the emissions in 2025 are at the same level as in 2024. Borregaard's biorefinery in Norway uses copper as a catalyst in one of its production process steps. Copper emissions have been reduced by 23% from 2018 as a result of investments in sustainable process measures.

Short-term limits for specific sub-streams in the emission permit were exceeded for some substances in 2025, all of which have been reported to the Norwegian Environment Agency. Measures have been taken to reduce these emissions. The number of incidents of non-compliance with longterm discharge limits was 0.

The concentration of mercury in ground water wells and in the sewage system is continuously monitored in close cooperation with the authorities to ensure stable and acceptable mercury levels. The mercury level increased with 170 grams in 2025, to 1.1 kg/year, which is well below the permitted level of 3 kg/year.

Sustainable water management has gained increased priority over the last few years. Our targeted efforts have led to a significant reduction in water use at several of our plants. In 2025, Borregaard further improved the process for

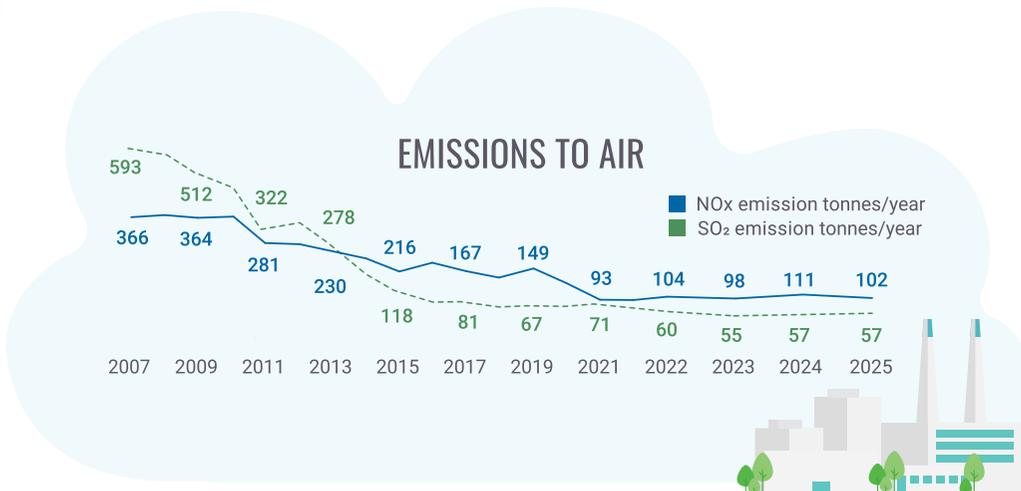
collecting water data and identified potential projects to reduce water withdrawal.

Changes over time (pollution of air)

NO_x emissions decreased in 2025 compared to 2024. The reduction in NO_x emissions is primarily the result of phasing out LNG in the spray-drying process and replacing it with steam produced from renewable electricity. This change eliminates a direct combustion source of NO_x and therefore lowers emissions from the drying operation. In addition, the decreased use of LNG as a peak-load fuel has further reduced combustion-related NO_x emissions.

Together, these measures demonstrate that the actions implemented through our climate transition plan not only reduce GHG emissions but also deliver positive effects on local air pollutants such as NO_x. SO₂ emissions remained at the same level as last year. Emissions of dust particles increased by 19%, the reason for the increase is not fully understood, a slightly increase in powder production might be one of the reasons.

Short-term limits for specific sub-streams in the emission permit were exceeded for some substances in 2025, all of which have been reported to the Norwegian Environment Agency. The number of incidents of non-compliance with long-term discharge limits was 0.



The illustration above shows the reduced emissions from NO_x and SO₂, which has a positive impact on SDG 12 (12.4)



Accounting policy cont.

Emissions to air

The emissions of NO_x are either calculated from fuel consumption (e.g., natural gas volume from invoices multiplied by a standard factor) or measured.

Measurements are conducted either continuously or according to the frequency specified in a manual sampling programme, which also includes measurements of SO₂ and dust emissions. The concentration multiplied by the volume of air gives the load in kilograms. For the smallest sources, some estimates may be used.

The emissions of dust is calculated from measurement of concentration from manual sampling program of online-measurements and multiplied with the amount of air to obtain a result in kg.

Substances of concern

Total amount of SO₂ is calculated from purchased amount of sulphur.

ESRS DP_ID	Metrics related to emission to air	Unit	Base year 2018	2024	2025	Δ (%) (2025-2024)
E2-4_02	Emission of SO ₂	t	69	57	57	0
E2-4_02	Emission of NO _x	t	197	111	102	-9
E2-4_02	Emissions of dust particles	t	70	55	66	19

ESRS DP_ID	Metrics related to emission to water by pollutant	Unit	Base year 2018	2024	2025	Δ (%) (2025-2024)
E2-4_03	Nitrogen in process water discharged, Borregaard Norway	t	136	113	114	1
E2-4_03	Phosphor in process water discharged, Borregaard Norway	t	13	8	11	34
E2-4_03	Arsene (As) in process water discharged, Borregaard Norway	kg	12	6	7	12
E2-4_03	Cadmium (Cd) in process water discharged, Borregaard Norway	kg	7	6	8	35
E2-4_03	Chromium (Cr) in process water discharged, Borregaard Norway	kg	258	339	293	-14
E2-4_03	Copper (Cu) in process water discharged, Borregaard Norway	t	3	2	3	9
E2-4_03	Mercury (Hg) in process water discharged, Borregaard Norway	kg	3	1	1	18
E2-4_03	Nickel (Ni) in process water discharged, Borregaard Norway	kg	268	249	258	4
E2-4_03	Lead (Pb) in process water discharged, Borregaard Norway	kg	176	46	55	21
E2-4_03	Zinc (Zn) in process water discharged, Borregaard Norway	t	5	1	2	26
E2-4_03	AOX (halogenic organic material) in process water discharged, Borregaard Norway	t	100	93	67	-28
E2-4_03	Toluene purchased, Borregaard Norway	t	111	148	93	-38
E2-4_03	Total organic carbon (TOC) (as total COD/3) in process water discharged,	t	7,365	6,473	5,658	-13
E2-4_CS1	COD (organic material) in process water discharged, Borregaard Norway	t/day	61	53	47	-13
E2-4_CS2	Suspended solids (fibers) in process water discharged, Borregaard Norway	t/day	4	5	5	-3
E2-5_02	Substances of concern used during production - Total amount of SO ₂	t	35,300	35,244	34,947	-1
E2-4_CS3	Non-compliance with environmental laws and regulations	Number	0	0	0	-1



ESRS DP_ID	Metrics related to process safety	Unit	2023 ⁵	2024	2025	Δ (%) (2025-2024)
E2_CS2	Number of fires	Number	5	3	3	0
E2_CS3	Number of near-fires	Number	17	17	19	12

ESRS DP_ID	Metrics related to water use	Unit	2023 ⁶	2024	2025	Δ (%) (2025-2024)
E3-4_01	Total water consumption	m3	307,589	309,947	305,585	-1
E3-4_11	Total water withdrawal	megaliters	54,177	54,359	54,753	1
E3-4_11	Water withdrawal river Glomma, Borregaard Norway	megaliters	49,904	50,342	50,930	1
E3-4_11	Water withdrawal surface water other countries	megaliters	2,859	2,725	2,620	-4
E3-4_11	Water withdrawal ground water Florida	megaliters	168	154	176	14
E3-4_12	Total water discharge	megaliters	53,870	54,049	54,487	1
E3-4_12	Water discharge of cooling water river Glomma, Borregaard Norway	megaliters	33,059	32,636	33,002	1
E3-4_12	Water discharge of process water river Glomma, Borregaard Norway	megaliters	16,958	17,863	17,937	0
E2-4_CS3	Number of incidents of non-compliance with discharge limits, long-term	Number	0	0	0	0



Accounting policy cont.

Fires and near-fires

Fire incidents and near-fire events are monitored as indicators of process safety performance, as deficiencies in process safety may increase the risk of unintended emissions to air, water or soil. All fire incidents and near-fire events are recorded in Borregaard's non-conformity reporting system. A near-fire is defined as a fire-related event where the consequences resulted in estimated damages of less than NOK 50,000. Events exceeding this threshold are classified and reported as fire incidents.

Water volumes

Water volumes are measured using continuous volume flow measurement devices (magnetic flow meters) in the production units and are summarised in a water accounting system. The production sites in Czech Republic, Germany, the UK, and the two sites in the USA account for less than 5% of the total water withdrawal, with some data being estimated.

⁵ In the 2024 Annual Report, the heading for the 2022 data was incorrectly labelled as "base year 2020" in this table. This was a typographical error in the heading only; the underlying data were based on the correct year.

⁶ In the 2024 Annual Report, the heading for the 2022 data was incorrectly labelled as "base year 2020" in this table. This was a typographical error in the heading only; the underlying data were based on the correct year.

E2-5

Substances of concern and substances of very high concern metrics

Through our focus on developing and supplying non-toxic, bio-based products, Borregaard is well positioned to enable pollution prevention and reduction across downstream value chains. This positioning supports customers' in substituting substances of concern and aligning with evolving chemical regulation, representing a material business opportunity under ESRS E2-5. It aligns with both regulatory trends and increasing market demand for safer and more sustainable chemical solutions.

Borregaard's main products are lignin-based biopolymers and speciality cellulose, which together account for about 80% of our revenues. Neither product is subject to registration under the REACH regulation, indicating that their use is associated with low risk. Borregaard does not produce products that can be defined as substances of concern. Changes in the EU's new [Chemicals Strategy for Sustainability \(CSS\)](#) are likely to create opportunities for Borregaard's biochemicals, particularly compared with conventional chemicals.

Borregaard has a hazardous substances management programme, where substances subject to registration under the REACH regulation

undergo a thorough hazard and risk assessment in accordance with regulatory requirements. An electronic chemical health, environment, and safety system is used to identify and monitor substances of concern: the REACH Candidate List and the REACH Authorisation List. Borregaard does not produce substances included in these lists. The classification of all products placed on the market according to the CLP regulation is evaluated based on intrinsic properties of the ingredients and/or toxicological data for the product.

Product safety is an integral part of our EHS approach, ensuring that the products do not pose unacceptable risks to health, safety, or the environment throughout their lifecycle. The product safety programme regularly revises and updates Safety Data Sheets. Borregaard has procedures to ensure that all new chemicals subject to labelling requirements are assessed for possible substitution by a dedicated committee. The existing portfolio of chemicals is also subject to a periodic substitution review. During planning and development of new processes and products, substances are carefully evaluated in terms of inherent safety for people and the environment.

We have assessed the total amount of substances of concern that are generated, used during production, or procured. Borregaard uses SO₂ in our production process. Our actions are described in [E2-2](#), and the total amount is reported in the table above, [Emission to water by pollutant](#).

E2-6

Anticipated financial effects from pollution-related impacts, risks and opportunities

The investment plan to achieve our long-term target for 2030 effluents below 40 tonnes of COD/day, represents a 60% reduction in effluents to water (COD), compared with the 2018 baseline. The plan comprises a combination of operational and technical measures, including recipe and process optimisation and technical installations such as washing and evaporation technology, spill collection systems, and improved waste water treatment.

The associated CapEx forms part of the ongoing debottlenecking of the Sarpsborg biorefinery as well as investments linked to the company's transition plan. Both investment streams integrate measures aimed at reducing COD emissions to water. Planned replacement investments aimed at targeted CO₂ and COD reductions, combined with general cost increases, are expected to result in annual investment levels exceeding the target for replacement investments at the depreciation level.

We will continue our efforts to report in accordance with all disclosure requirements regarding E2-6, and in the coming years we will phase in the financial metrics for this material topic.

In Notes [13](#) and [35](#), the accrual related to remediation of contaminated soil at the site in Norway is described. In 2025, there was no major incidents or deposits that had an impact on OpEx or CapEx

E4 Biodiversity and ecosystems

The nature-related IROs described in the ESRS E4 section are shown in the table to the right. Direct impact drivers of biodiversity loss has been assessed as material. The IROs are described in more details in the [E4 IRO chapter](#). To illustrate the IRO scoring, we use a blue gradient. The blue gradient becomes darker as the score increases, and white indicates that an IRO is not material.

IROs - Biodiversity and ecosystems

MATERIAL SUSTAINABILITY MATTERS	MATERIAL IMPACTS ON ENVIRONMENT/PEOPLE AND FINANCIAL RISKS AND OPPORTUNITIES DESCRIPTION	TIME HORIZON		
		0-1yr	1-5yr	>5yr
Direct impact drivers of biodiversity loss	Negative impact. Some harvesting practices of wood can impact ecosystems which affects local biodiversity or soil degradation.			
	Risk. Limited availability of forest raw materials due to deforestation, primarily driven by land conversion and certain selective harvesting practices, may lead to increased costs. Additional pressure comes from compliance with EU Deforestation Regulation (EUDR) and other forestry-related regulations which could further restrict access to forest resources.			

E4-1 Strategy

Transition plan and consideration of biodiversity and ecosystems

Borregaard's dependencies, impacts, risks, and opportunities related to nature are embedded in our business model and strategy, driving the need to adapt our sourcing strategies and make investments to minimise our impact on the River Glomma. Our dependency on wood and nature's regulating services influences our strategy and adaptation practices for the coming years.

Borregaard assesses nature-related risks and opportunities in alignment with the ESRs time horizons, where the short-term refers to the reporting period in Borregaard's financial statements; the medium-term spans from the end of the short-term reporting period up to 5 years; and the long-term time horizon is defined as more than 5 years. Risks classified as long-term and medium-term, may also have impacts and risks in the shorter term.

The scope of the resilience analysis is a comprehensive location-based assessment of our risks in both our upstream value chain and direct operations, encompassing all locations involved in our production chain. Our risk assessment is informed by a [nature scenario analysis](#). There are currently no universally accepted, standardised definitions for nature-related scenarios. To address this gap, Borregaard employs climate change as a

central driver of biodiversity loss, examining how these changes might impact the natural resources and dependencies critical to its operations. Read more in our [Climate and Nature Risk Report](#).

Physical risks

In terms of physical risks, Borregaard has considered the possible long-term implications of ecosystem degradation on wood availability and forest health. In a low-emission scenario (SSP1-2.6), sustainable forest management practices are expected to maintain forest health, ensuring a reliable supply of wood and supporting broader ecosystem stability. However, under high-emission scenarios (SSP5-8.5), rising temperatures and drier growing seasons could accelerate forest degradation, increasing the vulnerability of trees to pests such as the spruce bark beetle. These changes could reduce wood quality and availability, potentially requiring Borregaard to explore alternative sourcing strategies and adjust its supply chain to mitigate disruptions. Additionally, climate-induced soil degradation and extreme weather events may further threaten local biodiversity and forest ecosystems, impacting wood regeneration and ecosystem functionality.

Transition risks

Transition risks arising from strengthening forest and biodiversity regulations, such as the Land Use, Land Use Change and Forestry (LULUCF)

framework and the EU Deforestation Regulation (EUDR), present both challenges and opportunities for Borregaard. We closely monitor developments in these policy areas and assess potential implications and implement necessary measures. Our commitment to sourcing 100% of wood through FSC® or PEFC certification aligns well with these regulatory shifts, strengthening our resilience by ensuring robust and sustainable procurement practices.

Systemic risks, such as salt mining in biodiversity-sensitive areas, add another layer of complexity to Borregaard's nature-related resilience. These activities threaten ecosystem services such as water purification and flood regulation, which could lead to supply chain instability, higher costs, and reputational damage. Our proactive approach to sustainable sourcing and its emphasis on aligning operations with global biodiversity framework and risk management process underpin its ability to navigate such risks effectively.

The Scandinavian wood sourcing model is designed to be resilient to biodiversity- and ecosystems-related physical, transition and systemic risks and opportunities through sustainable and responsible forestry practices. Borregaard emphasises sustainable forest management through FSC® and PEFC certification, to achieve our target of 100% certified wood sourcing. Diversifying wood supply further enhances resilience against market shifts and forest regulation changes. Nature-related risks

include ecosystem degradation from overharvesting, pests, and climate change, impacting biodiversity and wood quality.

Monitoring by NIVA indicates that Borregaard's COD emissions impact the ecosystems of the River Glomma. In response, we make annual investments in emissions-reducing technologies to improve water quality and ensure compliance with the EU Water Framework Directive, thereby reducing the risk of environmental harm. Our product diversity and investments in low-carbon technologies, such as next-generation biopolymers, support sustainability and market adaptability. We address regulatory compliance with initiatives like EUDR, ensuring resilience to transition risks.

Stakeholder concerns about forest use drive Borregaard's commitment to sourcing sustainably managed wood. See [SBM-2](#) for our stakeholder engagement related to nature and forests. About 80% of our wood raw material comes from Norway, where 100% of the wood suppliers are both PEFC and FSC® certified. Borregaard contributed to the 2023 PEFC biodiversity-focused revision.

E4.SBM-3

Material IROs and their interaction with strategy and business model

In line with the double materiality principle, we assess both the impacts of our operations on nature and the financial risks and opportunities that nature-related developments pose to Borregaard.

Nature-related impacts

Borregaard impact from the use of forests upstream in the value chain is material, see [IROs](#). PEFCs international sustainable forest management benchmark sets criteria and indicators vital for the sustainable management of forests. A traceability system tracks all purchased wood back to the harvesting areas. Our purchasing control system is linked to the traceability system (Norwegian Wood Trade System), and our FSC® CoC and PEFC CoC system ensure that our purchased wood is in accordance with PEFC and FSC® certification standards regarding forest management. To avoid conversion and deforestation, both PEFC controlled sources and FSC® Controlled Wood ensure that we are not purchasing wood from controversial sources. The Senior Vice President Strategic Sourcing is responsible for ensuring sustainable sourcing of natural, renewable raw materials and that Borregaard reaches its target of sourcing only certified wood.

The supply of salt for Borregaard's production depends on permits for salt mining in the Wadden Sea, granted under the condition that extraction does not cause land subsidence. Salt extraction in this area may affect sediment dynamics and harm ecosystems, marine life, and fishing culture. The Dutch authorities operate a "hand on tap" principle, with annual monitoring and modelling of subsidence rates. Borregaard is assessing this risk and potential mitigation measures, including alternative sourcing and increased investments in salt purification. See our [Climate and Nature Risk Report](#).

The impact of emissions to water contributes to stress on ecosystems and wildlife in the River Glomma. Water usage is linked to changes in flow, ecosystem health, and downstream water availability, influencing the balance of the receiving environment.

Nature-related risks and opportunities

Risks and opportunities across Borregaard's operations and value chain were categorised as short-, medium-, and long-term, considering transition and physical drivers. Key drivers include stricter regulations on forest management, and resource availability. These challenges also create opportunities through increased demand for sustainable products.

Sourcing challenges for critical raw materials such as salt and certified wood, driven by stricter forestry

regulations, biodiversity-sensitive mining, and resource scarcity, may raise costs and disrupt operations. Proactive resource management and sustainable practices are essential to mitigate these pressures. Short-term costs may rise from efforts to improve water quality and reduce emissions. Medium-term risks include higher sourcing costs, investment in alternative suppliers, and increased expenses for cleaner production technologies, while long-term biodiversity loss could destabilise raw material availability, increase liability risks, and strain financial and operational resilience.

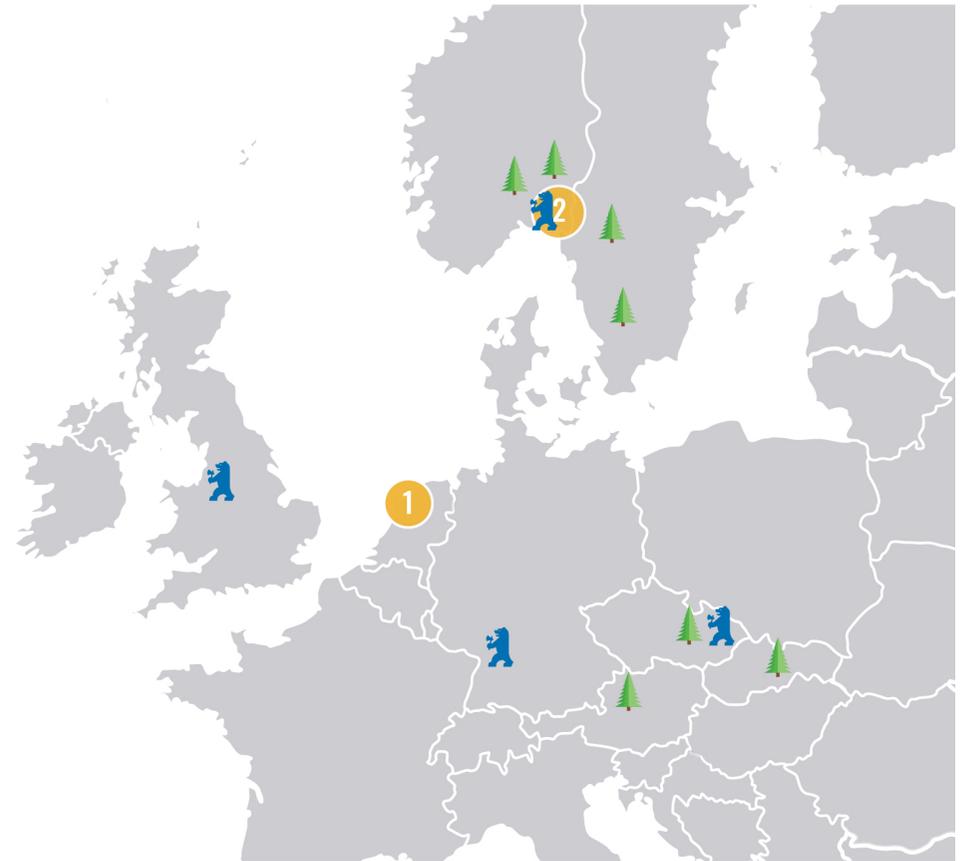
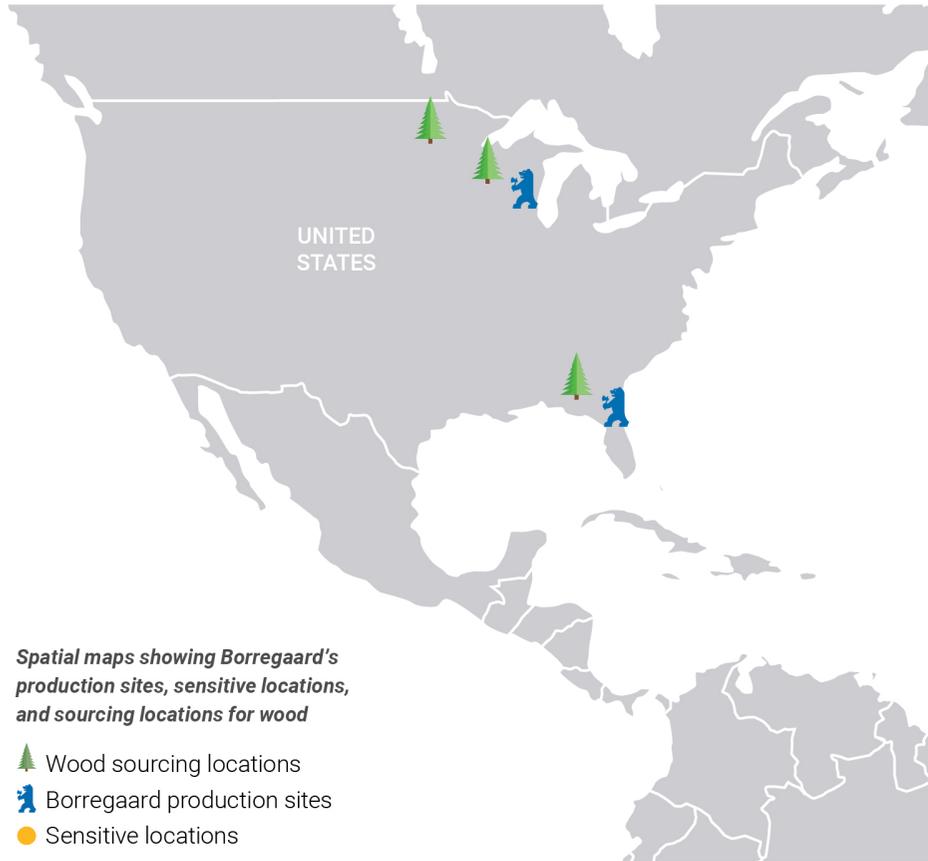
Borregaard faces key nature-related risks, including declining biodiversity that destabilises ecosystems, reducing forest health, and the availability of raw materials. This may increase costs and cause delays in the value chain. Sourcing wood impacts land use, potentially causing biodiversity loss, soil degradation, and deforestation. Salt mining in sensitive areas poses a risk of subsidence and ecosystem collapse, disrupting supply chains and driving costs higher.

Ensuring wood traceability and sourcing alternatives increases costs and reputational risks, challenging Borregaard's resilience and long-term sustainability.

The nature-related opportunities are aligned with Borregaard's long-term sustainability goals, including its commitment to the Global Biodiversity Framework (GBF), specifically supporting targets

related to sustainable production and promoting the circular economy.

Borregaard's nature-related opportunities are centred on maximising the potential of wood to serve markets with unique products, increasing resource efficiency through ongoing R&D, and ecological advancements to drive market growth. Rising consumer and investor focus on sustainability, combined with policy measures, boosts demand for Borregaard's solutions, which reduce downstream nature impacts and strengthen circular value chains.



LOCATION	ACTIVITY	DESCRIPTION OF MATERIALITY	IMPACT/DEPENDENCY PATHWAYS	TIME HORIZON
 Sarpsborg (Norway), Florida (US), Wisconsin (US), Karlsruhe (Germany), Paskov (Czech Republic), Warrington (UK)	Production sites	Material for direct operations due to impacts (non-GHG emissions, pollution, and resource use).	Production sites impact local environments through pollutants and other disturbances. The state of nature at each production site has remained unchanged.	Short to long term
 Harlingen, Netherlands	Sourcing Salt	High materiality, sensitive area with protected ecosystems and biodiversity.	Borregaard's salt sourcing from Harlingen in the Wadden Sea is influenced by impact drivers such as resource extraction, as well as external factors such as climate change, leading to habitat alteration and biodiversity loss. These changes, in turn, affect the availability of vital ecosystem services, such as water filtration and habitat provision, in the region.	Short to long term
 River Glomma, Sarpsborg, Norway	Production site and sourcing	Material for direct operations due to effluent impacts; sensitive location due to the wild Atlantic Salmon population.	Borregaard's production site by the River Glomma in Sarpsborg contributes to pollution, impacting water quality. Combined with external factors such as climate variability, this harms the wild Atlantic Salmon population and disrupts ecosystem services, including biodiversity support and natural water purification (NIVA, 2025).	Short to long term
 Sourcing locations	Sourcing of wood	Using the filters in Naturvårdsverket and IBAT, several locations have been identified with protected and/or sensitive species in the areas where wood is sourced and are therefore considered sensitive locations. The following locations are identified as having high or very high risk of impact on ecosystem intactness: Poltar (SK), Innlandet, Akershus, and Buskerud (NO), Dalsland (SE).	Borregaard has a dependency on wood raw materials for its production. To mitigate impacts on sensitive areas, Borregaard ensures that 100% of sourced wood complies with FSC® Controlled Wood requirements, and at least 98% of all sourced wood is certified in accordance with PEFC. Adhering to the strict criteria of these certification schemes contributes to protection of biodiversity-sensitive areas.	Short to long term

E4.IRO-1

Processes to identify and assess material biodiversity and ecosystem-related IROs

Borregaard's impacts on the environment and people, as well as its financial risks and opportunities (IROs), have been assessed using a double materiality approach in line with ESRS requirements. The process is described in the IRO-1 section on page 43. The materiality assessment is aligned with the [TNFD LEAP Approach](#). By first locating our own operational sites (production facilities and biorefineries), as well as the sourcing locations for key raw materials needed for production (including calcium carbonate (limestone), sodium chloride (salt), sulphur, and wood raw materials), activities at each site were mapped to assess dependencies, impacts, risks and opportunities.

Dependencies on nature were mapped based on activities on each site, identifying the key natural resources needed for production, as well as water-regulating services provided by the biorefinery in Sarpsborg. Impacts were also assessed based on activities, and proximity of sites to biodiversity-sensitive areas.

This was done using various tools including WWF Biodiversity and Water Risk Filter, IBAT, resources from [Nibio](#), and [Naturvårdsverket](#). These offered valuable insights into potential environmental and

biodiversity threats. Keeping our type of activities in mind, the impacts and dependencies were evaluated based on site-specific information.

The impacts were identified as drivers of biodiversity loss concerning land-use change, direct exploitation and pollution (see chapter E2). One site was identified as a key biodiversity area, and another site impacted a local ecosystem. Both sites are closely monitored by external third parties to minimise potential impacts.

A scenario analysis was conducted to help identify and inform management on nature-related risks and opportunities over the short, medium, and long term. Unlike climate scenarios, there are currently no universally accepted, standardised definitions for nature-related scenarios. To address this gap, Borregaard employs climate change as a central driver of biodiversity loss, examining how these changes might impact the natural resources and dependencies critical to its operations. By positioning climate change as a key factor in these scenarios, we aim to understand its indirect effects on nature and how these changes might amplify the company's exposure to nature-related risks.

In addition, the analysis follows [TNFD's Scenario Analysis guidance](#) throughout the process and has evaluated the scenarios presented by TNFD, as explained under each scenario in this chapter. The scenarios are informed by the latest climate and nature science from the [UNCCD](#) report, and the [Intergovernmental Science-policy Platform on](#)

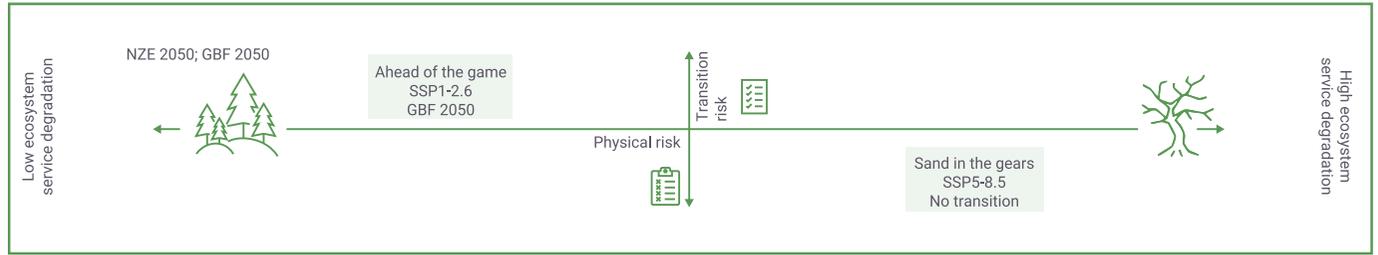
[Biodiversity and Ecosystem Services](#) (IPBES). For the full scenario analysis, see the [Climate and Nature Risk Report](#).

Both physical and transition risks were identified using risk maps, stakeholder dialogue, desk research, environmental risk assessments of our operations (ISO 14001), and regulatory compliance reviews.

Scenario analysis - Nature

Building on the climate-scenarios, Borregaard has evaluated its nature-related risks and opportunities that arise from identified impacts and dependencies in our direct operations and value chain. The scenarios build on public-domain scenarios from the TNFD Framework, UNCCD report, and NGFS scenarios for nature, over the short, medium, and long term.

Alignment of market and non market forces



Misalignment of market and non market forces



Ahead of the game (SSP1-2.6)

Ambitious carbon reduction efforts, ecosystem restoration, and protection drive positive environmental changes. In the short term, Borregaard’s wood supply remains stable as climate change slows and resource efficiency improves. In the medium term, increased carbon emission reductions and conservation efforts boost the availability of sustainably sourced materials. In the long-term, sustainable forest management ensures healthy forests and tree regeneration, securing the supply of wood. While mild warming initially promotes growth in cooler regions, sustained high temperatures may cause heat stress, drought, and weakened trees. However, in this scenario, moderate warming has minimal impact on pest populations, ensuring Borregaard’s supply chain in Norway and Sweden remains relatively stable, with only localised tree stress potentially affecting wood quality.



Sand in the gears (SSP5-8.5)

Environmental assets deteriorate rapidly due to a global focus on short-term economic growth and weak nature protection policies. In the short term, there are no significant limitations to forest availability for Borregaard, with business-as-usual production continuing. In the medium term, climate and nature action misalignments may affect the sustainability of forest management, but climate change does not significantly impact wood sourcing. In the long-term, climate change worsens local biodiversity, extreme weather, and soil degradation due to overharvesting, causing stress to trees and reducing forest productivity. Warmer temperatures and drier conditions lead to increased tree stress and reduced growth, impacting the availability of wood. While some species, like spruce, may initially benefit from a longer growing season, the negative effects of climate change, such as increased pests and diseases, become more severe in the long term, threatening wood supply and quality. Borregaard may face shortages, requiring alternative material sourcing and significant operational adjustments.



Alignment with Global Biodiversity Goals 2050

In the transition risk scenario aligned with the Global Biodiversity Framework (GBF), Borregaard is well-prepared for reporting and compliance under regulations such as the EU Deforestation Regulation (EUDR) with strong traceability and no significant risks related to forest availability. However, stricter regulations and biodiversity goals may require investment in emission reductions to water, particularly for the Glomma River. While discharge regulations may increase costs, Borregaard remains below permitted levels. Over time, stricter enforcement and environmental degradation could elevate risks, especially regarding salt sourcing from the Wadden Sea. Failure to address these issues could impact Borregaard’s reputation, operational stability, and long-term sustainability.

E4-2 AND E4.MDR-P

Policies related to biodiversity and ecosystems

Borregaard's ambitions to mitigate and reduce impacts on biodiversity and ecosystem services cover the entire value chain, from sourcing sustainably managed and certified raw materials, to limiting our impacts on water and ecosystems in our production, and replacing high-impact products with new technologies and products to reduce downstream impacts.

Restoration efforts focus on improving degraded ecosystems through participation in multistakeholder initiatives such as watershed management, enhancing biodiversity and ecosystem functionality in line with Target 2 of the Global Biodiversity Framework (GBF). Through these efforts, we demonstrate a comprehensive approach to integrating the [mitigation hierarchy](#) into its business practices.

Borregaard is actively working on measures that can contribute to an environmentally sound resource management. Our business model and strategy are aligned with the transition to a nature-positive economy and the aim of limiting global biodiversity degradation to achieve the goals set out in the GBF. Our overall efforts to achieve our targets within biodiversity and ecosystems are guided by our [Policy on Environment, Climate, Health and Safety Engagement](#). The aim of the

policy is to enhance commitment, raise awareness, and drive continuous improvement in these areas, while defining our specific procedures and practices.

In addition we have adopted a specific [policy for responsible sourcing](#) and a specific [policy for sourcing of wood and wood-based raw materials](#) that addresses our commitments to sustainable forests and sourcing. Our policies outline the relationship between material biodiversity and ecosystem impacts and our business operations. Additionally, the policy addresses production and sourcing practices from ecosystems that are managed to sustain biodiversity conditions.

The policies apply to the entire Borregaard Group and state our expectations for suppliers and key partners. The policies are approved by the Board of Directors.

The target of sourcing 100% PEFC- or FSC®-certified wood has been informed by stakeholder engagement related to sustainable forest management and biodiversity. Stakeholders, including forest owners, environmental organisations and industry representatives, have been involved through certification schemes and standard-setting processes, particularly the revision of the national PEFC standard. Borregaard has contributed to this work through its industry association and through participation in seminars and workshops with forest owners and environmental organisations. Input from these

processes has supported the ambition to ensure that all wood purchased by Borregaard originates from sustainably managed and certified forests.

E4-3 AND E4.MDR-A

Actions and resources related to biodiversity and ecosystems

Sustainable Forestry

Wood is sourced from forests that are managed according to sustainable forestry principles. This includes maintaining biodiversity, protecting wildlife habitats, and ensuring the long-term health of forest ecosystems. Borregaard continues to engage with organisations and forest owners to ensure that sustainable forestry principles are followed.

Suppliers must have valid Chain of Custody (CoC) certifications under FSC® (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification). This ensures that the wood comes from responsibly managed forests. 100% of Borregaard's sourced wood is FSC® Controlled Wood, and in total, 98% is certified in accordance with PEFC or FSC®. Our target is to achieve 100% certified wood.

The main portion of our sourced wood comprises small-dimension logs from the harvesting of sawlogs, and wood chips from sawmills.

Our wood sourcing is composed of 40% wood chips and 60% small-dimension logs. This approach enhances the resilience of our wood sourcing by minimising its environmental impact, while supporting local economies and preserving forest ecosystems.

We have mutual financial agreements with our suppliers of wood to preserve the forest ecosystem for instance by participating in the mapping of Capercaillie lek sites and the development of soil moisture maps to reduce track damage during harvesting.

The financial agreement is designed to support sustainability measures aimed at securing natural resources, maintaining biodiversity, and other sustainability initiatives. As part of these agreements, forest owners are required to provide insight into their sustainability efforts, focusing on elements that are relevant to share.

Wood is one of the few renewable raw materials that can be produced in large quantities. However, it is not an unlimited resource. Borregaard is impacted by supply, demand, and price of wood. Forestry and harvesting have an impact on nature and its ecosystem functions, which are crucial from a climate perspective.

In addition, the biodiversity of forests provides habitat for a variety of important species, as well as recreational areas for humans. As a result, ongoing discussions among various stakeholders are focused on finding the right balance between

sourcing sustainable and renewable raw materials, while at the same time safeguarding the forests' role in supporting biodiversity, climate, and outdoor activities.

It is crucial that forest resources are used optimally, with forest management conducted in a responsible and sustainable manner. Resource efficiency is a key focus for us. We positively impact this by maximising raw material utilisation and setting strict requirements for how the raw material is grown, harvested, and transported to our site.

Through our SCoC and Responsible Sourcing Policy, we ensure that our suppliers comply with the applicable certification schemes, laws, and regulations in the countries where the wood is sourced.

Borregaard's production units outside Norway receive lignin raw material from adjacent pulp mills, which source 100% PEFC and/or FSC® certified or controlled wood according to the suppliers' own disclosures.

Borregaard's use of certified wood implies that we do not purchase:

- Illegally harvested wood
- Wood harvested in violation of traditional and human rights
- Wood from forests in which high conservation values are threatened by management activities

- Wood from forests being converted to plantations or non-forest use
- Wood from forests in which genetically modified trees are planted

In order to expand our sourcing area, we participate in the development of wood supply logistics in the Nordic market and the Baltic Sea region. There are few transportation restrictions to the biorefinery in Norway, and wood can be transported by road, rail, or sea. When possible, we prioritise rail or sea transport over road.

Going forward, Borregaard will continue securing the supply of forest raw material in a sustainable way, through long-term relationships with our major suppliers. We will continue to communicate our expectations and requirements regarding sustainability and engage with external stakeholders to assess nature-related risks and their impact on business. Particularly we will follow up on the Regulation on deforestation-free products (EUDR) which entered into force in June 2023. The purpose of the EUDR is to guarantee that the products consumed by EU citizens do not contribute to deforestation or forest degradation globally. The EUDR repeals the EU Timber Regulation. Large operators and traders have time until 30 December 2026 before the regulation will be applicable.

We have set 2030 as the target for our suppliers to implement necessary measures to ensure the supply of 100% certified wood. Meanwhile, we are still in the process of establishing a KPI for the sourcing of lignin raw materials.

Environmental transparency and accountability are vital to tracking progress towards a thriving, sustainable future, also when it comes to forest raw materials. Borregaard has supported and contributed to the revision of the Norwegian PEFC Standard (effective from 1 March 2023) and the establishment of the FSC® Forest Stewardship Standard for Norway through the Norwegian Pulp and Paper Association (TFB). These standards include national and regional characteristics, such as natural conditions, forest ownership structures, and legislation in Norwegian Forests.

Wild Atlantic Salmon Stock

A systemic risk was identified and assessed at one location in the value chain related to the wild Atlantic salmon. Due to the historically low natural reproduction of Atlantic salmon in the River Glomma, Borregaard contributed to the financing of a salmon cultivation facility established in 2012. The company has since provided ongoing financial support, covering a significant share of the facility's operating costs, amounting to approximately NOK 0.6 million annually. This continued contribution demonstrates sustained implementation of the action and supports the maintenance of the Atlantic salmon stock.

The financial support for the salmon cultivation facility is provided on a long-term basis and does not have a defined end date, as continued support is considered necessary to maintain the intended biodiversity outcomes.

The action forms part of Borregaard's biodiversity action plans under E4-3 and is closely linked to measures to reduce emissions to water described under [E2-2](#). Assessments conducted by NIVA in accordance with the EU Water Framework Directive indicate good chemical status in the River Glomma and show that reductions in emissions of several substances have had a positive effect on ecological downstream conditions. Surveys conducted by NIVA also indicate that natural reproduction in the river has increased, making a significant contribution to the population of young fish. The combined efforts to reduce emissions to water and support salmon cultivation contribute to improved ecological conditions in the river.

In general, there is a decline in the Atlantic salmon stock due to the impacts of human activities, combined with a large-scale decline in sea survival. Continued financing of salmon cultivation therefore represents an important contribution to maintaining the Atlantic salmon stock and has a positive impact on SDG 14, Life Below Water.

E4-4 AND E4.MDR-T

Targets related to biodiversity and ecosystems

Measurable targets related to biodiversity and ecosystems	Retrospective			Future targets		Comments
	Base year 2024	Result 2025	Target 2025	2026	2030	
PEFC and/or FSC certified wood at Borregaard's biorefinery, %	95	98	100	100	100	

As part of our response to the identified impacts, risks, and opportunities related to forest raw materials, we have set a dedicated target to secure sustainable sourcing throughout our value chain. The availability of certified wood is a key resilience factor in our business model, and the target supports our ability to manage biodiversity-related risks while realising opportunities associated with responsible forest management. The target of sourcing 100% certified wood has been informed by stakeholder engagement through certification schemes and participation in industry-led standard-setting processes involving forest owners and environmental organisations.

The target is based on recognised certification schemes that reflect established best practice and stakeholder expectations for sustainable forest management.

Our efforts towards achieving our target to source 100% certified wood for the biorefinery in Norway have resulted in 98% certified wood, with the remaining 2% verified as controlled in compliance with PEFC and/or FSC® standards. The remaining 2% could have been achieved through alternative sourcing.

However, Borregaard chose to leverage our buyer influence to support and improve the original sources rather than excluding them. A KPI for the percentage of certified wood (PEFC and FSC®) has been established, with a target to increase the proportion of certified wood from 98% to 100%.

We remain committed to our target of sourcing 100% certified wood, despite the potential risks posed by regulations and stricter requirements.

The target of 100% certified wood support SDG 14, Life on Land, and is informed by the Global Biodiversity Framework.

E4.MDR-M

Metrics in relation to forest raw material

We have selected a company-specific indicator as a topic-specific disclosure for forest raw material. The metrics are related to the purchasing and certification of wood, see page [110](#). Additional metrics concerning the impact and risk of pollution on the ecosystem are detailed in [E2-4](#).

10% to 1.05–1.10 million m³ due to debottlenecking of our biorefinery in Norway. Future price level will be based on availability in Borregaard's sourcing area. Availability can be reduced due to stricter certification schemes for PEFC/FSC® and changes in forest regulations due to European Green Deal.

E4-6

Anticipated financial effects from biodiversity and ecosystem related risks and opportunities

We will continue our efforts to report in accordance with all disclosure requirements regarding E4-6, and in the coming years will phase in the financial metrics for this material topic, as we expand our nature-scenario analysis, risk assessment, and resilience analysis. However, we have conducted a thorough qualitative evaluation of the future impact, considering the relevant uncertainties related to future exposure related to climate change, see [E1-9](#).

The total wood cost of wood consumed in 2025 is presented in Note [21](#).

For the future exposure to wood costs we expect that sourced volume of wood will increase by 5–

Accounting policy



Our accounting policy related to biodiversity acknowledges the impact of business activities on biodiversity and incorporates measures to mitigate these impacts within our financial reporting framework. In Note [28](#) to the Consolidated Financial Statements we have disclosed information about current price levels and costs associated with climate- and nature-related risks and opportunities.

E5 Resource use and circular economy

E5.IRO-1

Processes to identify and assess material resource use and circular economy-related impact, risks and opportunities

Borregaard's impacts on the environment and people, as well as its financial risks and opportunities (IROs), have been assessed using a double materiality approach in line with ESRS requirements. The process is described in the IRO-1 section on page [43](#).

The IROs described in this section are summarised in the table to the right, resource inflows, including resource use and waste, are material topics. To illustrate the IRO scoring, we use a blue gradient. The blue gradient becomes darker as the score increases, and white indicates that an IRO is not material.

This assessment reinforces our strategic ambition to increase the value created through our biorefinery, while also exploring new products grounded in circular economy principles and more efficient use of resources, including reductions in waste, water consumption, and energy use.

IROs - Resource use and Circular economy

MATERIAL SUSTAINABILITY MATTERS	MATERIAL IMPACTS ON ENVIRONMENT/PEOPLE AND FINANCIAL RISKS AND OPPORTUNITIES DESCRIPTION	TIME HORIZON		
		0-1YR	1-5YR	>5YR
Resources inflows, including resource use	Positive impact. Full utilisation of wood raw materials enhances resource efficiency and supports circular economy principles.			
	Opportunity. Resource efficiency: Efficient use of wood resources contributes to cost savings and economic value creation.			
Waste	Negative impact. Environmental impact from waste storage, landfilling.			
	Positive impact. Incineration of municipal waste has positive impact on society by supporting efficient and safe waste management.			
	Risk. Long-term operational and regulatory compliance costs related to waste management, including a potential ban on landfilling of gypsum, reduced hazardous waste capacity in Norway (+/- 2030), and implementation of EU Packaging and Packaging Waste regulation from 2030.			
	Opportunity. Recovering process waste for internal reuse or energy generation reduces costs and environmental impact.			

The results show that the high utilisation of wood-based raw materials within our biorefinery model generates significant positive impacts and opportunities for improved resource efficiency. This effect extends beyond our own operations, as we also utilise residual wood chips from sawmills, contributing to more efficient use of resources further upstream in the value chain.

If not properly managed, waste can represent a negative environmental impact. The cost of waste management is increasing, mainly due to stricter regulations and increased taxes. Converting waste fractions into new materials or energy, and integrating waste streams into circular economy value chains, may represent a positive opportunity, by enabling the use of waste as a secondary raw material.

The main sources of data we have assessed to identify actual and potential material resource use, as well as circular economy-related impacts, risks, and opportunities, are:

- Results from Life Cycle Assessments (LCAs) and value chain mapping
- Data from sourcing of materials
- Calculation for the utilisation of wood raw material
- LCAs, conducted in accordance with ISO 14040/14044 and using a cradle-to-gate perspective, have been used to demonstrate the low environmental footprint of the biorefinery concept.

- Waste accounting system, monthly waste report
- [Climate and Nature Risk report](#)

Borregaard's waste management system at its operations in Norway and Germany is certified under ISO 14001. This certified process for identifying and assessing waste-related issues provides valuable insight into how to manage associated impacts and risks.

The assessment is informed by stakeholder input obtained through established internal processes and value chain engagement, including operational expertise, supplier data, waste management partners and regulatory requirements. Life Cycle Assessments and ISO 14001-certified waste management systems help ensure that relevant stakeholder perspectives are considered when identifying material IRO's related to resource use and waste.

E5-1 AND E5.MDR-P

Policies related to resource use and circular economy

Through our biorefinery concept, we aim to achieve high raw material utilisation of wood and to develop and produce value-added products that can replace fossil-based alternatives. Borregaard adheres to the principles of the circular economy: Reduce, Reuse, and Recycle, and identifies and develops methods

to reuse production by-products or convert waste into saleable products or secondary raw materials.

The reduction of waste follows the waste hierarchy. Controlling the risk of emissions from waste and reducing the amount of waste produced are integral parts of Borregaard's policy.

Our efforts to achieve our targets are guided by our [Policy for Environment, Climate, Health and Safety Engagement](#). The aim of the policy is to enhance commitment, awareness and continuous improvement in these areas, while defining our specific procedures and practices.

The policy applies to the entire Borregaard Group and states our expectations for suppliers and key partners, particularly raw material suppliers, who are required to align with the ambitions outlined in the policy. It further outlines our commitment to implementing measures that drive better resource optimisation for our customers, such as reducing energy and water consumption. In relation to authorities, we ensure compliance with environmental regulations. This approach reflects our commitment to addressing the interests of our key stakeholders, including suppliers, customers, and regulatory bodies, by promoting sustainable practices across our value chain. The policy is communicated and integrated into stakeholder engagement processes such as supplier assessments, customer collaboration, and ongoing dialogue with authorities. These processes are also

used to follow up on expectations and implementation.

The policy is approved by the Board of Directors. The SVP of Public Affairs and Sustainability is Chair of the company's Sustainability Board and has the overall responsibility for the policy.

Environmental factors are integrated into sourcing decisions and supplier assessments, including those of waste treatment providers.

The third-party standard we follow is ISO 14001 certification. The UN Sustainable Development Goals serve as a framework for guiding policies, strategies, and actions, and are respected through implementation of the policy.

Sustainable sourcing and the responsible use of renewable resources are addressed through the [Responsible Sourcing Policy](#) and the [Policy for Sourcing of Wood and Wood-Based Raw Materials](#). These policies define requirements for sourcing practices, traceability and the sustainable use of renewable raw materials. The SVP of Procurement and Strategic Sourcing is responsible for implementing these policies.

E5-2 AND E5.MDR-A

Actions and resources related to resource use and circular economy

Biorefinery concept- action and resources

Borregaard's strategic priorities include increased specialisation and value growth. Product development, which enables entry into new markets, is also a key element of the speciality cellulose innovation portfolio. By focusing our efforts on innovation and productivity, we aim to enhance the value creation from our unique biorefinery in Norway, as well as from our production units in Europe and the US. Our innovation resources dedicated to new product development, including improved resource efficiency, are described in [E1-3](#) and [E2-2](#).

The biorefinery approach maximises both economic and environmental returns by efficiently utilising all components of the wood. This process is a highly efficient cascading operation, in which wood is converted into a range of valuable products. LCA tools play an essential role in the innovation process, facilitating the assessment and verification of the environmental impacts associated with new products. By integrating LCA into these stages, the biorefinery can continuously identify opportunities to reduce resource use and waste, and to enhance the effects of circular economy practices.

Our initiatives also include the target to increase the utilisation of wood raw materials from 94% to 97%. Borregaard previously captured biogenic CO₂ from the ethanol plant for use in food-grade applications; however, this was discontinued in the 1990s due to low profitability. We are currently revisiting this opportunity and are conducting a study to assess whether the biogenic CO₂ stream, estimated at around 17,000 tonnes per year, could be captured again. The study is being carried out in the near to medium term, while any investment decision will depend on future market conditions, including the approval of methodologies for carbon removals and the development of commercially viable infrastructure for CO₂ capture and storage in Norway. These conditions are expected to become clearer over the coming years. Initiatives to reduce COD emissions to water may also contribute to increased utilisation of wood raw materials.

These actions are described under [E2-2](#) and follow a long-term time horizon, aligned with Borregaard's target to reduce COD emissions to below 40 tonnes per day after 2030 and to contribute to achieving good ecological status in the River Glomma by 2033.

The revised EU Bioeconomy Strategy (2025) reinforces the EU's long-term commitment to expanding biorefineries, sustainable biomass use, and bio-based manufacturing. The strategy highlights biorefineries as essential technologies for industrial competitiveness and climate goals. Key opportunities for Borregaard include improved regulatory frameworks, expanded research and innovation funding, strengthened public

procurement for bio-based products, and growing demand for sustainable materials.

Borregaard will respond by engaging early in EU standardisation initiatives and by broadening the range of bio-based raw materials which we rely on. We will also take part in the strategic development of the next European research and innovation framework programme and the Circular Bio-Based Europe partnership, closely follow regulatory developments, and contribute actively to European industry platforms such as BioChem Europe, the Chemical Industry Action Plan, and the Critical Chemicals Alliance. These actions support our strategic positioning, enhance resilience, and help accelerate the transition towards circular and climate-friendly value chains.

As an advanced biorefinery, Borregaard plays a significant role in supporting the EU's transition towards sustainable, low-carbon and circular value chains by substituting fossil-based materials with bio-based, resource-efficient alternatives. Despite this clear alignment with the EU's environmental objectives, including the transition to a circular economy, biorefineries are currently not recognised as a standalone economic activity under the EU Taxonomy. This limits the formal classification of Borregaard's activities, even though our operations demonstrably contribute to increased resource efficiency, reduced greenhouse-gas emissions and the development of circular, renewable-based product systems. Together with CEPI, the European pulp and paper industry association, we have made

a submission through the Taxonomy "Stakeholder Request Mechanism" to include biorefineries in the next set of work items for circular economy contribution. As stated above, we anticipate that products such as speciality cellulose and cellulose fibrils will be covered by the EU Taxonomy once the circular economy criteria are finalised. However, if biorefineries as such are recognised as a circular economy activity, Borregaard's eligible economic activities under the EU taxonomy could increase further.

Optimisation of waste management – action and resources

Reducing the amount of both non-hazardous and hazardous waste generated, as well as controlling the risk of emissions from waste handling, are important aspects of our waste management system. Waste from Borregaard's operations is source-separated and processed by certified waste treatment providers, while hazardous waste is managed by certified operators. Waste management plans have been established for the industrial facilities, projects, and our own harbour. 84% of Borregaard's waste is generated at the biorefinery in Norway.

Waste management may result in long-term operational and regulatory costs. There is a risk that future regulatory changes, such as a potential ban on the landfilling of certain waste fractions or reduced landfill capacity for inorganic hazardous

waste in Norway around 2030, could make disposal more difficult and more costly. We are committed to advancing circular economy principles and are actively managing several initiatives to optimise the use of our sidestreams for material or energy recovery. Our primary objective is to eliminate landfill use and develop innovative applications for these by-products. To support this work, a dedicated project group has been established to oversee these initiatives.

We have ongoing initiatives for a production by-product, process gypsum (approximately 8,400 tonnes annually), with the overall target of eliminating landfilling by 2030. Borregaard USA has successfully developed an alternative application for this material, which is now land-spread by local farmers for soil conditioning. By obtaining the necessary regulatory permits, this alternative use reduces waste sent to landfill and lowers operating costs, while also delivering environmental benefits through improved soil quality and increased crop yields. For process gypsum from Borregaard's biorefinery in Norway, successful trials have been carried out using it as an input material in fertiliser production, and regular deliveries will commence in 2026.

Bio-sludge (approximately 400 tonnes annually) from the wastewater treatment plant at the biorefinery in Norway, is currently landfilled. In 2025, we successfully tested its use for soil improvement and composting, and regular deliveries will begin in 2026.

Together with EarthresQue, we are exploring recovery opportunities for inorganic waste fractions, particularly from our municipal waste-to-energy operations. One example is alkaline fly ash, which is treated externally to form a stable gypsum phase. This material is subsequently recovered and used as filler material, with potential future applications in the concrete industry. Metals from the non-hazardous bottom ash are separated and recycled by our waste operator, while the remaining ash is repurposed as filler material. In addition, we are assessing opportunities to utilise residual fractions for road stabilisation and as input materials in the concrete industry.

There are significant opportunities to integrate the fractions described above into alternative products for material recovery. These projects will remain a high priority in 2026, reflecting our commitment to sustainability and innovation in resource management, in collaboration with relevant partners.

Through our innovation efforts, as described in [E1-3](#) and [E2-2](#), we will continue our exploratory projects to expand our product portfolio by utilising sidestreams. These initiatives support our ambition of achieving 100% material or energy recovery for all waste fractions by 2030.

Waste incineration

The biorefinery in Norway receives heat energy from two waste incineration plants, one of which is operated by Borregaard. Waste incineration of

municipal waste provides a positive contribution to society's waste management system, as it supports stable treatment capacity for municipal waste and ensures the safe handling of residual fractions. The recovered energy from municipal waste is used as part of the base load energy supply to the biorefinery in Norway. This energy is utilised with high efficiency (100 percent) for steam production, which is more efficient than conventional waste-to-energy plants that typically only supply district heating, as the steam is used directly in continuous industrial processes. As part of these operations, the incineration plant generates fly ash from bag filters (approximately 3,500 tonnes annually) and bottom ash (approximately 10,000 tonnes annually), which together account for the majority of Borregaard's waste. Actions in this area include ensuring a high utilisation rate of recovered energy and maintaining responsible handling and recovery routes for these ash fractions.

Packaging and Packaging waste regulation

An example of new regulation aimed at waste reduction is the EU Packaging and Packaging Waste Regulation (PPWR), which seeks to reduce packaging waste in the EU by at least 15% by 2040, compared to 2018 levels. The regulation applies to all packaging placed on the EU market and aims to improve the recyclability of packaging materials, establish mandatory quotas for reusable packaging, and set minimum requirements for recycled content. Borregaard has established a

programme to evaluate the consequences of the new regulations, assess how we can improve the packaging of our products, and set targets for reducing plastic use in our operations. Our target is a 15% reduction from 2018 to 2040, in line with the PPWR. About 50% of our products are wrapped in plastic before being delivered to customers. However, most of our customers are business-to-business customers, therefore the packaging units are large, typically between 50 and 300 kg. In 2025, plastic use from our operations in Norway amounted to approximately 1,200 tonnes, representing less than 1% of the total product volume.

E5-3 AND E5.MDR-T

Targets related to resource use and circular economy

Measurable targets related to resource use and circular economy	Retrospective			Future targets			Comments
	Base year 2024	Result 2025	Target 2025	2026	2030	2035	
Material recovery of gypsum waste fraction (Norway) from base year 2024, %	0	3	100	80	100		
Material or energy recovery of all types of waste, %	66	53	-	-	100		
Utilisation of wood raw material at the biorefinery in Norway, %	94	94	-	-	-	97	

As part of our response to the identified impacts, risks, and opportunities linked to resource use, waste, and circularity, Borregaard has set long-term targets that support the transition to more efficient use of raw materials and reduced environmental impacts. These targets address key IROs related to resource efficiency, waste management, and regulatory developments, and guide our efforts to progress towards a more circular, value-creating system. The targets are derived from, and

implemented in line with, our [policy](#) which sets the overall principles and commitments for resource use and circular economy. Stakeholder involvement in target setting has primarily focused on regulatory requirements and expectations from public authorities, which are the main external drivers of these targets.

The long-term target is to achieve 100% material or energy recovery for all waste fractions by 2030.

The objective is to minimise negative environmental impacts from waste and to increase the share of waste streams that are used for value creation. In 2025, the material and energy recovery rate decreased to 53% compared with 66% in 2024. This reduction was mainly due to a major investment project at the Sarpsborg biorefinery, which resulted in approximately 4,000 tonnes of additional contaminated soil compared with the previous year. Due to contamination, this soil had to

be sent to landfill. This situation is project-specific and exceptional for 2025, and landfill volumes from excavated materials are expected to return to normal levels in the coming years.

To reduce future landfilling of excavated materials, the Borregaard is investing in on-site screening facilities, enabling a larger share of excavated masses to be treated and reused internally. Despite the temporary setback in 2025, the long-term target

remains unchanged. We will continue to implement initiatives that move waste streams towards higher-value recovery routes, in line with the waste hierarchy, in order to achieve 100% material or energy recovery by 2030.

For process gypsum from Borregaard's biorefinery in Norway, successful trials have demonstrated its use as an input in fertiliser production. The original target was to achieve 100% material recovery by 2025. However, the project was delayed, and regular deliveries will now commence in 2026. As an interim step, the target for 2026 is to achieve 80% material recovery of process gypsum, with a long-term target of 100% material recovery once the solution is fully implemented.

Waste data are collected in monthly reports and monitored in accordance with established routines for monthly control to ensure compliance and track progress towards targets for energy and material recovery.

The long-term target for the utilisation of our primary raw material, wood, is set at 97%, and is closely linked to innovation activities and emission reduction efforts. Carbon Capture and Storage (CCS) of biogenic carbon will be necessary to achieve this target.

Borregaard has a target to reduce plastic packaging waste in line with the requirements of the PPWR Directive. This includes reducing the amount of plastic packaging placed on the market and increasing the proportion that is recyclable or

suitable for material recovery. The target supports our broader ambition to minimise waste generation and transition packaging towards circular, resource-efficient solutions.

The targets of high raw materials utilisation and reduction of waste support one of our prioritised SDGs, SDG 12: Responsible Consumption and Production.

All the targets are voluntary, except for the target on plastic packaging.

E5-4

Resource inflows metrics

Wood, wood chips, and lignin are the primary raw materials used by Borregaard. As shown in the metrics table below, biological materials account for more than 70% of the total raw material input.

In Norwegian forest-based industries, all parts of the tree are utilised for products. Wooden construction material is the main driver for harvesting trees in Norway, with the most valuable part of the tree reserved for this purpose. 25% of the wood entering the sawmills becomes residuals in the form of wood chips for our industry. The remaining part of the tree, along with the residual wood chips from the sawmills, are raw materials for Borregaard's sustainable, high value products.

The biorefinery concept has the potential to provide maximum economic and environmental returns by efficiently utilising all components of the wood. Our biorefinery is an extraordinary cascading operation, in which wood, consisting of fibres, lignins, and sugars, is converted into cellulose and a variety of other valuable products. The sidestream from the cellulose production is first utilised in the production of bioethanol before the remainder is converted into lignin-based biopolymers.

Parts of the lignin are also used in the production of biovanillin, and parts of the cellulose are converted into cellulose fibrils. Some sidestreams from production are sold to other industries, which in turn use them as raw materials in their production.

Knot pulp, which is removed from the cellulose and utilised for packaging materials, and bark for soil conditioning, are examples of such utilisation. Sidestreams that cannot be utilised for products are converted into biogas or biomass for energy in the production processes.

By using sidestreams to produce valuable biochemicals and biomaterials, we secure high resource efficiency of the renewable raw material sourced, which is key to the low-carbon circular bioeconomy. Both energy and material streams are optimised in a symbiotic industrial ecosystem. Despite high raw material utilisation, cascading use of sidestreams, and reduction of input factors over time, there are still some streams that end up as waste.

DP_ID	Metrics related to resource inflows	Unit	2023	2024	2025	Δ (%) (2025-2024)
E5-4_02	Overall total weight of products and technical and biological materials used during the reporting period	t	803,611	815,289	794,122	-3
E5-4_03	Percentage of biological materials (and biofuels used for non-energy purposes)	%	71	72	71	-1
E5-4_04	The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials	t	73,520	74,762	76,714	3
E5-4_05	Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials	%	9	9	10	7
E5-4_CS1	Utilisation of wood raw materials at the biorefinery in Norway	%	94	94	94	0

Accounting policy

Resource inflows

To calculate overall total weight of products and technical and biological materials used during the reporting period, we summarise the weight of purchased goods are summarised from the data collected for calculation of Scope 3 cat. 1.

The biogenic materials are the following fractions; supplied wood, lignin raw materials, and packaging materials.

The secondary reused materials are inflow of municipal waste used for energy recovery and some sulphuric acid. The metrics are based on purchased goods and follow the purchase and sale principle. The data is derived from Borregaard's financial records and is subject to verification by the statutory auditor as part of the audit of financial information.

To calculate the utilisation of wood, a mass balance of inflows and outflows is conducted. The balance is updated annually to evaluate the performance and effectiveness of wood utilisation. This is a company-specific indicator. No external validation has been applied.

The concept of utilising all parts of the harvested tree for valuable products, such as building materials from sawmills and our bio-based chemicals, contributes to high raw material utilisation. Borregaard's biorefinery concept demonstrates high raw material utilisation, with 94% of the sourced wood being utilised, of which 82% is turned into commercial products and 12% is used for energy. Our high innovation rate results in new or improved commercial products, and our effective resource usage and circularity result in high value creation per solid cubic meter of wood.

Borregaard contributes to strengthening circular value chains and promoting circularity by offering sustainable solutions. Some of our products are used in sectors with high resource use and significant potential for circularity, such as within electronics, batteries, vehicles, packaging, plastics, textiles, construction, food, water, and nutrients. We promote circularity by offering sustainable solutions within these areas. Considering that our products are based on a renewable, non-toxic raw material, they have no negative impact when the end products are recycled.

E5-5

Resource outflows (incl. waste) metrics

The metrics used to evaluate performance and effectiveness for waste-related impacts, risks, and opportunities focus on the total quantities of hazardous and non-hazardous waste generated across the Group, and on how these waste fractions are allocated across the waste hierarchy. These metrics provide insight into both the environmental impact of Borregaard's operations and the degree to which waste streams are being reduced, reused, or recovered.

The most common non-hazardous waste fractions are process gypsum and sludge with residual organic content, primarily generated at our sites in Norway, the USA (Wisconsin), and Germany. Together, these fractions represent around 40% of non-hazardous waste and are largely disposed of through landfill. Tracking these volumes allows us to assess the effectiveness of measures aimed at reducing residual waste and diverting material towards higher-value recovery methods.

The majority of total waste originates from the recovery of energy through waste incineration at the biorefinery in Norway. This includes ash from municipal waste incineration, where 91% of hazardous waste and 28% of non-hazardous waste consist of fly ash and bottom ash. Bottom ash is classified as non-hazardous, while fly ash is classified as hazardous.

Monitoring these fractions helps us evaluate operational efficiency in energy recovery processes and identify opportunities to reduce hazardous waste volumes.

Waste management performance is assessed by tracking the absolute tonnage of waste generated, changes in volumes over time, and the proportion of waste directed to landfill, energy recovery, and material recovery. These metrics indicate whether total waste generation is decreasing and whether a larger share is being shifted towards higher-value treatment pathways in line with the waste hierarchy. This approach ensures that our waste management efforts support both regulatory compliance and our long-term goals for resource efficiency and circularity.



Accounting policy cont.

Waste

At the site in Norway, a third party classifies most of the different waste fractions according to the EAL classification system. The hazardous waste is reported in a declaration system operated by the Norwegian Environment Agency. To evaluate performance and effectiveness in waste reduction, waste generated is reported monthly. This data is reviewed and controlled through our internal control routines. No external validation has been applied

For all our operations, data is collected from waste operators, weighbridge tickets, and waste declaration systems. Moisture content is included in the calculation of the total amount of waste. Information about the routing of waste to landfill, energy recovery, and material recovery is also collected to consolidate the waste data into the different categories of the waste hierarchy.

DP_ID	Metrics related to waste	Unit	2023 ⁷	2024	2025	Δ (%) (2025-2024)
E5-5_07	Total waste generated	t	35,191	39,815	40,468	2
E5-5_15	Total amount of hazardous waste	t	4,072	5,041	4,097	-19
E5-5_15	Total amount of non-hazardous waste	t	31,119	34,773	36,371	5
E5-5_08	Waste diverted from disposal, breakdown by hazardous and non-hazardous waste and treatment type					
E5-5_08	Waste diverted from disposal	t	16,758	18,967	17,237	-9
E5-5_08	Hazardous waste diverted from disposal	t	3,835	4,681	3,805	-19
E5-5_08	Hazardous waste diverted from disposal due to preparation for reuse	t	0	0	0	0
E5-5_08	Hazardous waste diverted from disposal due to recycling	t	3,835	4,681	3,790	-19
E5-5_08	Hazardous waste diverted from disposal due to other recovery operations	t	0	0	15	-
E5-5_08	Non-hazardous waste diverted from disposal	t	12,923	14,286	13,432	-6
E5-5_08	Non-hazardous waste diverted from disposal due to preparation for reuse	t	0	0	0	0
E5-5_08	Non-hazardous waste diverted from disposal due to recycling	t	12,923	14,286	13,239	-7
E5-5_08	Non-hazardous waste diverted from disposal due to other recovery operations	t	0	0	193	-
E5-5_09	Waste directed to disposal, breakdown by hazardous and non-hazardous waste and treatment type					
E5-5_09	Waste directed to disposal	t	18,434	20,847	23,231	11
E5-5_09	Hazardous waste directed to disposal	t	238	361	292	-19
E5-5_09	Hazardous waste directed to disposal by incineration	t	214	211	82	-61
E5-5_09	Hazardous waste directed to disposal by landfilling	t	24	55	60	9
E5-5_09	Hazardous waste directed to disposal by other disposal operations	t	0	95	150	58
E5-5_09	Non-hazardous directed to disposal	t	18,196	20,487	22,939	12
E5-5_09	Non-hazardous waste directed to disposal by incineration	t	4,884	7,002	3,930	-44
E5-5_09	Non-hazardous waste directed to disposal by landfilling	t	13,312	13,484	19,009	41
E5-5_09	Non-hazardous waste directed to disposal by other disposal operations	t	0	0	0	0
E5-5_10	Non-recycled waste	t	18,433	20,848	23,439	12
E5-5_11	Percentage of non-recycled waste	%	52	52	58	11
E5-5_CS1	Material recovery of gypsum waste fraction	%		0	3	-
E5-5_CS2	Material or energy recovery of all types of waste	%	62	66	53	-20

⁷ In the 2024 Annual Report, the heading for the 2022 data was incorrectly labelled as "base year 2020" in this table. This was a typographical error in the heading only; the underlying data were based on the correct year.

E5-6

Anticipated financial effects from resource use and circular economy-related IROs

The value creation per solid cubic meter of wood has increased over the last ten years, see the figure below, demonstrating the robustness and efficiency of transforming the wood into various products.

In the future, we expect the financial opportunities of resource utilisation and the circular economy to increase in line with our plans, see [IROs](#).

We will utilise bark from wood debarking at the wood yard for energy, generating over 75 GWh per year, which will positively impact energy costs. We will enhance energy efficiency and heat recovery as we increase production capacity at the biorefinery, ensuring that energy demand remains broadly stable, thus not increasing costs.

We anticipate that landfill and waste handling costs will rise in the future. Therefore, our plans for 100% material or energy recovery of waste streams currently landfilled will mitigate these future cost risks. Additionally, our innovation efforts will enhance the value added from our products.

Capital expenditure related to these initiatives is primarily efficiency- and replacement-driven and is expected to be maintained broadly at the depreciation level. Any expansion-related investments are subject to Borregaard's requirement of an internal rate of return above 15% pre-tax. This ensures that measures related to resource utilisation and the circular economy support profitable growth while maintaining financial resilience over the medium to long term.

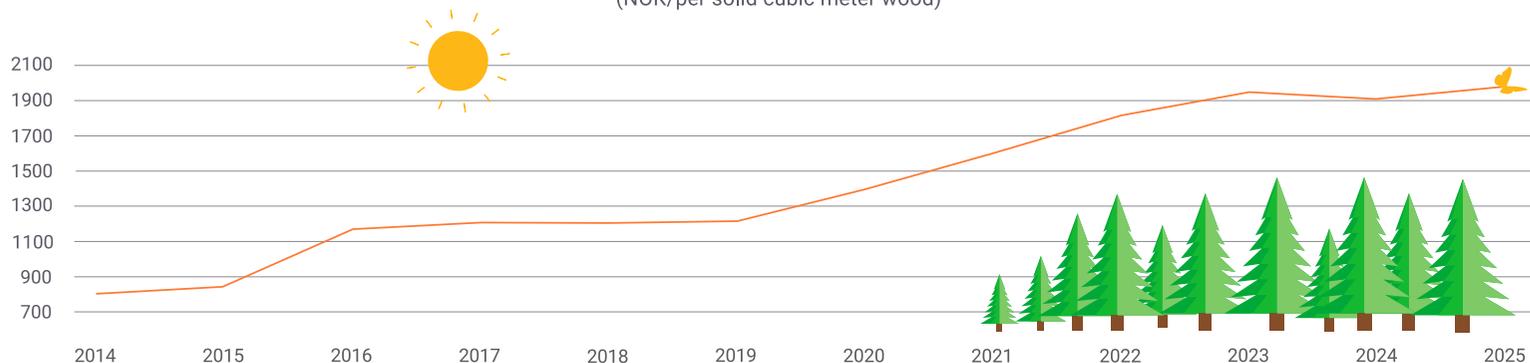


Accounting policy

Value creation is defined as the value of products sold from the biorefinery minus the cost of materials, services and depreciation.

VALUE CREATION FROM BORREGAARD'S BIOREFINERY

(NOK/per solid cubic meter wood)



The illustration shows the increase in value creation in NOK per solid cubic meter of wood from Borregaard's biorefinery in Norway.



S - Social information

S1 Own workforce

The IROs described in the ESRS S1 section are presented in the table to the right. To illustrate the IRO scoring, we use a blue gradient. The blue gradient becomes darker as the score increases, and white indicates that an IRO is not material.

S1.SBM-2

Interests and views of stakeholders

This disclosure requirement is covered by the SBM-2 section on page [32](#).

IROs - Own workforce

MATERIAL SUSTAINABILITY MATTERS	MATERIAL IMPACTS ON ENVIRONMENT/PEOPLE AND FINANCIAL RISKS AND OPPORTUNITIES DESCRIPTION	TIME HORIZON		
		0-1yr	1-5yr	>5yr
Equal treatment and opportunities for all - Training and skills development	Positive impact. By attracting, developing and investing in training and skill development, Borregaard might have a positive impact on supporting our specialisation strategy while also strengthening employees' personal development, skills, motivation and well-being.			
	Opportunity. A highly skilled workforce is central to the business model and enhances long-term value creation, competitive advantage.			
Working conditions - Health and safety	Negative impact. Operational activities may pose health and safety risks to employees.			

S1.SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

A sound corporate culture provides a vital basis for developing a specialised company and strengthening our business model. Borregaard's culture and values document, The Borregaard Way, highlights our competence as one of the company's key competitive advantages. We are dependent on attracting, retaining, and developing unique competence to support our specialisation strategy.

We believe that equal opportunities are important to capitalise on our employees' resources and skills, and that a safe and healthy working environment is a key factor in a sustainable organisation. Our materiality assessments reflect that our focus on these topics has a positive impact on our workforce and represents a material contribution to our value creation. Although Borregaard provides good working conditions and generally contributes positively to the health and well-being of our employees, there may be certain areas where we could have a negative impact on health and safety. This is reflected in metrics such as sick leave and injury rates. Welfare, social security, and decent working conditions are important aspects of creating stable, profitable, and sustainable jobs.

This manifests itself through income and meaningful work for individuals, as well as financial contributions

through taxes and duties paid by companies and their employees in the countries and communities where they operate. Communities around Borregaard's production units experience significant ripple effects from our operations.

Borregaard's corporate culture, as well as our values "integrity" and "sustainability", as described in The Borregaard Way, include standards, objectives, and obligations to operate in a manner that avoids violations of human rights. This is further described in our [Code of Conduct](#) and [Human Rights Policy](#).

Borregaard works continuously on these topics, supported by an internal Compliance Board. The board includes the SVP of Public Affairs and Sustainability (Chair), General Counsel, Vice President Finance, and Chief Risk Officer, and supports the Group's management by raising awareness of compliance matters, reporting on its activities and findings, and suggesting improvements. The Compliance Board summarises its work in an annual [Compliance Report](#) approved by the Board of Directors, which also includes any violation of anti-corruption, competition regulations, or human rights.

We also perform a separate human rights and decent working conditions due diligence assessment pursuant to the Norwegian Transparency Act. Based on the findings from our due diligence process and the 2025 materiality assessment, human rights, including issues such as human trafficking, forced

labour, compulsory labour, and child labour, have been identified as non-material topics.

Borregaard has identified one company office in a high-risk country according to the Democracy Index: China.

In this country there is a higher risk of issues such as poor working conditions, low wages, discrimination, child labour, and corruption compared to other Borregaard locations.

To address this, we conduct annual evaluations of this office, considering local human rights legislation, operational practices, benchmark studies, and any reported breaches. If we identify potential impacts on human rights, we are committed to providing and supporting remedies in a timely and effective manner. The results of the due diligence assessment are reported in a separate Human Rights and Decent Working Conditions Report, which is updated annually.

We comply with the UN's Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. With these high standards and systems implemented, the risk related to violations of human rights is low. This low risk level is maintained by regular mandatory training of our own workforce in both the Code of Conduct and human rights.

All material affected members of the Borregaard Group's own workforce are included in the scope of this disclosure. There are no material impacts on our workforce related to transition plans for reducing negative environmental impacts and achieving greener and climate-neutral operations.

S1-1 AND S1.MDR-P

Policies related to own workforce

Our policies the Borregaard Way, [Environment, Climate, Health and Safety](#), [Human Rights](#), and the [Code of Conduct](#), apply to the entire Borregaard Group. In companies where Borregaard has a minority ownership, the policies express Borregaard's ambitions in these areas. The SVP of Public Affairs and Sustainability is the Chair of the company's sustainability board and has overall responsibility for the policies. The policies apply to all employees, non-employees and contractors.

Our ambition is to promote a safety culture that results in no injuries to employees, contractors, or third parties, as well as no unexpected emissions to the environment. This is achieved through risk management, systematic efforts to prevent injuries and physical or mental occupational diseases, and the involvement of all employees. Safety is an integral component of all aspects of Borregaard's operations, supported by a proactive approach that includes safe job analyses, safety barriers, emergency preparedness, contingency plans, training, and the overarching principle of "safety first". As part of our onboarding programme, all new employees receive training on our environmental and energy practices. Additionally, all employees must complete an e-learning course on sustainability.

This ensures that they understand our plan to reduce emissions in line with international agreements and their role in contributing to this plan.

We maintain overarching corporate HR guidelines that provide direction on key areas such as diversity, competence development, and leadership. Our employee policies are operationalised through employee handbooks. The Employee Handbook gives employees essential information about the rights and responsibilities associated with their employment. It includes guidelines on topics such as employment practices, sick leave, working hours and overtime, leave of absence, holiday entitlement and more. The Norwegian handbook is available to all employees on our intranet, while local handbooks for employees outside Norway are distributed through local channels. With our leadership principles as a foundation, the Leadership Handbook provides direction and guidance for leaders on key employee-related topics, including competence development, performance management, and diversity. The handbook is available to all Borregaard leaders through our global HR system.

We uphold key international labour and human rights standards, as outlined in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Our Human Rights Policy highlights a firm commitment to protecting freedom of association, the right to collective bargaining, the eradication of child labour, forced or compulsory labour, and the elimination of workplace discrimination, among other essential issues. Borregaard's Human Rights policy and Code of Conduct address all the key issues with which our employees and other parties acting on Borregaard's behalf must familiarise themselves

and comply. It describes, amongst other things, how we expect everyone to refrain from discrimination against employees based on gender, sexual orientation, age, ethnicity, culture, religious convictions or other aspects.

All employees across all countries are required to follow Borregaard's Code of Conduct and Human Rights Policy. To ensure they understand their ethical responsibilities, we provide mandatory Code of Conduct training every two years and as part of our onboarding process. In our Code of Conduct, we emphasise diversity, inclusion, and equal rights, with clear responsibilities outlined for our employees.

In addressing human rights, we align our efforts with respected global frameworks, including the UN Guiding Principles on Business and Human Rights, our commitment to the UN Global Compact, and the OECD Guidelines for Multinational Enterprises.

Borregaard's HR policies are developed through close dialogue with our key stakeholders. Our general HR guidelines are regularly presented to, and discussed with employee representatives to ensure transparency and alignment. Several of these policies are grounded in existing labour union agreements. The Borregaard Way has been established in close cooperation with employee representatives and reflects our shared commitment to our company's culture and values. In addition, both the Environment, Climate, Health and Safety policy and the Code of Conduct are reviewed and updated annually before being approved by the

Board of Directors, which includes two employee-elected representatives.

The policies are accessible to our employees through our internal systems and are available to external stakeholders on our website.

S1-2

Processes for engaging with own workforce and workers' representatives about impacts

We value the commitment and initiative of all our employees and prioritise strong collaboration between management, employees, and their representatives. 87% of Borregaard's employees work in units that have collective bargaining agreements through unions.

Through close collaboration with our employees, we aim to establish the economic and competence foundations for sustainable growth and development. Our efforts prioritise ensuring safe working conditions, promoting the company's long-term sustainability, and fostering a positive work environment to support economic progress.

Achieving these goals relies on a strong, trusting partnership with employee representatives at Borregaard. We collaborate with these representatives across multiple platforms, where they play an active role in establishing workforce-related targets for each calendar year. These platforms also monitor progress on targets related to health and safety, the working environment, and other pertinent topics. If deviations occur, appropriate measures and actions are discussed and implemented.

We are not legally required to have representation agreements such as the European Works Council

(EWC). However, in accordance with the Norwegian Companies Act, Borregaard includes two employee representatives and two observers on its Board of Directors. We also have one observer (employee representative) on the Board in Germany.

We are legally obligated to establish joint committees comprising representatives from both parties, such as the Working Environment Committee (AMU), which is responsible for ensuring a safe and satisfactory working environment within the company. Topics include, among other things, monitoring sick leave, injury rates, and various safety and workplace environment targets. The purpose of the meetings is to inform, discuss, and proactively contribute to improving Borregaard's working environment.

Additionally, the Main Agreement for Industry between Confederation of Norwegian Enterprise (NHO) and Norwegian Confederation of Trade Unions (LO) provides the framework for other collaborative efforts between employees and management. In Borregaard, we also have a Company Committee (BU), which serves as a contractual forum for cooperation between representatives from the company and the employees. The committee's mandate is to promote efficient production while

fostering a high level of satisfaction among all employees. The BU meets on a quarterly basis. The EVP of Manufacturing and Technology has overall operational responsibility for ensuring engagement through our formal platforms, such as AMU and BU.

All managers are expected to hold an annual dialogue with their employees. The focus of this conversation is performance, competence development, and individual well-being. During the dialogue, employees may also raise concerns regarding matters that affect their employment or overall well-being.

HR conducts exit interviews with employees who voluntarily leave the company to gain insights into their reasons for leaving and to identify opportunities for continuous improvement as an employer.

We measure engagement and well-being through our annual employee engagement survey. The survey results serve as a valuable foundation for initiating dialogue and identifying actions to further improve our workplace.

The HR department is responsible for conducting the engagement survey, and managers are responsible for the follow-up.

In 2025, 89% of our employees responded to the survey, which included questions about training and development, strategy, vision and goal

achievement, feedback and communication, relationships with colleagues and managers, recommendations of Borregaard as an employer, as well as diversity, and harassment. In general, these factors were evaluated positively by our employees and were perceived, along with our corporate culture and shared values, as contributing to wellbeing, motivation, engagement, and generally low turnover. In addition to the survey, each employee has a performance appraisal to ensure individual follow-up regarding continuous engagement, the working environment, well-being and professional development.

S1-3

Processes to remediate negative impacts and channels for own workforce to raise concerns

Employees are encouraged to report any concerns or complaints regarding discrimination, harassment, breaches of human rights, or other issues to their managers, HR, union representatives, or through Borregaard's whistleblowing system. Employees can choose to remain anonymous but are encouraged to identify themselves, with the assurance that their identity will remain confidential.

Concerns raised through our whistleblowing channel are received and processed by a notification group, which includes members of our legal department, the SVP of HR, and the SVP of Public Affairs and Sustainability.

The notification group monitors and reports the number of cases in an annual compliance report presented to the Board of Directors. We are committed to providing our employees with access to these channels and fostering the knowledge, confidence, and psychological safety needed to use them when necessary. At Borregaard, we treat all reported cases with the utmost seriousness, ensuring fair and impartial outcomes that consider the needs of all parties involved. Additionally, we uphold the highest standards of security and confidentiality in maintaining records of reports and their resolutions.

Anyone who raises concerns is legally protected, ensuring they can report misconduct, unethical behaviour, or violations without fear of retaliation. These protections uphold their rights and support transparency and accountability within the organisation. This is outlined in our whistleblowing policy, which is available to both employees and external parties.

We take proactive steps to ensure our employees are well-informed about the Code of Conduct and the grievance mechanisms available to them. This awareness is seamlessly integrated into multiple facets of the employee experience through internal information campaigns. We use our intranet to regularly communicate with employees, highlighting the availability of our grievance channels and encouraging their use.

In addition, we run Code of Conduct training for all employees, including dedicated sessions on the Code of Conduct, complemented by an e-learning module to ensure comprehensive understanding and accessibility.

S1-4 AND S1.MDR-A

Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Actions related to health and safety

Borregaard's operations give rise to actual or potential negative impacts on employee health and safety, making occupational health and safety a material topic for the company.

All personnel are strongly encouraged to report safety incidents and unsafe conditions through a dedicated and transparent reporting system. Borregaard follows a structured process to investigate the root causes of incidents to ensure that corrective and preventive measures are implemented effectively. Key indicators, such as sick leave and injury frequency rates (LTIF and TRIF), are monitored and reported monthly.

Serious incidents or near misses with high potential are classified as high-risk incidents, which include injuries (HRI1) or near misses (HRI2) that resulted in, or could have resulted in, serious personal injury or death. This information provides valuable

insights into our risk processes and lessons learned, enabling us to drive continuous improvement. All of Borregaard's manufacturing plants have established local EHS/Zero Harm organisations, and an EHS leadership team of managing directors and safety professionals leads this work together with each plant's EHS manager.

Exposure to chemicals remains the leading incident category at Borregaard, followed by crush/impact incidents and incidents involving sharp objects when we include both injuries and near misses. Despite targeted training and strengthened safety management, we observed an increase in incidents related to chemical exposure compared to 2024. This highlights the need for continuous improvements in process safety, such as enhancing technical barriers and maintaining ongoing training to build awareness and encourage safe behaviour.

We are in the process of implementing Human and Organizational Performance (HOP) principles to enhance our processes, strengthen our understanding of human behaviour, identify system vulnerabilities, and promote a proactive safety culture. High-risk incidents and potential high-risk incidents will receive increased focus. This ensures we prioritise learning from events with the greatest potential for harm, in line with HOP principles. The focus is on understanding how work is actually performed, the conditions people operate in, and how system factors influence outcomes, rather than on individual blame. Job observations, already used successfully in some production units, provide further insight.

Engagement with employees, contractors, and visitors, along with transparent reporting and recognition of proactive safety behaviours, is essential to fostering a culture of safety and operational excellence. One example is from our site in Florida (LTF), where the team has implemented a safety observation and dialogue process, encouraging all employees to look out for each other and identify ways to improve safety. In 2025, LTF set a record for the number of active observers, with an average of 62% of employees reporting safety observations each month. To ensure compliance with site safety procedures and maintain effective communication, LTF also implemented a monthly coaching process, achieving a record 95% completion rate for monthly coaching sessions.

A strengthened focus on digitalisation supports new improvement initiatives. In recent years, Borregaard has introduced digital tools for safety management and training to enhance overall employee safety, and these efforts will continue.

The precautionary principle is fundamental and personal protective equipment is mandatory where there is a risk of exposure. Measures are implemented to reduce or eliminate substances with potential negative impacts, and monitoring programmes ensure compliance with regulatory limit, including efforts to reduce SO₂ concentrations in the working environment.

To ensure adequate information, training and follow-up of external workers and visitors, contractors and visitors are required to complete

mandatory safety training prior to accessing production sites. At the sites in Norway and Germany, external workers and visitors must complete an e-learning programme covering all relevant safety risks before access is granted.

Employee health is regularly monitored through medical examinations and working environment surveys, and the overall working environment is considered good. In 2025, improved data collection on work-related ill health enabled earlier identification of potential issues, strengthened regulatory compliance, and clearer reporting. Preventive measures, stress-reduction initiatives and workplace adaptations for employees on sick leave are implemented as needed. Musculoskeletal disorders remain the main cause of sick leave, and ergonomics is therefore emphasised —including the use of AI-powered ergonomic software at the Wisconsin plant to assess and mitigate ergonomic risks.

The actions described apply to all employees across production sites, as well as to contractors working on or accessing Borregaard's operational facilities.

Actions related to competence development

High competence is one of the key elements of Borregaard's specialisation strategy. The combination of unique expertise in sales and marketing, R&D and production drives this strategy and sets Borregaard apart from our competitors. Our corporate culture and values support our strategy and contribute to guiding the company in the right direction.

We conduct an annual risk assessment which includes diversity, recruitment, and the development of unique competence. We continuously monitor measures to ensure that we have the required expertise to support our culture and specialisation strategy.

Over many years, Borregaard has developed a strong corporate culture, which contributes to shared core values and an understanding of the business across functions, business areas and geographical boundaries. As a result, competence development is regarded as material in Borregaard's double materiality analysis. Our culture and values document, The Borregaard Way, sets out our core values: sustainability, long-term perspective and integrity, and plays an important role in our introduction and development programmes. We want our corporate culture to be influenced by strong market orientation, innovation, and our ability to change.

Our leadership principles are an integral part of The Borregaard Way, where expectations and guidelines for the execution of leadership at Borregaard are outlined. As a competence-driven company, Borregaard makes substantial efforts in training and

competence development, both within our areas of core competence and within our corporate culture. This contributes positively to the innovation of sustainable products, as well as to improvements in our environmental impact, operations, and suppliers. As Borregaard's production processes are complex and highly integrated, considerable importance is placed on knowledge and competence in the areas of production and biorefining. To ensure that the board and management have the necessary skills and expertise to oversee sustainability matters, Borregaard systematically assesses competence needs through organisational reviews, recruitment, succession planning, and targeted training initiatives. We continuously invest in developing sustainability-related knowledge across production, biorefining, and corporate governance, ensuring that current and future leaders are equipped to meet our sustainability ambitions. This approach supports compliance with the ESRS governance disclosure requirements (e.g. GOV-1, covering the roles and expertise of governance bodies in sustainability oversight, and IRO-1, addressing processes for identifying and assessing sustainability impacts, risks and opportunities) under ESRS 2 and ESRS G1.

Borregaard's production academy involves topics such as leadership, culture, and lean manufacturing to enhance a shared approach and understanding of how to drive continuous improvement. We arrange internal training programmes for our operators and apprentices in all areas of core competence. Borregaard also runs competence development programmes for sales staff, including sales and application academies, as well as biannual

conferences for employees in innovation. We have company-specific targets to track our progress in competence development. Each year, we aim to conduct five structured competence programmes to systematically enhance our unique competence. Borregaard's unique expertise in sales and marketing, R&D, and production among its employees is considered to be an intangible resource. In addition, Borregaard has various patents and licenses that are also considered to be intangible resources.

Individual development

Annual appraisal dialogues are held between managers and employees. The appraisal covers topics such as expectations and goals, feedback, development and overall performance. Individual development plans are followed up by the manager. The overall input from the appraisal dialogue concerning career and competence development is summarised and discussed in an annual organisational review, which serves as basis for internal mobility, development measures, and competence development programmes.

Recruitment and sponsorships

Based on the current age composition of the workforce, Borregaard's biorefinery in Norway will have to attract several qualified employees in the coming years. Borregaard has therefore established recruitment activities and school programmes to encourage interest in an industrial career with relevant qualifications. One example is our partnership with Borg Upper Secondary School in Sarpsborg, aimed

at creating Norway's leading education within process chemistry at the operator level.

Borregaard works closely with schools and educational institutions. Our Knowledge Plant functions as an in-house training centre, as well as a showroom and venue for school visits. We offer educational programmes that align with schools' curricula, using examples from the company. Every year, we receive visits from students taking part in educational programmes that combine technical training, career advice, and a company presentation.

Our apprentice programme is a collaboration between the county and Borregaard, and it serves as an important recruitment arena for new operators. The apprentices must complete a two-year practical training period with a dedicated instructor from Borregaard. Each year we welcome students to our summer internship programme, which serves as a recruitment arena by offering students insight into our operations, and allowing us to get to know them better.

In 2025, Borregaard contributed around NOK 7 million to support measures that benefit both the company and the region, with the overall goal of strengthening our long-term attractiveness as an employer. Our sponsorship strategy has two main pillars. The first pillar covers cultural and sports experiences and activities that make the city and region more attractive. This, in turn, contributes to easier recruitment and retention of employees.

The second pillar supports initiatives aimed at encouraging young people to understand and take an interest in fields important to Borregaard and society, such as natural sciences, and entrepreneurship. This is demonstrated by our support for, and cooperation with various educational institutions, such as Inspiria Science Centre, the Young Entrepreneurship scheme and the company's own Knowledge Plant.

Employee engagement

We measure engagement and well-being through our annual employee engagement survey. The survey provides insights into topics such as learning and development, strategic alignment, vision, goal achievement, feedback, communication, workplace relationships, employer recommendation, diversity, and harassment.

Resources description

Actions related to the own workforce mainly concern continuous competence development, training and skills enhancement. These actions include the use of internal and external training programmes and the allocation of internal resources to maintain and develop employee competence.

The time horizon for the actions described above is ongoing, as competence development is a permanent and integrated part of Borregaard's operations and a prerequisite for safe operations, continuous improvement and innovation.

The direct financial effects of these actions are limited and primarily relate to training costs and internal resource use. These expenditures are not financially material and are managed within existing operating budgets.

Although the direct financial effects are limited, the actions are considered essential to enable the achievement of other strategic objectives, including innovation, operational improvements and long-term competitiveness. For this reason, the related impacts, risks and opportunities are assessed as material.

S1-5 AND S1.MDR-T

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Measurable targets related to own workforce	Retrospective			Future targets		Comments
	Base year 2024	Result 2025	Target 2025	2026	2030	
Total recordable injuries per million hours worked (TRIF), rate	7.9	6.8	3.5	3.5		
Sick leave, %	3.7	3.4	4.0	3.4	3.0	
High-risk incidents (HRI1), number	1	2	-	-	0	
New hires to be female employees proportion, %	29	25	35	35	-	
Run competence academies, number	6	7	5	5	-	
Female employees proportion, %	25	27	-	-	35	
Female managers proportion, %	28	26	-	-	35	
Voluntary turnover, %	3.6	2.0	3.5	3.5	-	

Targets related to health and safety

As part of Borregaard's response to identified material impacts, risks and opportunities related to occupational health and safety, targets have been established for total recordable injury frequency (TRIF), high-risk incidents (HRI) and sick leave across the organisation. In addition, targets related to employee turnover and the share of female employees are used as key indicators of a healthy, stable and inclusive working environment. Together, these targets address material IROs linked to work-related injuries and employee health, supporting both individual well-being and operational continuity.

The targets are derived from and implemented in line with [Borregaard's EHS policy](#), which sets the overarching principles for protecting employee health and safety and preventing work-related injuries and ill health. Progress against the targets is used to assess the effectiveness of actions taken to mitigate negative health and safety impacts on the own workforce. Target performance is monitored monthly and disclosed in the table above, providing transparency on performance trends and progress towards target achievement over time.

Health and safety targets are informed by ongoing engagement with employees and their representatives through established dialogue structures. Workforce perspectives are incorporated through formal forums and board-level employee representation, ensuring that operational experience and identified risks contribute to the prioritisation of actions and targets related to occupational health and safety.

Targets related to competence development

As part of Borregaard's actions and targets related to identified material impacts, risks and opportunities concerning competence development, company-specific targets have been established to ensure our workforce is equipped to meet our strategic ambitions.

The competence academies are established and scheduled based on the needs and priorities identified in the business units' strategic plans and organisational reviews. The annual plan for competence development programmes is anchored and approved by the top management team.

The target is derived to support our mission that our competitive advantage lies in our unique competence. Progress against the target is measured at the end of the year by the number of completed competence academies.

S1-6

Characteristics of the undertaking's employees metrics

By the end of 2025, we recorded a total number of 1,228 employees (898 men and 330 women) and 1,177 FTEs. 73 employees left Borregaard during the year, and the employee turnover rate was 6%. Voluntary turnover was 2%.

Voluntary turnover serves as a key company-specific metric, offering valuable insights into job satisfaction, workplace well-being, and overall perceptions of Borregaard as an employer. A full picture of our workforce is given in the table "Characteristics of the Undertaking's Employees metrics".

ESRS DP_ID	Metrics related to employees	Unit	Total 2024	Female 2025	Male 2025	Total 2025	Δ (%) (2025-2024)
S1-6_01	Number of employees (head count)	Number	1,195	330	898	1,228	3
S1-6_02	Number of employees (FTE)	Number	1,141	309	868	1,177	3
S1-6_05	Number of employees Norway	Number	865	228	664	892	3
S1-6_05	Number of employees Americas	Number	184	48	141	189	3
S1-6_05	Number of employees EMEA	Number	89	32	58	90	1
S1-6_05	Number of employees Asia	Number	57	22	35	57	0
S1-6_07	Number of full-time employees	Number	1,144	297	865	1,162	2
S1-6_07	Number of part-time employees	Number	30	17	7	24	-20
S1-6_07	Number of permanent employees	Number	1,170	317	876	1,193	2
S1-6_07	Number of temporary employees	Number	25	13	22	35	40
S1-6_12	Percentage of employee turnover	%	7	-	-	6	-14
S1-6_CS	Percentage of voluntary turnover	%	3.6	-	-	2.0	-44



Accounting policy

Total number of employees

Employee data is extracted from our global HR system. The total number of employees is expressed on a headcount basis, and the number of full-time/part-time/permanent/temporary employees is expressed on a FTE basis. The data represents status at year-end (31 December 2025). Average number of full-time equivalents for 2025 is presented in Note 9 to the Consolidated Financial Statement.

Turnover

The number of employees who left the Borregaard Group during the financial year due to voluntarily turnover, retirement, death, or other reasons. The employee turnover is calculated on the number of employees who have left the company relative to the number of employees during the reporting year. All numbers are given on a headcount basis.

S1-7

Characteristics of non-employees in the undertaking's own workforce metrics

By the end of 2025, we recorded a total of 54 non-employees, expressed on a headcount basis. This group includes apprentices, who undertake a mandatory two-year practical training period at Borregaard as part of their education. During this time, they work closely with a dedicated instructor from our company.

Additionally, the non-employee category includes temporary workers hired through staffing agencies to cover for absences such as sick leave, or parental leave. Data on apprentices is sourced from our global HR system. In addition, we maintain an internal report that consolidates all temporary workers engaged through staffing agencies.

ESRS DP_ID	Metrics related to non-employees	Unit	Total 2024	Female 2025	Male 2025	Total 2025	Δ (%) (2025-2024)
S1-7_01	Number of non-employees in own workforce	Number	73	14	40	54	-26

S1-8

Collective bargaining coverage and social dialogue metrics

Collective bargaining agreements cover 87% of the total workforce. We comply with all legal requirements related to collective bargaining agreements which cover 100% of our employees in Norway. While not all employees in Norway are members of a labour union, all employees are

subject to the same working conditions and terms of employment. Non-employees in Norway are also subject to the same working conditions and terms of employment, as these are governed by both the collective bargaining agreement, and national legislation. In other countries, different arrangements

apply depending on national practices and local labour legislation. For employees outside the EEA, coverage rates are not applicable.

ESRS DP_ID	Metrics related to employees	Unit	2024	2025	Δ (%) (2025-2024)
S1-8_01	Percentage of total employees covered by collective bargaining agreements	%	87	87	0

Accounting policy cont.



Non-employee

Non-employees are individuals who are not formally employed by Borregaard but perform work on our behalf. The total number of non-employees is expressed on a headcount basis. The number represents status at year end 31.12.2025.

Collective bargaining agreements and social dialogue

The coverage of collective bargaining agreements is calculated on the percentage of total workforce in the legal entity where we have a collective bargaining agreements.

S1-9

Diversity metrics

For gender distribution in number of employees at top management level – see the “Diversity Metrics table” below.

In line with our annual Diversity and Equality Report, we placed greater focus on measures to prevent any form of discrimination or other barriers to equality and diversity in 2025. This included incorporating questions regarding diversity and inclusion.

In general, the vast majority of employees confirm that they are not exposed to discrimination and that people of all backgrounds are accepted at Borregaard. Any non-conformities or areas of concern were followed up within the relevant departments, through a separate health and work environment survey, and the annual appraisal dialogues.

We have also established KPIs concerning diversity and inclusion, and results and progress will be measured in 2026. We will continue to work systematically to recruit and develop people of different ethnicities, genders, and age groups.

Our focus on diversity will continue to be reflected in recruitment, employer branding and leadership development, and measured and monitored through our organisational review, and annual engagement survey.

ESRS DP_ID	Metrics related to diversity	Unit	Total 2024 ⁸	Female 2025	Male 2025	Total 2025	Δ (%) (2025-2024)
S1-9_CS1	Minimum 35% new hires to be female employees	%	29	-	-	25	-14
S1-9_CS2	Minimum of 35% proportion of female employees	%	25	-	-	27	8
S1-9_CS3	Minimum of 35% proportion of female managers	%	28	-	-	26	-7
S1-9_01	Gender distribution in number of employees (head count) at top management level	Number	7	3	7	10	43
S1-9_02	Gender distribution in percentage of employees at top management level	%	-	30	70	-	-
S1-9_03	Distribution of employees (head count) under 30 years old	Number	164	42	142	184	12
S1-9_04	Distribution of employees (head count) between 30 and 50 years old	Number	485	146	332	478	-1
S1-9_05	Distribution of employees (head count) over 50 years old	Number	546	142	424	566	4

⁸ The number of employees over 50 years old reported in 2024, has been updated with the correct number in 2025.



Accounting policy cont.

Gender distribution of top management

Proportion of women at top management level. Top management level is defined as level 1 and 2, where the CEO represents level 1 and the Group Management Team is designated as level 2.

Age distribution

Calculations include all employees (full-time and part-time) and is calculated on a headcount basis per 31.12.2025.

S1-10

Adequate wages metrics

We are committed to providing competitive and fair compensation to all employees. Our salaries and working conditions always comply with all applicable local laws and regulations. To support consistency across the organisation, we maintain a global compensation policy that ensures a transparent and equitable remuneration structure. We are dedicated to offering wages that meet workers' needs and reflect the economic and social conditions of each country in which we operate. We also uphold a strong commitment to equal pay. Individuals in equivalent roles with comparable competencies receive fair and equal remuneration throughout all salary-related processes, from recruitment to promotion.

All our employees receive fair and adequate wages for the work they perform, either through local collective bargaining agreements or by referencing external national benchmarks. We incorporate national benchmarks when determining wages for all employees, to ensure they receive an adequate wage. In 2025, we carried out external wage benchmarking for our office in China. The results confirmed that our employees are compensated fairly and in line with relevant local standards. In compliance with legislation, non-employees are also entitled to the same pay and benefits as our workforce.



S1-13

Training and skills development metrics

In 2025, there was significant activity in training and skills development. The vast majority of our employees participated in training initiatives, with a notable increase in the completion of e-learning courses. This amounted to an average of 14 hours of training per employee (all employees). We conducted 7 competence development programmes.

In 2025, 29% of the participants in the group management competence programmes were female, representing 7 different nationalities.

Borregaard strengthened its attraction, recruitment, and retention activities in 2025. During the year, we hired 99 new employees and directed particular efforts towards efficient onboarding. We conducted two introduction programmes at our headquarters in Sarpsborg for 42 new employees from our units worldwide.

Individual development

Annual appraisal dialogues are held between

managers and employees. In 2025, 893 employees participated in an appraisal dialogue with their manager. This represents 88% of those who were included in the annual appraisal process (a minor share of employees is not included due to labour union agreements).



Accounting policy cont.

Average number of training hours

Total training hours completed by employees divided by the total number of employees (not FTE). The number of employees who participated in training and the number of courses completed, are extracted from our HR system and e-learning platform

ESRS DP_ID	Metrics related to training and skills development	Unit	Total 2024	Female		Total 2025	Δ (%) (2025-2024)
				2025	Male 2025		
S1-13_02	Percentage of employees that participated in regular performance and career development reviews	%	88	-	-	88	0
S1-13_02	Number of employees that participated in regular performance and career development reviews	Number	876	247	626	893	0
S1-13_03	Average number of training hours by gender	Number	9	13	14	14	1
S1-13_04	Average number of training hours per person for employees	Number	9	-	-	14	1
S1-13_CS	Run 5 competence academies	Number	6	-	-	7	0

S1-14

Health and safety metrics

There were no fatalities resulting from work-related injuries or ill health among Borregaard's workforce or other workers at our sites in 2025.

The total number of recordable work-related injuries (TRI) for our workforce in 2025 was 15, compared with 17 in 2024. The total recordable injury frequency rate (TRIF) decreased from 7.9 in 2024 to 6.8 in 2025. No lost-time injuries were recorded among our workforce during 2025.

The total number of recordable work-related injuries (TRI) among other workers (contractors) at our sites was 7. All incidents occurred at Borregaard's site in Sarpsborg. Of these 7 recordable injuries, 3 resulted in lost-time injuries. Two of the lost-time injuries involved chemical exposure, while the third was caused by contact with sharp equipment.

In 2025, 2 high-risk incidents (HRI1) were reported, one traffic-related incident and one facial cut caused by handling an angle grinder.

In 2025, the total sick leave rate decreased to 3.4%, down from 3.7% in 2024.

To gain a full understanding of our health and safety performance, we use a range of company-specific metrics to monitor and track trends and developments, enabling us to take proactive measures that enhance safety for our employees.



Accounting policy cont.

Health and safety

We receive Excel reports containing information on hours, incidents, and injuries (for both our own workforce and for contractors) from our plants and sales offices.

We export incidents and injuries from a dedicated reporting system, Kairos, for the biorefinery in Sarpsborg, Norway. Information on hours and sick leave is obtained from the human resources department. All the data is presented in a Power BI report, which extracts information from an Excel report that consolidates all data inputs from sales offices and plants.

Hours for contractors are calculated based on numbers from the finance department and input from external services.

The rate of recordable work-related incidents is calculated by dividing the total recordable accidents/injuries by the total hours worked during the last 12 months and multiplied by a million.

ESRS DP_ID	Metrics related to health and safety	Unit	2023	2024	2025	Δ (%) (2025-2024)
Metrics related to own workforce health and safety						
S1-14_01	Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	%	100	100	100	0
S1-14_02	Number of fatalities in own workforce as result of work-related injuries and work-related ill health	Number	0	0	0	0
S1-14_03	Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	Integer	0	0	0	0
S1-14_04	Number of recordable work-related accidents for own workforce	Number	11	17	15	-12
S1-14_05	Rate of recordable work-related accidents for own workforce	Rate	5.3	7.9	6.8	-14
S1-14_07	Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees	Number	182	54	5	-91
S1-14_CS1	Number of high-risk incidents (HRI1)	Number		1	2	100
S1-14_CS2	Number of lost time work-related injuries	Number	1	2	0	-100
S1-14_CS3	Rate of lost time work-related injuries per million hours worked (LTI-rate)	Rate	0	1	0	-100
S1-14_CS4	The numbers of hours worked	Number	2,091,399	2,135,910	2,196,378	3
S1-14_CS5	Sick leave	%	3.6	3.7	3.4	-8
Metrics related to contractors health and safety						
S1-14_CS6	Number of fatalities as a result of work-related injury - contractors	Number	0	0	0	0
S1-14_CS7	Rate of fatalities as a result of work-related injury per million hours worked - contractors	Rate	0	0	0	0
S1-14_CS8	Number of recordable work-related injuries - contractors	Number	4	5	7	40
S1-14_CS9	Rate of recordable work-related injuries per million hours worked - contractors	Rate	11.8	13.8	16.9	22
S1-14_CS10	The numbers of hours worked - contractors	Hours	339,561	362,616	414,797	14



S1-16

Remuneration metrics (pay gap and total remuneration)

The ratio of base salary of women to men at Borregaard in Norway is 103% (women: NOK 852,100/men: NOK 826,800). This results in a negative pay gap of 3% meaning that on average our female employees are slightly higher paid than our male employees. The difference can be explained by the fact that we have a higher proportion of women in positions that require

higher education levels and therefore fall within higher salary ranges. The base salary is defined as fixed salary plus fixed additions to the salary, such as shift pay.

Overall, the company has a relatively equal average salary level for women and men. As part of the legal requirements from Norwegian authorities, Borregaard

has evaluated all Norwegian positions regarding gender-related equal pay.

The results are published in our annual [Diversity Report](#). The pay ratio (base salary) between the CEO and the median Borregaard employee in Norway was approximately 6.5 to 1 in 2025.

ESRS DP_ID	Metrics related to remuneration	Unit	2024	2025	Δ (%) (2025-2024)
S1-16_01	Gender pay gap	%	-4	-3	-25
S1-16_02	Annual total remuneration ratio	%	6.8 to 1	6.5 to 1	-

S1-17

Incidents, complaints and severe human rights impacts metrics

In 2025, 1 grievance case was raised. The case was not related to discrimination. No incidents of severe human rights issues or incidents connected to our own workforce that contravene the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises were reported internally or externally through the existing

channels. Consequently, we incurred no fines, penalties, or compensation obligations related to such issues. Complaints or concerns raised through the appropriate channels, e.g. the whistleblowing system, have been dealt with in accordance with our internal procedures. During the reporting period, Borregaard did not identify any severe human rights

incidents, including cases of forced labour, human trafficking, or child labour. No instances of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises have been recorded.

ESRS DP_ID	Metrics related to incidents, complaints and severe human rights impacts	Unit	2024	2025	Δ (%) (2025-2024)
S1-17_02	Number of incidents of discrimination	Number	0	0	0



Accounting policy cont.

Remuneration

The CEO pay ratio is calculated as the ratio between the CEO's base salary, including fixed allowances, and the average/median salary per headcount in Norway. The figures are compiled from our payroll system.

Gender pay gap

(Base salary male employees- base salary female employees)/(base salary male employees) *100

The base salary is defined as fixed salary plus fixed additions to the salary, such as shift pay.



G - Governance information

G1 Business conduct

The IROs described in the ESRS G1 section are shown in the table to the right. To illustrate the IRO scoring, we use a blue gradient. The blue gradient becomes darker as the score increases, and white indicates that an IRO is not material.

Borregaard’s business model is anchored in a strong culture of market focus, innovation, integrity, and responsibility. These values shape how the company operates and interacts with stakeholders, ensuring ethical practices and transparency across all activities. This commitment is embedded in The Borregaard Way, which integrates responsible conduct into onboarding, strategic decision-making, and sustainability processes. By aligning business conduct with long-term value creation, Borregaard

strengthens trust with customers, employees and society, supporting resilience and competitiveness in a rapidly changing market. This approach also underpins the identification and management of risks and opportunities, ensuring that ethical conduct contributes to sustainable growth and compliance with evolving stakeholder expectations.

Procurement constitutes a substantial portion of our budget and plays a crucial role in our production. The goods and services we purchase, the suppliers we select, and the standards and requirements we set for them directly influence environmental, social, and governance outcomes.

IROs - Business conduct

MATERIAL SUSTAINABILITY MATTERS	MATERIAL IMPACTS ON ENVIRONMENT/PEOPLE AND FINANCIAL RISKS AND OPPORTUNITIES DESCRIPTION	TIME HORIZON		
		0-1yr	1-5yr	>5yr
Corporate culture	Positive impact. Borregaard’s culture of market focus, innovation, integrity and responsibility drives ethical business practices and openness, reinforced through The Borregaard Way in onboarding, strategy and sustainability.			
Management of relationships with suppliers	Risk. Disruption in the supply chain due to geopolitical instability, conflicts, wars, strikes, unforeseen events, trade barriers, or climate-related factors. Lack of ESG compliance among suppliers may lead to consequences and reputational risk, especially in cases of human rights violations.			

Through the management of relationships with suppliers, we seek to promote fair, transparent and responsible sourcing. Our stakeholders expect that our sourcing of goods and services, as well as our interactions with suppliers, are conducted in a fair and proper manner. These expectations continue to guide our approach across the three pillars of sustainability, social (people), environment (planet), and economy (profit), in all procurement activities. However, this positive contribution is not assessed as material in this year's double materiality analysis.

In this reporting year, we address a material risk identified through our double materiality assessment. The risk relates to disruptions in the supply chain caused by geopolitical instability, conflict, war, climate-related events, strikes, unforeseen incidents, or closed routes, and to non-compliance with ethical, environmental, or EHS requirements among suppliers which poses reputational and compliance challenges. The company may face potential negative financial consequences from the need for supplier replacement, increased audit and verification activities, training requirements, cost impacts from supply disruptions, or the need for contingency measures. Disruptions in critical raw materials or service flows may also lead to direct operational losses.

Guidelines and instructions are made available both to employees and external stakeholders to regulate activity and help cultivate sound business practises and strong supplier relationships.

G1.GOV-1

The role of the administrative, supervisory and management bodies

The Senior Vice President Human Resource has the overall responsibility for corporate culture. The Senior Vice President Procurement and Strategic Sourcing has the overall responsibility for the management of relationships with suppliers.

Borregaard continuously focuses on governance and the work is overseen by the Compliance Board, see [GOV-1](#).

G1.IRO-1

Processes to identify and assess material impacts, risks and opportunities

Borregaard's impacts on the environment and people, as well as its financial risks and opportunities (IROs), have been assessed using a double materiality approach in line with ESRS requirements. The process is described in the IRO-1 section on page [43](#). The assessment spans all Borregaard operations and the entire value chain, and draws on established methodologies, including

risk management systems, stakeholder engagement, scenario analysis, due-diligence practices, and value-chain mapping.

As part of this approach we evaluate our impact, risks, and opportunities using a consistent set of criteria. One criterion is location. All Group companies are included in the assessment. The geographical context in which the company operates and sources from is considered, especially where elevated environmental, human-rights, or governance risks may be present.

The second criterion is activity and refers to the nature of operations or supplier-related processes, acknowledging that certain functions or types of products or services provided may involve higher exposure to risk. The third criterion is sector, reflecting industry-specific characteristics relevant to Borregaard and our counterparties. Here, we take into account the governance and integrity expectations associated with operations in the biorefinery sector, as well as category-specific risk factors related to supplier industries such as wood, chemicals, packaging, transport, and energy.

The final criterion is the structure of the transactions. In this context, we assess the contractual and relational attributes of business arrangements, including their duration, strategic significance and degree of dependency, such as reliance on third parties, delegation of authority or roles, and the criticality of supplies.

Corporate culture is a material sustainability matter for Borregaard, as it underpins responsible business conduct, ethical behaviour, and a safe, inclusive and transparent working environment. The company evaluates cultural impacts, risks, and opportunities through continuous monitoring of governance practices, employee surveys, whistleblowing channels, training programmes, and regular dialogue with relevant stakeholders. This enables Borregaard to identify potential behavioural or organisational risks, understand the factors that influence ethical conduct and workplace dynamics, and reinforce practices that support integrity, accountability, and long-term organisational resilience.

The management of supplier relationships is also considered material due to the influence of upstream activities on environmental, social, and governance performance, as well as the security of supplies. Borregaard conducts systematic assessments of supplier practices through tools such as due diligence processes, annual spend reviews, supplier evaluations, documented sourcing procedures, audits, and ongoing engagement.

This enables the company to identify potential adverse impacts in the supply chain, prioritise suppliers requiring enhanced follow-up, and support improvements in sustainability performance. These assessments are integrated into procurement governance and contribute to responsible sourcing, greater transparency, and improved resilience throughout the value chain.

G1-1 AND G1.MDR-P

Business conduct policies and corporate culture

Borregaard has a solid foundation for its operations, built on a strong corporate culture and core values, described in [The Borregaard Way](#). The culture and values are rooted in the company's goals and strategy, and a number of efforts are in place to nurture and enhance our culture (market-oriented, innovative, change-oriented) and our values (sustainability, long-term perspective and integrity). The Borregaard Way is integrated into all introduction programmes, management academies, and other training programmes, as well as dilemma discussions and e-learning training tools. Borregaard also has a set of overarching, global policies that regulate a number of matters within governance and sustainability. The main documents have been approved by the company's Board of Directors, which also sets the overall goals for the areas covered by these reporting procedures.

The relevant guidelines are:

- [Code of Conduct](#) (describing the company's ambitions and the employee's duties with several ethical and governmental areas)
- [Environment, Climate, Health and safety Engagement policy](#) (describing guidelines and goals for the mentioned areas)
- [Human Rights policy](#) (describing ambitions and goals within human and labour rights)
- [Anti-Corruption policy/manual](#) (describing regulations, ambitions and duties within anticorruption)
- [Responsible Sourcing policy](#) (describing ambitions and guidelines for sourcing of goods and services and our expectations towards suppliers)
- [Corporate Governance Principles](#)
- [Competition Law Compliance policy](#) (describing regulations, ambitions and duties within competition law compliance)
- [Policy on Animal Testing and Welfare](#) (describing approval and performance of animal testing)

The Group Executive Management, based on their formal competence and relevant experience, is responsible for overseeing the company's policies, related to goals, measures and results.

The day to day implementation of these policies is the responsibility of line management. This means that corporate responsibilities are integrated into all operations across Borregaard's subsidiaries, as well as within various management teams, units, and departments.

Training programmes and materials on relevant topics and guidelines are developed and implemented for employees. All employees at Borregaard have annual appraisal dialogues with their manager, and an annual employee survey is conducted for all employees. Both the appraisal dialogues and the employee surveys encourage employees to raise issues related to potential breaches of the Code of Conduct. Every three years, a working environment survey is conducted on behalf of the Occupational Health Service where employees are encouraged to raise topics that may impact the working environment. The Group Executive Management evaluates the results of the surveys, and each department is responsible for implementing actions to improve the results. All surveys are anonymous.

Borregaard strives for transparency and a strong corporate culture to ensure that challenging or undesirable situations are openly discussed and resolved.

There may be situations where employees observe or experience conflicts with Borregaard's guidelines or expectations. Ideally, such issues should be addressed where they arise. However, there may be circumstances where this is difficult, or not possible, or where it is not desirable for the employee. Therefore, Borregaard has established a whistleblowing system operated by an independent third party, including a dedicated channel accessible to both employees and external parties. Any unethical behaviour can be reported through this channel, in accordance with Borregaard's Code

of Conduct, Section 7.2, or applicable law. Whistleblowers may request anonymity, which will be respected to the extent legally possible. Borregaard's written procedures comply with governmental requirements. Guidelines are translated into relevant languages and implemented across the company's subsidiaries worldwide.

The main risk related to corruption and bribery identified is in the compliance risk matrix, and concerns sales to countries with a high risk for corruption. However, the risk is considered to be low due to comprehensive training and well established policies and procedures. Examples of specific measures applied in higher-risk countries include very restrictive use of agents, limited use of cash transactions, background checks of new distributors and customers, and targeted training related to anti-corruption.

International and national chemicals legislation requires testing and registration with authorities before products can be placed safely and legally on the market. In exceptional cases, animal testing may therefore be required to ensure compliance with relevant regulatory requirements. Borregaard is committed to reducing the number of animals used to a minimum and, whenever possible, replacing animal testing with alternative methods." A formal procedure for the approval and performance of animal testing is established (QMSD-1598064950-3188).

G1.MDR-A

Actions related to business conduct

Corporate culture is important to Borregaard because it helps to develop and steer the organisation in the right, strategic direction. Consequently, topics related to culture and values are integrated into a wide range of training and introduction initiatives for new employees, managers, and various professional groups. In addition, there are dedicated programmes and measures designed to strengthen specific elements of the culture. "Market-oriented" is one such cultural element, reinforced through training in different markets and applications where customer focus is central. The Application Academy is an example of this. "Innovative" is primarily strengthened by involving and organising a broad set of functions in the innovation processes, including the marketing organisation, researchers, and the production organisation. In this way, large parts of the organisation are shaped by an innovative culture. "Change-oriented" is reinforced through training in efficient processes (lean), for example through the dedicated training programme Production Academy, in which several parts of the organisation participate.

In 2025, Borregaard continued to strengthen the management of relationships with suppliers through monitoring and performance evaluation and a series of targeted initiatives aimed at providing improved data quality, enhancing risk assessments, and deepening sustainability collaboration across the supply chain. The actions are ongoing and form

part of an iterative improvement process, supported by annual targets under MDR-T. Borregaard evaluates the effectiveness of the actions through a structured set of quantitative indicators, systematic follow-up procedures and formalised governance processes.

Actions implemented in 2025: Building on the implementation of the new digital tool for sourcing, supplier approval and collaboration in 2024, the tool was expanded into broader operational use in 2025. Comprehensive information from suppliers, including quality, risk, efforts related to nature protection, climate impact, emissions, water usage and water security was collected. The annual EcoVadis IQ assessment incorporating updated procurement data, spend distribution, and supplier criticality to refine the risk profiles was completed.

Key suppliers were engaged to disclose on EcoVadis Ratings for more in-depth assessments. Based on risk assessments, targeted sustainability engagement through dialogue, targeted actions, and structured follow-up processes was conducted. Resilience measures were strengthened through diversification of critical suppliers, development of alternative sourcing routes, and collaboration with internal functions to strengthen early risk detection. A structured sustainability training programme was implemented through the EcoVadis Academy.

Results achieved in 2025: The overall data quality, transparency, and traceability were enhanced due to digitalisation and annual data update process. The accuracy of risk classification was improved,

enabling more targeted and effective supplier engagement. The organisation's competence in sustainable procurement was strengthened, with improved integration of sustainability and risk assessments into daily procurement decisions.

Total estimated supplier spend in 2025: approximately 5.7 billion across 2500 suppliers in 43 countries 83 % of the sourcing was from Europe, 16% from the US and Canada and the remaining 1% distributed throughout Asia, Americas, Australia, and Africa. Out of the 2500 suppliers, 303 had spend exceeding NOK 1 million, and 225 suppliers were defined as bottleneck or strategic suppliers. 78% of spend was related to the biorefinery in Norway, out of which 56% was direct spend (energy and raw materials) and logistics. Out of the 1691 suppliers to the biorefinery in Norway, 92% of spend originated from Norway, Sweden, and Germany.

An EcoVadis IQ assessment was carried out for 1,697 suppliers. Three suppliers were identified as having social impacts, however, none were considered strategic and thus no supplier is identified as having significant actual and potential negative social impacts. Four suppliers were identified as having environmental impacts, and none were considered strategic. In addition, 267 suppliers in the categories energy, logistics, chemicals, and wood were identified as having potential environmental impacts, where 38 were considered strategic and hence with significant potential adverse environmental impacts. Improvements were made with 71% of these.

No significant confirmed negative environment or social impacts were identified in 2025 and no supplier relationships were terminated for these reasons.

To ensure transparency in line with ESRS 2 MDR-A 69 (c), Borregaard reports the investment and operating costs associated with the actions described above. In 2025, no investment cost was associated with the actions described above. Operational cost linked to the supplier engagement model, including broader operational use of the digital tool for sourcing and supplier, EcoVadis assessments, targeted supplier follow-up, training activities and strengthening resilience and risk mitigation amounted to NOK 4.5 mill. These costs primarily relate to subscription fees, licences, IT consultancy and IT maintenance. In addition to these external costs, the actions required the use of internal resources. The related internal labour costs are not included in the NOK 4.5 million but form part of the overall resource allocation necessary to implement the actions effectively.

For 2026 and beyond, continuous supplier engagement, monitoring, and performance evaluation will be prioritised, together with the annual EcoVadis IQ assessments and an increased share of suppliers participating in EcoVadis Ratings. We shall further develop digital data capture, sustainability criteria, and risk-screening processes and expand the structured improvement programmes for suppliers.

G1-2

Management of relationship with suppliers

Borregaard has implemented a structured and risk-based approach to managing relationships with suppliers with the aim of strengthening supply-chain resilience, cost effectiveness, and ensuring responsible and sustainable sourcing. We assess suppliers not only on efficiency, price, quality and service levels, but also on social, ethical, and environmental performance. Our established strategy is to conduct sustainable purchasing, integrating social, ethical, and environmental considerations into procurement decisions and giving these substantial weight in the selection, evaluation, and follow-up of suppliers.

We manage our supplier relationships in accordance with established principles, published requirements, and clear expectations for responsible business conduct. We adhere to, and we expect our suppliers to adhere to, recognised standards related to human rights, labour and decent working conditions, environmental protection, ethics, and anti-corruption, as defined by the Ten Principles of the UN Global Compact and the standards given by the International Labour Organisation (ILO), Declaration on Fundamental Principles and Rights at Work.

Our suppliers commit to such standards by signing our [Supplier Code of Conduct \(SCoC\)](#). All our suppliers that have signed the SCoC have contractually

committed to the acknowledged standards. In addition, our contracts include, where appropriate based on risk assessments, specific clauses addressing environmental, labour, and human rights considerations.

Integration of social and environmental criteria: Social and environmental performance forms an integral part of both supplier selection and ongoing assessments. We consider any significant actual and potential negative social and environmental impacts by the supplier and its supply chain. This approach ensures that actual and potential negative impacts are identified, minimised, and addressed systematically across the value chain.

Where significant impacts are identified, appropriate measures are evaluated, ranging from improved dialogue to strengthened monitoring. In severe cases, and where suppliers show no willingness to improve, the business relationship maybe discontinued.

We have the necessary measures in place to comply with the Norwegian Transparency Act, promoting decent working conditions and human rights throughout the value chain.

Supplier management is supported by digital solutions for data collection and visualisation, sourcing, supplier approval and onboarding as well as supplier collaboration and procure-to-pay processes. These tools enhance transparency, data

quality, and traceability, enabling more accurate risk classification and targeted mitigation measures. We use the EcoVadis modules, IQ and Ratings, to assess our suppliers. Through EcoVadis IQ, we conduct a risk assessment across our supplier base identifying company risk distribution by themes: Environment, Labour & Human Rights, Ethics, and Sustainable Procurement. An overall risk distribution is defined, based on the supplier's inherent sustainability risk intelligence from EcoVadis combined with our own procurement data. Since changes in procurement data can impact the risk profile, it is essential to update supplier data in EcoVadis IQ regularly. We have implemented a process to update supplier data, spend, and criticality every 12 months, followed by an updated IQ assessment.

The second module, EcoVadis Ratings, provides a comprehensive assessment of individual companies' sustainability performance across the same themes as EcoVadis IQ. The ratings are derived from a thorough assessment of each company's policies, practices, and documented evidence. Companies are evaluated on the material issues relevant to their size, location, and industry. Corrective actions tailored to each company are determined based on the assessment results.

Training on responsible and sustainable procurement is provided to procurement employees, and sustainability is embedded in regular team interactions and governance processes. This ensures that

supplier relationships are managed in alignment with Borregaard's values of integrity, responsibility, and sustainability.

G1.MDR-T

Targets related to Management of relationship with suppliers

Measurable targets related to management of suppliers	Retrospective			Future targets	Comments
	Base year 2024	Result 2025	Target 2025	2026	
Percentage of new suppliers* having signed Supplier Code of Conduct and assessed w.r.t responsible sourcing	100	98	100	100	*Except those classified as non-critical
Percentage of key suppliers* disclosing information on the EcoVadis Ratings platform	65	71	70	80	
Number of supplier audits	10	7	8	8	

Borregaard has established measurable, outcome-oriented and time-bound targets for the management of supplier relationships. These targets support the company's Responsible Sourcing Policy and Procurement Policy, and are aligned with the broader objectives of promoting ethical conduct, mitigating supply-chain risks, and strengthening resilience across the upstream value chain.

Each target described below includes its link to the relevant policy objectives, baseline values, scope, methodologies, milestones, and performance to date, in line with ESRS G1.MDR-T requirements.

Target: Share of new suppliers signing the Supplier Code of Conduct and assessed with respect to responsible sourcing. This target directly supports Borregaard's Procurement Policy, Responsible Sourcing Policy, and Code of Conduct by ensuring that all new suppliers commit to the company's standards on human rights, labour rights, environmental protection, and ethical business conduct. It also underpins the company's due-diligence obligations and risk-prevention efforts

across the supply chain. The target is absolute and measured as a percentage of all new suppliers. The target applies to all new suppliers contracted

across Borregaard's global operations, excluding those classified as non-critical. The scope covers Borregaard's upstream value chain, where supplier practices materially influence sustainability outcomes. The target is derived from Borregaard's supplier onboarding and due-diligence methodology, which includes standardised contractual requirements, screening for environmental, social and governance criteria, alignment with the UN Global Compact and ILO

core conventions. Risk-based classification determines whether a supplier is considered non-critical and therefore exempt. The target

primarily concerns governance and human-rights matters; however, environmental screening is incorporated into the assessment and based on recognised standards such as EcoVadis methodology and established environmental management criteria. Procurement teams, compliance functions, and the Corporate Sustainability team have contributed to target setting through annual risk reviews and supplier engagement processes. No methodological changes were made during the period. Minor deviations in performance (such as the 2025 result of 98%) reflect natural operational variation rather than changes to measurement or scope.

Progress is monitored through the supplier approval workflow in the digital procurement system, with quarterly reporting to the Procurement leadership team. Performance remains broadly aligned with expectations, with deviations addressed through strengthened onboarding controls and supplier follow-up.

Target: Share of key suppliers disclosing sustainability information through EcoVadis Ratings. This target supports the Procurement Policy and Responsible Sourcing Policy by increasing transparency and enabling systematic sustainability assessments of higher-risk and strategically important suppliers. The target is relative, measured as the percentage of key suppliers. The target applies to key suppliers, as defined in the supplier risk classification system. The target covers Borregaard's upstream value chain, particularly categories with higher inherent ESG risks (e.g., wood, chemicals, logistics, energy). The scope is global, reflecting Borregaard's international supply base. The target is based on EcoVadis Ratings risk assessments, supplier categorisation, spend data and criticality analysis. It reflects alignment with international sustainable procurement frameworks and sector expectations for enhanced due diligence. Scientific evidence is not applicable; this is a governance target. However, environmental scoring in EcoVadis is based on internationally recognised standards and scientific frameworks. Stakeholder engagement is set through collaboration between Strategic Sourcing, Sustainability, and category managers. Key suppliers are informed and invited to

participate through structured engagement. No significant methodological changes have been made. Variance in annual performance reflects supplier willingness, data availability and onboarding timing. Monitoring is performed continuously through the EcoVadis Ratings. Performance exceeded the 2025 target, reflecting successful engagement and improved supplier participation.

Target: Number of supplier audits conducted annually. This target reinforces the Procurement Policy by enabling deeper evaluation of suppliers with potential risks regarding delivery quality and compliance with sustainability standards. It complements digital screening tools with on-site or remote verification. The target is an absolute number of audits per year and it applies to suppliers where risk assessments or category management indicate heightened risk or exposure. The scope covers upstream supply-chain actors across all geographies. Audit targets reflect a risk-based prioritisation approach and resource allocation. Methodologies draw on international audit protocols, supplier questionnaires, and industry-specific requirements. Scientific evidence is not applicable as this is a governance target. Stakeholder involvement through targets having been set jointly by Procurement, EHS specialists, and compliance teams, based on annual risk evaluations. There have not been any changes to targets or methodologies, though year-to-year performance may fluctuate in line with risk signals and operational factors. As for performance and monitoring, audits are tracked through procurement

governance systems, with annual reviews. The slight deviation from the 2025 target reflects resource prioritisation and updated risk assessments. Trends indicate that future audit planning is stabilising, supported by improved digital risk screening.

G1.MDR-M

Metrics related to management of supplier relationships

ESRS DP_ID	Metrics related to business conduct	Unit	2023	2024	2025	Δ (%) (2025-2024)
G1_CS13	Percentage of new suppliers signing Supplier Code of Conduct	%		100	98	-2
G1_CS14	Percentage of strategic suppliers disclosing information on EcoVadis platform	%		65	71	9
G1_CS15	Number of supplier audits	Number		10	7	-30
Metrics related for supplier environmental assessment						
G1_CS1	New suppliers that were screened using environmental criteria	Number	86	85	71	-16
G1_CS2	Number of suppliers assessed for environmental impacts	Number	1,626	1,669	1,697	2
G1_CS3	Number of suppliers identified as having significant actual and potential negative environmental impacts	Number	31	35	38	9
G1_CS4	Significant actual and potential negative environmental impacts identified in the supply chain	Number	0	1	0	-100
G1_CS5	Percentage of suppliers identified as having significant actual and potential environmental impacts with which improvements were agreed upon as a result of assessment	%	55	54	71	31
G1_CS6	Percentage of suppliers identified as having significant actual and potential environmental impacts with which relationship were terminated as a result of assessment, and why	%	0	0	0	0
Metrics related to supplier social assessment						
G1_CS7	New suppliers that were screened using social criteria	Number	86	85	71	-16
G1_CS8	Number of suppliers assessed for social impacts	Number	1,626	1,669	1,697	2
G1_CS9	Number of suppliers identified as having significant actual and potential negative social impacts	Number	0	0	0	0
G1_CS10	Significant actual and potential negative social impact identified in the supply chain	Number	0	0	0	0
G1_CS11	Percentage of suppliers identified as having significant actual and potential social impacts with which improvements were agreed upon as a result of assessment	%	0	0	0	0
G1_CS12	Percentage of suppliers identified as having significant actual and potential environmental impacts with which relationship were terminated as a result of assessment, and why	%	0	0	0	0



Accounting policy

Accounting policy for the company specific targets

Spend data, unique supplier ID, name and location, from SAP and manually collected for non-SAP subsidiaries.

Monthly loading of SAP data and annually loading of non-SAP data to Ignite. All in NOK. Suppliers classified into non-critical, leverage, bottleneck, and strategic, and categorised into Wood, Logistics, Chemicals, Energy, Indirect, Packaging, and Spend Excel. Data regarding screening and assessments are from EcoVadis IQ. Widgets in Ignite displays several of the metrics, and others are calculated in excel by combining data.

Sarpsborg, 18 March 2026

THE BOARD OF DIRECTORS OF BORREGAARD ASA

Signed

HELGE AASEN

Chair

Signed

TERJE ANDERSEN

Signed

TOVE ANDERSEN

Signed

MARGRETHE HAUGE

Signed

JOHN ARNE ULVAN

Signed

ARUNDEL KRISTIENSEN

Signed

RAGNHILD ANKER EIDE

Signed

TOM ERIK FOSS-JACOBSEN

CEO



CORPORATE GOVERNANCE

Borregaard's principles for good corporate governance form the basis for long-term value creation, benefitting shareholders, employees and society. These principles promote a healthy corporate culture where sustainability, long-term perspective and integrity are fundamental values. The Board of Directors is responsible for corporate governance.

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

Borregaard is subject to the reporting requirements of the Norwegian Accounting Act, the Norwegian Code of Practice for Corporate Governance, and the Continuing Obligations of Stock Exchange Listed Companies, which are available at www.lovdata.no, www.nues.no and www.oslobors.no, respectively.

This report follows the structure set out in the Code of Practice dated 28 August 2025. It covers all clauses of the Code of Practice, describes Borregaard's compliance, and explains any deviations.

The Board of Directors approved this report on 18 March 2026. A separate statement from the Board of Directors is included on page [215](#). The statement will be considered by the General Meeting on 16 April 2026.

The Board of Directors ensures that the company complies with applicable laws and regulations. The principles of good corporate governance are integrated into the Board's decision-making processes, and the Board continually discusses and evaluates both the principles and their implementation.

2. BUSINESS

According to the Articles of Association, Borregaard's business operations involve: "... the development, production and sale of biochemicals, bio-based speciality products and other chemicals, as well as other business operations that are naturally related to these." The Board of Directors has established clear objectives, strategies, and risk profiles for the company's business activities, integrating financial, social, and environmental considerations.

Borregaard's activities focus on three areas: BioSolutions, producing biopolymers and biovanillin from lignin; BioMaterials, which includes speciality cellulose and cellulose fibrils; and Fine Chemicals consisting of fine chemical intermediates and advanced bioethanol. Borregaard's financial objective is to achieve strong profitability, targeting a return on capital employed¹ (ROCE) above 15% pre-tax over a business cycle. For a more detailed description of business segments, corporate goals, and strategies, please refer to The Borregaard Group on page [3](#).

The Borregaard Group contributes to the sustainable development of society through responsible commercial operations and continuous improvement. The Group's ethical guidelines (Code of Conduct) are available at [Borregaard's business policies - Borregaard](#).

¹ Alternative performance measures, see page [221](#) for definition

Report of the Board of Directors includes sustainability statements prepared in accordance with the Corporate Sustainability Reporting Directive and can be found on page 8 in this Annual Report. The Annual Report provides an overview of Borregaard's systematic efforts in areas that are important to stakeholders, including employees, business partners, and the community (from page 32).

The objectives, strategies and risk profiles are evaluated annually by the Board.

3. EQUITY AND DIVIDENDS

The Group's equity as of 31 December 2025 was NOK 5,878 million. The capital structure is appropriate for the company's objective, strategy and risk profile. The Board has stated the following regarding the dividend policy:

"Under the current dividend policy adopted by the Board, Borregaard intends to pay regular and progressive dividends reflecting the expected long-term earnings and cash flows of the Borregaard Group, targeting an annual dividend between 40% and 60% of the company's net profit for the preceding financial year".

For the financial year 2025, the Board proposes a dividend of NOK 4.75 per share, up from NOK 4.25 per share in 2024. Dividend will be paid on 27 April 2026 to shareholders registered in the company's shareholders' register as evidenced in a transcript as of 20 April 2026.

Acquired shares subject to ordinary settlement in the Norwegian Securities Register (VPS), will carry the right to receive dividends if acquired up to and including 16 April 2026.

The Board has no authority to issue new shares. At the General Meeting in 2025, the Board was authorised to buy treasury shares up to a total nominal value of NOK 10 million, corresponding to 10% of the current share capital. The authorisation is valid until the General Meeting in 2026, but no longer than 30 June 2026. The authorisation may only be utilised in connection with share-based incentive programmes, shares for employees or for repurchase of shares for cancellation.

4. EQUAL TREATMENT OF SHAREHOLDERS

Borregaard has one class of shares, and each share entitles the holder to one vote. The nominal value is NOK 1.00. As of 31 December 2025, Borregaard held 270,174, treasury shares.

It is Borregaard's policy to ensure that shareholder value is not diluted through the issuance of new shares. Should the Board propose a deviation from existing shareholders' pre-emption rights in the event of a share issue, the Board must justify this as being in the common interest of the company and its shareholders and specifically state how the principle of equal treatment of shareholders is safeguarded. This justification must be included in the notice of the General Meeting.

There are no provisions in Borregaard's Articles of Association concerning the buy-back or issue of shares. Transactions in treasury shares have been carried out on the market at stock exchange prices, in compliance with the Oslo Stock Exchange safe harbour rules and established stock exchange practices in Norway.

5. SHARES AND NEGOTIABILITY

All Borregaard's shares confer equal rights and are freely negotiable. There are no provisions in the Articles of Association restricting the free negotiability of shares.

6. GENERAL MEETINGS

The General Meeting of the shareholders is the company's highest authority and elects the Board of Directors as the highest governing body. The Board encourages the shareholders to exercise their rights by participating and voting in the General Meeting.

Borregaard holds its Annual General Meeting every year before 30 June. The notice of the General Meeting and related administrative documents must be available on Borregaard's website no later than 21 days prior to the date of the meeting.

According to the Articles of Association, Clause 7, documents relating to matters to be considered at the General Meeting, including documents which by

law must be included in, or attached to, the notice of the General Meeting do not need to be sent to shareholders, if such documents instead are made available on Borregaard's website. A shareholder may at any time demand to have such documents mailed. The provision in the Articles of Association is consistent with Section 5-11a of the Norwegian Public Limited Liability Companies Act.

The deadline for registration to attend the Annual General Meeting is two business days prior to the meeting. The right to attend and vote at the General Meeting may only be exercised by shareholders who are registered as such five business days prior to the date of the General Meeting.

Shareholders who are unable to attend the General Meeting may appoint a proxy or submit an advance vote electronically via DNB or the Norwegian Central Securities Depository (VPS) investor services. Links to these services are available on Borregaard's website. Advance votes may also be submitted by post. The Articles of Association stipulate that the notice of the General Meeting must state the rules established by the Board for advance voting. The Board will always consider the possibility to offer electronic and/or hybrid general meetings.

If a shareholder grants the company a proxy to vote, the Chair of the Board or the Chair of the General Meeting will be appointed to vote on the shareholder's behalf. The proxy form is designed to

allow shareholders to provide voting instructions for each item to be considered, and for each candidate to be elected. Information on the use of proxy voting and shareholders' rights to have items considered at the General Meeting is provided in the notice of the General Meeting and on Borregaard's website.

The Articles of Association contain no special provisions regarding the opening and chairing of the General Meeting. In line with the Code of Practice, the Board will arrange for the General Meeting to be opened by an independent person. The notice of the General Meeting will indicate who will open the meeting and propose a Chair who meets the independence requirements of the Code of Practice, to be elected by the General Meeting.

The Chair of the Board, the CEO, the external auditor and the Chair of the Nomination Committee will be present at the General Meeting.

7. NOMINATION COMMITTEE

The Articles of Association stipulate that Borregaard shall have a Nomination Committee. The Nomination Committee shall consist of three or four members, who are independent of the Board and the Executive Management. The General Meeting elects the Chair of the Committee and its members and determines its remuneration. Shareholders have the option to vote for each individual candidate.

Instructions for the Nomination Committee have been adopted by the General Meeting and are available on Borregaard's website. These Instructions establish guidelines for the preparation and conduct of elections to the Nomination Committee and the Board, including criteria for electability, general requirements for recommendations, and rules for handling matters during the Nomination Committee's work.

The Nomination Committee makes recommendations to the General Meeting regarding the election of shareholder-elected members and the Chair, as well as the remuneration of the Board including relevant subcommittees, and the election and remuneration of the members and the Chair of the Nomination Committee. Each proposal is individually justified and included in the notice documents for the General Meeting.

Shareholders are encouraged to provide input to the nomination process. Further information on the composition of the Nomination Committee, the members up for election, and how input and proposals can be submitted to the Committee can be found on Borregaard's website. Furthermore, the Nomination Committee engages in specific dialogue with the CEO, as well as the company's administration. The largest shareholders are also approached for their input. When considering candidates for the position of Chair of the Board, the Committee is supplemented by a representative appointed by the employee-elected board members.

The Nomination Committee consists of the following four members (one female and three males) elected at the Annual General Meeting in 2025 until the Annual General Meeting in 2026:

- Mimi K. Berdal (Chair)
- Erik Must
- Rune Selmar
- Atle Hauge

The Nomination Committee has been composed in accordance with the Code of Practice to safeguard the interests of the shareholder community and meets the Code's requirements for independence. All members of the Nomination Committee are independent of the Board, and neither the company's CEO nor any other members of executive management are included.

8. THE BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

Pursuant to the Articles of Association, the Board shall consist of between three and ten members. The current Board consists of the Chair, six members and two observers of whom four are women. In accordance with agreements with employees, there is no corporate assembly in neither Borregaard ASA or its subsidiary, Borregaard AS. Instead, employees have extended representation rights on the Boards of these companies. Consequently, in accordance with the



Norwegian Public Limited Liability Companies Act, employees have elected two members and two observers. The composition of the Board complies with statutory requirements and the Code of Practice. All shareholder-elected members are independent of the company's management, major shareholders and key business associates. No one from day-to-day management is member of the

Board. No Board member has ever been disqualified on the grounds of a lack of impartiality.

According to the Norwegian Public Limited Liability Companies Act, the Board's term of office is two years. Borregaard's Articles of Association comply with this requirement. However, the General Meeting may set a shorter term of office if it so decides.

It is the responsibility of the Nomination Committee to recommend the term of office for the Board. The shareholder-elected members of the Board are elected for a period of one year, as an annual evaluation of the composition provides the greatest flexibility. The current Board has been elected for the period leading up to the 2026 Annual General Meeting.

According to the Instructions for the Nomination Committee, the Board's composition shall ensure the necessary competence and diversity to protect the common interests of the shareholders. Furthermore, the composition shall enable the Board to function effectively as a collegiate body and to act independently of special interest.

For further details on each Board member's background, qualifications and competencies, term of office and independence, see [Board of Directors - Borregaard](#).

The Articles of Association do not require members of the Board to own shares in the company. However, Borregaard's General Meeting decided that, from 2018 onwards, shareholder-elected Board members are required to allocate part of their remuneration to acquiring shares in the company. For an overview of each Board member's shareholding, see [Management Shareholding - Borregaard](#).

9. THE WORK OF THE BOARD OF DIRECTORS

The duties of the Board of Directors

The duties of the Board are set out in the Public Limited Liability Companies Act and in the Instructions for the Board of Directors, which specify the responsibilities and obligations of the Board. The rules governing the handling of matters by the Board are also set out in the Instructions for the Board, including regulations on the CEO's disclosure requirements and their duty to implement the Board's resolutions. Guidelines on the preparation of matters to be addressed by the Board and provisions ensuring employees are informed of the Board's decisions are also included. Other instructions, clarifications of obligations, authorisations and responsibilities for day-to-day management are adopted on an ongoing basis. The Board adopts an annual plan of meetings and

agenda items that includes strategic work, commercial matters and control activities. In 2025, the Board held 8 meetings and dealt with 73 agenda items. The Board's annual evaluation process includes discussions regarding the work in more detail, see section "Internal Evaluation by the Board" below. The CEO prepares items for the Board in consultation with the Chair of the Board. The Board has established two permanent subcommittees: the Compensation Committee and the Audit and Sustainability Committee, both of which are described in more detail below. These committees do not pass resolutions, but they supervise administrative work on behalf of the Board and prepare items for decision by the Board.

The committees may draw on the resources of the company and obtain advice and recommendations from external sources if necessary.

Compensation Committee

The Compensation Committee makes recommendations to the Board regarding the CEO's salary and terms and supervises the general conditions for other members of the executive management within the Group. The committee is chaired by Helge Aasen. Margrethe Hauge and Ragnhild Anker Eide are members, and Borregaard's SVP Public Affairs and Sustainability serves as the Committee's secretary. The Compensation Committee held 3 meetings and dealt with 9 agenda items in 2025. All members of the Compensation Committee participated in all meetings during their

elected period. The composition of the Committee complies with the Code of Practice requirements for independence, and all members of the Committee are independent of executive management.

The Committee's mandate and instructions are incorporated into the Instructions for the Board. In addition, the Committee considers any specific matters relating to compensation for employees of the Group.

Audit and Sustainability Committee

The Audit and Sustainability Committee supports the Board in fulfilling its responsibilities related to financial and sustainability reporting, internal accounting controls, and auditing matters. The Committee is chaired by Terje Andersen. Its members are John Arne Ulvan, Tove Andersen, and Arundel Kristiansen, with the Vice President Finance serving as the Committee's secretary. The Audit and Sustainability Committee held 6 meetings and dealt with 29 agenda items in 2025. All members of the Committee attended all meetings, except for one meeting at which one member was absent. The composition of the Committee complies with the requirements of the Code of Practice for independence and competence. The recommendations of the Nomination Committee provide information on which members of the Board meet the independence and competence requirements for serving on the Audit and Sustainability Committee. The Committee's mandate and instructions are set out in the Instructions for the Board.

Internal evaluation by the Board

The Board has conducted its annual evaluation of its own activities and competence. This evaluation includes an anonymous survey among the Board members, with a series of questions, as well as discussions as a separate agenda item at a Board meeting. The results are shared with the Nomination Committee.

Impartiality and conflict of interest

The Instructions for the Board include provisions on impartiality. These state that members of the Board may not take part in discussions or decision-making on matters where they or a close associate has a significant personal or financial interest. Members of the Board shall always consider whether there are circumstances that could, from an objective perspective, undermine confidence in their impartiality, or lead to conflicts of interest in relation to the Board's handling of a matter. Any such circumstances must be discussed with the Chair of the Board. The Board's consideration of material matters in which the Chair of the Board is, or has been, personally involved will be handled by the other Board members.

In line with the Group's ethical guidelines, employees must, on their own initiative, inform their superiors of any case of impartiality or conflict of interest. They must also refrain from participating in the handling of such cases.

Related party transactions

The Instructions for the Board include provisions on related party transactions. The Group will immediately disclose any material transactions involving the Group and shareholders, Board members, members of Group Executive Management or their close relations. In the event of such transactions, the Board will determine how the matter will be handled. All such agreements shall be conducted on an arm's length basis, and an assessment will be made to determine if it is necessary to seek a third-party valuation. There were no material transactions with related parties or any of their close relations in 2025.

The company has no controlling shareholders, and no conflicts of interest have been identified in relation to suppliers or other stakeholders.

10. RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors holds ultimate responsibility for Borregaard's internal control system. Each member of the Group Executive Management is responsible for internal control within their specific area of responsibility. Borregaard's main objective is to provide sustainable solutions based on renewable resources and unique competence. The risk management system is essential for achieving this overall objective.

Risk management

Identifying and managing risks and opportunities is integrated in multidisciplinary parts of the Group's business processes. Risk management shall ensure that risks relevant to Borregaard's objectives are identified, analysed and addressed early and in a cost-effective manner.

A sound risk culture in Borregaard's operating units is a prerequisite for a successful risk management process. An operating unit may be a plant, an organisational department, a subsidiary, or a business unit. Comprehensive risk assessments related to either operations or projects are carried out on an ongoing basis in all operating units and reported to the next management level. Top-down risk evaluations primarily focus on climate change, environment, health and safety (EHS), and profitability.

The risk assessment is presented and reviewed quarterly by the Audit and Sustainability Committee and at least annually by the Board.

An operating unit's risk assessment identifies the principal risk factors associated with its value chain. Individual unit managers in the Group are responsible for familiarising themselves with all significant risk factors within their own area of responsibility, thereby contributing to the financially and administratively sound handling of these risks. Borregaard has established a central risk management function at Group level, headed by the

Chief Risk Officer (CRO), who is responsible for Borregaard's risk management model and its implementation. Furthermore, the Group CRO facilitates the risk assessment process and contributes to the identification, analysis, and handling of risks across business areas and disciplines.

The CRO consolidates the aggregate risk assessment which is reviewed by Group Executive Management before submission to the Audit and Sustainability Committee and, ultimately, to the Board.

The stakeholders' perspective is taken into consideration when assessing and managing risks with potential environmental, social, and economic impacts throughout the company's value chain.

Information security

Borregaard's activities may be susceptible to various threats related to information management. The implementation of the Borregaard information security policy ensures effective information management practices within business processes, as well as compliance with applicable regulatory requirements, including GDPR. The Group's information management governs confidentiality, integrity, and availability, both strategically and operationally.

Borregaard's information management is operationalised through dedicated internal resources and technical solutions. Raising awareness within the organisation is a key element to safeguard against the unwanted dissemination of information; hence, building a culture of information security in the company and provide relevant training are prioritised across all applicable areas.

Internal control

Borregaard has documented its internal procedures, including a description of authority, in the quality management system. The Group applies a dual control principle for approvals, which is enforced by the main accounting and purchasing system (SAP).

Personnel within finance and controlling functions perform internal control reviews including control of accounting and purchasing procedures in the Group's legal entities. These reviews are part of Borregaard's ongoing efforts to prevent corruption and bribery. Furthermore, the company's policy is to channel excess liquidity from wholly owned subsidiaries into Borregaard's cash pools or to deposit it with Borregaard AS.

Monthly financial reports are submitted to the Board. Each legal entity provides its reports to the consolidation system in line with the annual financial calendar. Monthly meetings are held among key finance personnel to review financial results, incidents, projects, estimates, etc.

This input is incorporated into the monthly reporting to the Board and the quarterly meetings with the Audit and Sustainability Committee.

The Group's quarterly reports are reviewed by the Audit and Sustainability Committee prior to the Board meeting. Borregaard's external auditor attends the Audit and Sustainability Committee meetings and participates in the Board meeting when the Board approves the annual financial statements. One of the six annual meetings of the Audit and Sustainability Committee is dedicated to Corporate Governance, during which the entire Board is present. At this meeting, governing documents are reviewed, completed internal audits are summarised, and work relating to risk management and internal control is examined. The meeting also includes the presentation of the audit plan by the external auditor and a review of the auditor's fees.

Internal control of EHS matters complies with Norwegian regulations relating to systematic health, environmental and safety activities in enterprises (Internal Control Regulation).

Business ethics and corporate responsibility

Borregaard and its subsidiaries work continuously on ethics, anti-corruption, and corporate responsibility, which are integral to the decision-making process.

Borregaard adheres to various guidelines and reporting procedures as part of its corporate

responsibility. The main documents have been approved by the company's Board of Directors, which also sets the overall objectives for the areas covered by these reporting procedures.

Borregaard's Guidelines are:

- Code of Conduct
- Environment, Climate, Health and Safety engagement Policy
- Human Rights Policy
- Anti-Corruption Manual
- Responsible Sourcing Policy
- Competition Law Compliance Manual

The Group Executive Management is responsible for overseeing the company's goals, measures and results. The daily implementation of these is the responsibility of line management. This ensures that corporate responsibility is an integral component of all operations within Borregaard's subsidiaries, as well as across various management teams, units, and departments. Training initiatives on relevant topics and guidelines are also developed and implemented (see from page [134](#)).

Sustainability board

The internal Sustainability Board addresses and monitors important sustainability topics, and initiates processes to develop guidelines, objectives and measures within the areas covered by this report. The Sustainability Board reports to the CEO

and is chaired by the Senior Vice President of Public Affairs and Sustainability. In order to meet both current and emerging sustainability requirements, the members of the Sustainability Board hold various positions within Borregaard, i.e. commercial, R&D, procurement, EHS, legal, communications, finance etc.

The status of the work by the business areas relating to corporate responsibility is included in the Report of the Board of Directors.

Compliance board

Borregaard has an internal Compliance Board consisting of the SVP Public Affairs and Sustainability (Chair), the General Counsel, the Vice President Finance and the CRO. The Compliance Board supports the Group companies' management by raising awareness of compliance matters, reporting on its activities and findings and contributing to improvements. The Compliance Board reports to the CEO and the Board of Directors reviews an annual Compliance Report. A public version of the Compliance Report is published on the company's website.

Whistleblowing

Borregaard strives for transparency and a strong corporate culture to ensure that challenging or undesirable situations are openly discussed and resolved. There may be situations where employees observe or experience conflicts with Borregaard's guidelines or expectations. Ideally, such issues

should be addressed where they occur. However, there may be circumstances where this is difficult, not possible, or desirable for the employee. Accordingly, Borregaard has established a

whistleblowing system operated by a third party, including a separate channel accessible to employees and external parties. Any unethical behaviour can be reported through the channel, in accordance with Borregaard's Code of Conduct, Section 7.2, or as required by applicable law. Whistleblowers may request anonymity, which will be respected to the extent legally possible. Borregaard's written procedures satisfy governmental requirements, and the guidelines are translated into relevant languages and implemented in the company's subsidiaries worldwide.

11. REMUNERATION OF THE BOARD OF DIRECTORS

All remuneration of the Board has been disclosed in Note 4 to the financial statements of Borregaard ASA. Board members' remuneration is not dependent on the company's financial results, and no share options are granted. The shareholder-elected Board members are required to use part of their remunerations to acquire shares in the company.

The General Meeting decides the remuneration of the Board. In its recommendation for 2025, the Nomination Committee proposed the compensation to the Board for the period up to the Annual General Meeting in 2026 reflecting the

responsibilities, expertise and time spent as well as the complexity of the business. Board members and/or companies with which they are associated should not take on specific assignments for the

Group in addition to their Board appointment. If they do, however, this must be disclosed to and approved by the Board.

The Board's remuneration is documented in the "Remuneration report 2025", see [Sustainability documentation - Borregaard](#).

12. SALARY AND OTHER REMUNERATION FOR EXECUTIVE PERSONNEL

The Board's Compensation Committee makes recommendations to the Board regarding the CEO's compensation and terms and supervises the salary and other remuneration for executive personnel. The Board assesses the CEO's remuneration annually.

The Board's statement on salaries and other remuneration of executive personnel (see the separate report "[Remuneration report 2025](#)" at Borregaard's website) provides an account of the remuneration awarded to executive personnel and the Group's Remuneration Guidelines for 2024 including criteria related to share option schemes. The remuneration arrangements are transparent and reflect the criteria for goal attainment. Performance-related remuneration is subject to an absolute limit and is based on measurable criteria

that executive personnel can influence. Both the Guidelines and the Remuneration report are subject to approval (advisory vote) by the General Meeting.

13. INFORMATION AND COMMUNICATION

Borregaard's disclosure of financial and other information are transparent and comply with the International Financial Reporting Standards (IFRS). The Audit and Sustainability Committee monitors the company's reporting on behalf of the Board.

Borregaard maintains active and open communication with the financial market. The annual and quarterly reports contain information on the various aspects of the company's activities. The quarterly presentations and the latest version of Borregaard's general presentation are published on Borregaard's website, see [Reports & Presentations - Borregaard](#).

All shareholders and other financial market players are treated equally in terms of access to financial information. The Group's Investor Relations Department maintains regular contact with shareholders, potential investors, analysts and other financial market stakeholders. Borregaard adheres to the Oslo Stock Exchange recommendations on reporting of relevant information to the investor community. The financial calendar for 2026 is published at Borregaard's website and at Oslo Stock Exchange.

14. TAKE-OVERS

The Board's approach to takeovers is published on the company's website under "Investors". The Board will not seek to prevent or obstruct any takeover bid for Borregaard's operations or shares. In the event of such a bid, in addition to complying with relevant legislation and regulations, the Board will seek to follow the recommendations in the Code of Practice, including obtaining a valuation from an independent expert.

On this basis, the Board will recommend whether the shareholders should accept the bid. There are no other written guidelines in the event of a takeover bid. The Board has not considered it appropriate to draw up any explicit principles other than the actions described above. The Board otherwise concurs with what is stated in applicable laws and regulations and in the Code of Practice regarding this issue.

15. AUDITOR

The Board of Directors has established the procedure for the external auditor's regular reporting to the Board. Annually, the external auditor presents to the Board an assessment of risk, internal control, and the quality of financial reporting. The auditor presents the audit plan for the year. The external auditor also participates in the Board's discussions on the annual financial statements and sustainability reporting, including a session without the presence of management.

Both the external auditor and the CEO attend all meetings of the Board's Audit and Sustainability Committee. For further information, see Section 10 regarding risk management. Borregaard has guidelines for the management's use of the external auditor for services other than auditing.

Responsibility for monitoring such use in detail has been delegated to the secretary of the Audit and Sustainability Committee, who is the Vice President Finance. The Audit and Sustainability Committee sets an annual limit for such services during the annual meeting dedicated to Corporate Governance. The secretary of the Audit and Sustainability Committee approves significant assignments in advance and compiles a quarterly summary of services other than auditing provided to the company.

Details of the company's use of, and remuneration for, the external auditor are disclosed in Note [4](#) to the financial statements of Borregaard ASA. The General Meeting is informed about the Group's overall remuneration of the auditor.

In connection with the auditor's participation in the Audit and Sustainability Committee and the Board of Directors' consideration of the annual statements, the auditor also confirms its independence.

THE GROUP EXECUTIVE MANAGEMENT



TOM ERIK FOSS-JACOBSEN

Chief Executive Officer

[Read more](#)



KNUT-HARALD BAKKE

EVP, BioSolutions

[Read more](#)



GISLE LØHRE JOHANSEN

EVP, Speciality Cellulose and Fine

Chemicals. [Read more](#)



OLE GUNNAR JAKOBSEN

EVP, Manufacturing and Technology

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PER BJARNE LYNGSTAD

Chief Financial Officer

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KRISTIN MISUND

SVP, R&D and Business
Development. [Read more](#)



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SVP, Procurement and Strategic
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SVP, Public Affairs and
Sustainability [Read more](#)



SVEINUNG HEGGEN

General Counsel
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KARI STRANDE

SVP, Human Resources
[Read more](#)



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Consolidated financial statements 2025

INCOME STATEMENT

Amounts in NOK million	Note	2025	2024
Sales revenues	2, 8	7,580	7,502
Other operating revenues		133	115
Operating revenues	2, 7	7,713	7,617
Cost of materials	21	-2,659	-2,732
Payroll expenses	9, 10	-1,480	-1,388
Other operating expenses	9, 11	-1,696	-1,623
Depreciation and impairment property, plant and equipment	12, 17, 18	-587	-556
Amortisation intangible assets	17	-4	-5
Other income and expenses ¹	13	-	-30
Operating profit		1,287	1,283
Finance income	14	342	366
Finance costs	14	-486	-548
Profit/loss from associate companies	6, 14	-279	-22
Financial items, net	14	-423	-204
Profit before taxes		864	1,079
Taxes	15	-264	-250
Profit for the year		600	829
Profit/loss attributable to non-controlling interests	31	-20	6
Profit/loss attributable to owners of the parent		620	823
EBITDA ¹		1,878	1,874

EARNINGS PER SHARE

Amounts in NOK	Note	2025	2024
Earnings per share	16	6.22	8.25
Diluted earnings per share	16	6.22	8.25

STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK million	Note	2025	2024
Profit for the year		600	829
ITEMS NOT TO BE RECLASSIFIED TO PROFIT & LOSS			
Actuarial gains and losses (after tax)	10, 15	31	28
Total		31	28
ITEMS TO BE RECLASSIFIED TO PROFIT & LOSS			
Change in hedging reserve after tax (cash flow)	15, 29	569	-296
Change in hedging reserve after tax (net investment in subsidiaries)	15	80	-89
Translation effects		-110	124
Total		539	-261
Total items not to be and to be reclassified to profit & loss		570	-233
The Group's comprehensive income		1,170	596
Profit/loss attributable to non-controlling interests	31	-24	10
Profit/loss attributable to owners of the parent		1,194	586

¹ Alternative performance measures, see page 221 for definition

STATEMENT OF FINANCIAL POSITION

Amounts in NOK million	Note	31.12.2025	31.12.2024
Assets			
Intangible assets	17	79	88
Property, plant and equipment	18	5,255	5,026
Right-of-use assets	12	445	508
Deferred tax assets	15	1	120
Investments in joint venture and associate companies	6	270	417
Other assets	20	492	404
Non-current assets		6,542	6,563
Inventories	21	1,521	1,498
Receivables	22	1,516	1,441
Cash and cash equivalents	23	91	82
Current assets		3,128	3,021
Total assets		9,670	9,584
Equity and liabilities			
Group equity	30	5,853	5,041
Non-controlling interests	31	25	49
Total equity		5,878	5,090
Deferred tax	15	208	148
Provisions and other liabilities	24	185	442
Interest-bearing liabilities	27	1,718	2,035
Non-current liabilities		2,111	2,625
Interest-bearing liabilities	27	463	288
Income tax payable	15	201	178
Other liabilities	25	1,017	1,403
Current liabilities		1,681	1,869
Equity and liabilities		9,670	9,584

Sarpsborg, 18 March 2026

THE BOARD OF DIRECTORS OF BORREGAARD ASA

Signed

HELGE AASEN

*Chair**Signed*

MARGRETHE HAUGE

Signed

RAGNHILD ANKER EIDE

Signed

TERJE ANDERSEN

Signed

JOHN ARNE ULVAN

Signed

TOM ERIK FOSS-JACOBSEN

*CEO**Signed*

TOVE ANDERSEN

Signed

ARUNDEL KRISTIANSEN

STATEMENT OF CASHFLOW

Amounts in NOK million	Note	2025	2024
Profit/loss before taxes		864	1,079
Amortisation, depreciation and impairment charges		591	561
Changes in net working capital etc.		-122	-326
Interest income		-28	-33
Interest costs		162	193
Interest received		28	33
Interest paid		-164	-193
Dividend/share of profit from JV & associate companies	6, 14	290	22
Taxes paid		-265	-268
Cash flow from operating activities		1,356	1,068
Investments in property, plant and equipment and intangible assets*	17, 18	-793	-711
Other capital transactions		18	19
Investments in associate companies and bio-based start-ups	6	-132	-150
Cash flow from investing activities		-907	-842
Dividends		-424	-374
Proceeds from exercise of share options/shares to employees		48	52
Buy-back of treasury shares		-30	-98
Gain/loss on hedges for net investments in subsidiaries		100	-109
Repayment of interest-bearing debt		-1,047	-724
Proceeds from interest-bearing liabilities		950	500
Change in interest-bearing liabilities/other instruments		-56	74
Cash flow from financing activities		-459	-679
Change in cash and cash equivalents	23	-10	-453
Net cash and cash equivalents as of 1 January		-3	429
Change in cash and cash equivalents		-10	-453
Currency effect of cash and cash equivalents		-3	21
Net cash and cash equivalents as of 31 December	23	-16	-3

*INVESTMENTS BY CATEGORY

Amounts in NOK million	Note	2025	2024
Replacement investments	17, 18	576	598
Expansion investments ¹	17, 18	217	113
Investments in property, plant and equipment and intangible assets*		793	711
Investments in associate companies & bio-based start-ups	6	132	150
Total investments		925	861

The cash flow statement has been prepared in accordance with the indirect method and reflects cash flows from operating, investing, and financing activities, and explains changes in "Cash and cash equivalents" during the reporting period.

STATEMENT OF CHANGES IN EQUITY

Amounts in NOK million	Share capital (Note 30)	Share premium fund	Other paid-in equity	Retained earnings	Hedging reserve	Translation reserve	Actuarial gains/losses	Total Group equity	Non-controlling interests	Total equity
Equity 31 December 2023	100	1,346	953	2,583	-466	251	88	4,855	39	4,894
Profit/loss for the year	-	-	-	823	-	-	-	823	6	829
Items in other comprehensive income	-	-	-	-	-385	120	28	-237	4	-233
The Group's comprehensive income	-	-	-	823	-385	120	28	586	10	596
Paid dividend	-	-	-	-374	-	-	-	-374	-	-374
Buy-back of treasury shares (Note 30)	-	-	-	-98	-	-	-	-98	-	-98
Exercise of share options (Note 9, 30)	-	-	31	-	-	-	-	31	-	31
Shares to employees (Note 9, 30)	-	-	28	-	-	-	-	28	-	28
Option costs (Note 9 share-based payment)	-	-	13	-	-	-	-	13	-	13
Equity 31 December 2024	100	1,346	1,025	2,934	-851	371	116	5,041	49	5,090
Profit/loss for the year	-	-	-	620	-	-	-	620	-20	600
Items in other comprehensive income	-	-	-	-	649	-106	31	574	-4	570
The Group's comprehensive income	-	-	-	620	649	-106	31	1,194	-24	1,170
Paid dividend	-	-	-	-424	-	-	-	-424	-	-424
Buy-back of treasury shares (Note 30)	-	-	-	-30	-	-	-	-30	-	-30
Exercise of share options (Note 9, 30)	-	-	22	-	-	-	-	22	-	22
Shares to employees (Note 9, 30)	-	-	34	-	-	-	-	34	-	34
Option costs (Note 9 share-based payment)	-	-	16	-	-	-	-	16	-	16
Equity 31 December 2025	100	1,346	1,097	3,100	-202	265	147	5,853	25	5,878



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NOTE 01 GENERAL INFORMATION

The consolidated financial statements of Borregaard ASA (Borregaard/Group), including notes, for the year 2025, were endorsed by the Board of Directors (the Board) of Borregaard ASA on 18 March 2026. Borregaard ASA is a public limited company with its registered office at Hjalmar Wessels vei 6, 1721 Sarpsborg, Norway. Borregaard develops, produces and markets specialised biochemicals and biomaterials to a wide range of customers operating in global niche markets. Borregaard's business model is based on its advanced biorefinery which utilises the various components of biomass to produce high value-added products that, to a significant extent, can replace petrochemical alternatives. Borregaard is an international company with production facilities and sales offices in the world's key industrial markets.

The financial statements for 2025 have been prepared and presented in full compliance with the accounting standard "International Financial Reporting Standards (IFRS), as adopted by the EU". The valuation and recognition of the items in the financial statements have been carried out in accordance with current IFRS standards. The consolidated financial statements contain certain items that are crucial to understand the financial results for 2025. The most important principles are described below. Borregaard is exposed to currency risk for most of its sales, primarily in USD and EUR. A substantial part of this exposure, defined as

estimated net cash flow in USD or EUR, is routinely hedged on a rolling basis with a nine-month time horizon. Subject to certain criteria being met, the hedging horizon may be extended to three years in order to secure competitive margins. On the revenue side, most of Borregaard's business segments are exposed to price risk in international markets. The accounting policies regarding hedging are described in Note 29, and information regarding currency risks is provided in Note 28. Other income and expenses¹ (OIE) are presented as part of operating profit in the Income Statement, but are presented after EBITDA¹ in the segment information in Note 7, which is prepared according to management reporting. See Note 13 for details and specifications. The accounting policies for business areas are described in segment information for the respective business areas in Note 7.

Borregaard's business areas are organised as operating segments. The operating segments correspond to the way in which the business areas report figures to the Group Executive Management (key decision maker). The segments are BioSolutions, BioMaterials and Fine Chemicals.

NOTE 02 BASIS FOR PREPARATION

Borregaard ASA was incorporated as a public limited liability company on 22 August 2012. The Borregaard Group includes subsidiaries and two associate companies directly and indirectly owned by Borregaard ASA. The consolidated

financial statements are primarily based on the historical cost principle.

Interest income is recognised in the income statement when earned, while any dividends are recognised on the date they are approved for payment. Interest income and dividends are presented under "financial income".

The Group has at all times a number of contracts for the sale and purchase of goods and services in connection with the production. These contracts are regarded as part of Borregaard's ordinary operating activities and are therefore not specified or indicated in any other way. They are deemed to be strictly sale or purchase contracts with no embedded derivatives. The company also enters into currency derivatives contracts.

Hedging instruments which satisfy the criteria for hedge accounting, are reported at fair value in the statement of financial position and changes in fair value are recognised in comprehensive income. Derivatives which do not satisfy the criteria for hedge accounting, are recognised at fair value through profit and loss.

Assets that no longer justify their value are written down to the recoverable amount, which is the higher of value in use and fair value minus selling costs. The accrual accounting principle and the going concern assumption are the underlying

assumptions for preparing the consolidated financial statements.

An asset is classified as current when it is part of a normal operating cycle, it is held primarily for trading purposes, it expects to realise within twelve months or it consists of unrestricted cash or cash equivalents.

A liability is classified as current when it is part of a normal operating cycle, it is held primarily for trading purposes, is due to be settled within twelve months, or it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Other items are non-current. A dividend does not become a liability until it has been formally approved by the General Meeting. The amortisation of intangible assets and other income and expenses¹ are presented on separate lines, broken down by segment.

All amounts are in NOK million unless otherwise stated. The functional currency of the parent company (Borregaard ASA) is NOK and the Group's reporting currency is NOK. Currency exchange rates as of 31 December are used in the the balance sheet, whereas average currency exchange rates are used in the profit and loss.

¹ Alternative performance measures, see page 221 for definition

CONSOLIDATION PRINCIPLES

The consolidated financial statements show the overall financial results and the overall financial position when the parent company Borregaard ASA and its controlling interests are presented as a single economic entity. All the companies have applied consistent principles and all internal matters between the companies have been eliminated.

Interests in companies in which the Group alone has control (subsidiaries) have been fully consolidated, line by line, in the consolidated financial statements from the date the Group acquired control. These entities will be fully consolidated until the date such control ends. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. If the Group controls a subsidiary, the non-controlling interests' share of profit or loss after tax and their share of equity are presented on separate lines.

Interests in companies in which the Group together with others has joint control or has an ownership between 20 and 50% (associate companies, see Note 6) are consolidated based on the equity method. The profit or loss from the associate companies is part of financial items. Business combinations are accounted for using the acquisition method. In connection with the acquisition of a subsidiary, the establishment of a joint venture or any

acquisitions of significant influence in associates, a purchase price allocation is carried out. The acquisition is reported in the financial statements from the date the Group has control. The date of control is normally the date on which the acquisition agreement takes effect and is approved by all relevant authorities. Assets and liabilities are measured at fair value at the time of acquisition. If there are non-controlling interests in the acquired company, these will be measured at their share of identified assets and liabilities. Goodwill allocated to non-controlling interests is considered separately in each acquisition. Goodwill is determined as the excess of the purchase price and the amount recognised as non-controlling interest over the fair value of identified assets and liabilities assumed.

OTHER MATTERS

Contingent liabilities and contingent assets. A contingent liability or asset is a possible obligation or a possible asset whose existence is uncertain and will be confirmed by the occurrence or non-occurrence of a future event, such as the outcome of legal proceedings or the final settlement of an insurance claim.

Liabilities are recognised in the financial statements if there is a more than 50% probability that the liability has arisen; if the probability is lower, the matter is disclosed in notes to the financial statements unless the probability of payment is remote. An asset will

only be recognised in the statement of financial position if it is virtually certain (95%) that the Group will realise the asset. The disclosure requirement applies to other contingent assets.

NOTE 03 NEW ACCOUNTING STANDARDS

The consolidated financial statements will be affected by IFRS amendments in the future. Many IFRS projects are finalised, but some of them have either not been finally adopted or not been endorsed by the EU. It is highly likely that many of these projects will be adopted.

The Group's intention is to adopt the relevant new and amended standards and interpretations when they become effective and approved by EU. Amendments and interpretations that apply for the first time in 2026, do not have an impact on the consolidated financial statements of the Group.

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

IFRS 18 also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The 2026 presentation will need to be restated when the standard is first applied.

Implementation of IFRS 18 may lead to reclassification of certain items to reflect the new presentation and disclosure requirements. The Group is currently working to identify all impacts the amendments will have on the consolidated financial statements and notes.

While the 2026 amendments are not expected to materially affect the Group's reported financial position or performance, IFRS 18 will lead to significant changes in presentation, classification and disclosures from 2027 onwards. The Group will continue to monitor and prepare for these changes, including systems, reporting structures and internal performance measures.

NOTE 04 USE OF ESTIMATES

The management has made use of estimates and assumptions in preparing the financial statements. This applies to assets, liabilities, revenues, expenses and supplementary information related to contingent liabilities. Areas where estimates have considerable significance are, for example:

Property, plant and equipment are largely based on a directly paid cost price and depreciated

over estimated useful life. In the case of several of Borregaard's tangible assets, changes in assumptions may lead to substantial changes in value.

Other estimates and assumptions are reported in various notes and any information that is not logically included in other notes is presented in Note 37 "Other matters and subsequent events".

Amounts in NOK million	Note	Estimate/assumptions	Carrying value 31 December 2025	Carrying value 31 December 2024
Right-of-use assets	12	Leases	445	508
Pension liabilities (net)	10	Economic and demographic assumptions	94	81
Environmental provisions	13, 35	Accrual related to ground conditions remediation of contaminated soil at the site in Norway	-26	-41
Investment in bio-based start-ups	6, 14, 20	Impairment indicators of investments in bio-based start-ups	272	429

NOTE 05 IMPAIRMENT ASSESSMENTS

Goodwill and intangible assets with an indefinite useful life must be tested annually for impairment to assess whether the values are recoverable. Borregaard carries out this test prior to preparing and presenting its financial statements for the 3rd quarter. If there are indications of impairments, the assets are tested immediately. A new impairment test is carried out in the 4th quarter, when necessary, for instance if the underlying assumptions have changed.

Borregaard has substantial non-current assets in the form of tangible (property, plant and equipment), carrying amount of net investments in associate companies and some minor intangible assets. An explanation of the details of and changes in these assets is presented separately in Note 6, 17 and 18. Estimate uncertainty, in some cases considerable, attaches to these assets. Both valuation and estimated useful lifetime are based on future information that is always subject to a great degree of uncertainty.

Borregaard routinely monitors assets and if there are indications that the value of an asset is no longer recoverable, an impairment test will be carried out to determine whether the asset can still justify its carrying value. If new estimates conclude that the value is not longer recoverable, the asset is written down to the recoverable amount, i.e. the greater of the net

sales value less cost of disposal and the value in use (discounted cash flow).

Future cash flow is based on specified assumptions and the plans adopted by the entity. If the discounted value of future cash flows is lower than the capitalised value of the unit's capital employed, the assets are written down to the recoverable amount. If the discounted value is higher than the capital employed, this means that the value of the asset is recoverable.

Borregaard's goodwill is related to the prior acquisition of Borregaard Czech and no impairment charges are identified:

Amounts in NOK million	GOODWILL	
	2025	2024
Borregaard Czech S.R.O	39	39
Total goodwill	39	39

ESTIMATE ASSUMPTIONS AND CASH-GENERATING UNIT

A cash-generating unit (CGU) is the lowest level at which independent cash flows can be measured. The biorefinery in Sarpsborg is considered to be one CGU as the production facilities are integrated and the production process relies on the same raw material (wood). Based on the forecast, expectations and assumptions that were applied, Borregaard Czech's capitalised value of goodwill at 31 December 2025 and the fair value exceeds the book value.

/ ¹ Alternative performance measures, see page 221 for definition

Calculations of future cash flows are based on a number of assumptions regarding both economic trends and the estimated useful life. Borregaard is affected by fluctuating markets and estimates made in weak markets can differ substantially from estimates made in stronger markets.

The discount rate applied is based on the Group's cost of capital, which has been estimated to be 10% before tax, based on a weighted average of required rates of return for the Group's equity and debt (WACC).

The required rate of return on the Group's equity is estimated by using the capital asset pricing model (CAPM). The required rate of return on debt is estimated on the basis of a long-term risk-free interest rate to which is added a credit margin derived from Borregaard's marginal long-term borrowing rate. The discount rate is adjusted for country risk, the level of inflation and operational risk, depending on the particular value being calculated.

Future cash flows are estimated on the basis of the budget for next year and the following two forecast years. As from year four a terminal value is calculated. Cash flow estimates are sensitive to changes in sales revenues, raw material and energy prices and the coherent ability to maintain margin assumptions.

The sensitivity of the estimates, even when there is a reasonable possibility of a change in assumptions, did not give grounds for impairment charges, except from the impairment losses in bio-based start ups. (See Note 6, 14 and 20).



NOTE 06 JOINT VENTURE AND ASSOCIATE COMPANIES

Joint Venture

In October 2020, the owners of LignoTech South Africa, Borregaard and the Sappi Group announced the decision to permanently close the lignin production facility and to terminate the co-operation agreement. The closure was consequence of Sappi's decision to convert their calcium sulphite pulp line, which is the source of lignin raw material, to magnesium technology. After the conversion, the spent liquor from the pulping process is burnt, and the energy and chemicals are recovered.

Final settlements and liquidation was set in 2025 with no profit and loss effects.

Associate companies - Alginor

Alginor is a Norwegian marine biotech company based in the Haugesund region of Southwestern Norway. The company is developing a fully integrated and sustainable value chain based on harvesting and biorefining of the brown kelp *Laminaria hyperborea* – a renewable marine resource growing in abundance along the Norwegian coastline. Alginor will target global markets for pharmaceutical and nutraceutical applications.

In 2021, Borregaard invested NOK 145 million in Alginor ASA and held 25% of the shares as of 31 December 2022. Borregaard's share of

Alginor's result after tax is recognised as part of "Financial items". In April 2023, Alginor executed an additional direct equity issue exclusively to Borregaard. This equity issue brought Borregaard's ownership in Alginor up to 35% on a fully diluted basis and another NOK 124 million in equity to Alginor.

In 2024, Borregaard participated with its fully diluted pro-rata share (35%) in two capital raises with a total amount of NOK 150 million, followed up by additional capital increase of NOK 78 million in 2025. These equity issues brought Borregaard's ownership in Alginor up to 41% on a fully diluted basis as of 31 December 2025. Borregaard's voting right is the same as the ownership, 41%.

Borregaard, together with the shareholders Must Invest and Hatteland Group, acted as guarantors for a NOK 200 million convertible loan to Alginor, of which the first tranche of NOK 100 million was paid out in October 2025. Borregaard's participation was NOK 54 million in the first tranche.

The second tranche was paid out in February 2026 where Borregaard participated with NOK 56 million. See Note 37. The loan may be converted to new shares by the lenders. The subscription price upon exercise of the conversion right shall be NOK 10 per share, subject to adjustment for corporate actions such as share splits, reversed splits, dividends etc.

The convertible loan is presented as part of Borregaard's net investment in associate companies according to IAS 28. This presentation reflects that conversion to equity is considered highly probable, and that the loan forms part of the long-term financial interest which, in substance, is an extension of the investment in the associate.

In total, Borregaard has invested NOK 551 million in Alginor including the convertible loan.

Impairment of investment in Alginor

Towards the end of 2025, new information from Alginor indicated delays and additional capital needs to establish a robust raw material supply. The capital need is linked to the gradual ramp-up of the demonstration plant (F3). Consequently, there is a risk for delay in the development and commercialisation of the company's products. The liquidity situation in Alginor is strained, and there is a need for additional capital after the balance sheet date. See Note 37.

The new information constituted an indication of impairment under IAS 36, as it materially affects expected future cash flows and the recoverable amount of the investment. Borregaard has performed an impairment test of its investment in Alginor in accordance with IAS 36, based on input from Alginor.

Based on the impairment test, Borregaard has recognised an impairment in its Consolidated Financial Statements for 2025.

Impairment test

Borregaard carried out an impairment test based on shareholder information during the year and input from Alginor. In Borregaard, the investment in Alginor is accounted for using the equity method as it is an associate company. The associate company is treated as one cash generating unit in accordance with IAS 28.42.

Valuation, key assumptions and sensitivity

The recoverable amount was determined as fair value less costs of disposal (FVLCD) using an income based approach with Level 3 inputs (IFRS 13). The income-based approach considers conservative, scenario-based simulations across various assumptions, including assumptions related to pricing and time to market, and taking into account investment and liquidity needs. The scenarios reflect multiple weighted strategic outcomes for the business, including both full commercial success of the biorefinery operations and more conservative scenarios involving reduced performance.

Key inputs include updated investment requirements, revised timelines for production and sales ramp-up, sales prices, higher harvesting costs, capital needs, and a risk adjusted discount rate of 9.5% after tax in calculating the net present value. These assumptions reflect management's best estimate at year end.

In Borregaard's calculation of fair value less costs of disposal as of 31 December 2025, three different scenarios with individual weightings were applied. These are: (a) F3 failed proof of concept, (b) fair value of the biorefinery including F2, F3 and F5 (without further expansion and including a terminal value), and (c) fair value as in scenario (b), but applying a multiple to the terminal value in year 15.

Sensitivity is incorporated into the different scenarios (pricing, time to market, investment requirements and discount rate), including the weighting applied to each scenario due to the underlying uncertainties. Scenarios b) and c) carry the highest weighting, while scenario a) is assigned a lower probability. If time-to-market is delayed by one year, Borregaard's share of fair value less costs of disposal is estimated to be reduced by NOK 40–60 million. A 0.5 percentage point change in the WACC after tax will change Borregaard's share of fair value less costs of disposal by approximately +/- NOK 40 million.

Impairment recognised

The impairment assessment showed that the recoverable amount was below the carrying amount. Borregaard therefore recognised a total impairment loss of NOK 225 million as of 31 December 2025 (share of profit/loss from Alginor and impairment of intangible assets on Borregaard's hand). Following this, the carrying amount of the investment is NOK 196 million, corresponding to approximately NOK 10 per share.

Total carrying amount of net investment after the impairment loss is NOK 250 million as of 31 December 2025. This includes the convertible loan of NOK 54 million.

Purchase price allocation Alginor

The difference between the purchase price of the shares in Alginor ASA and Borregaard's share of the booked equity at the time of the acquisition is allocated to intangible assets as it relates to development of the technology to be used in Alginor's business. After the impairment loss of NOK 225 million recognised in 2025 there is no remaining allocation to intangible assets as of 31 December 2025.

BORREGAARD'S SHARE OF ALGINOR ASA

Amounts in NOK million	2025	2024
Operating revenues	–	–
Profit before taxes	-519	-54
Profit/loss for the year before dividend	-519	-54
Borregaard's share of profit	-208	-19
Non-current assets	715	707
Current assets	197	339
Non-current liabilities	363	168
Current liabilities	67	22
Equity	482	856
Borregaard's share of equity	196	300
Accounting assessments incl. in Borregaard's financial reporting:		
Impairment/write-down	-60	–
Borregaard's carrying amount after impairment	196	387
Convertible loan	54	–
Borregaard's total carrying amount of the investment	250	387
Total impairment recognised from share of profit in Alginor and from Borregaard's assessment	-225	–

Associate companies - Kaffe Bueno

At the end of 2023, Borregaard invested NOK 34 million for a 12% ownership share in Kaffe Bueno ApS. Kaffe Bueno produces ingredients for a wide range of products in everything from agriculture to cosmetics and foodstuffs based on biorefining of by-products from coffee production. Used coffee grounds, timber and algae do not only have cellulose in common. As sustainable raw materials for valuable products, they all represent excellent resource utilisation in a circular economy perspective. Borregaard has decided not to exercise its warrants to subscribe for additional shares but will participate in a minor convertible loan. Borregaard has one representative in Kaffe Bueno's board of directors. The investments are accounted for using the equity method. Borregaard's share of the profit was NOK -1 million for 2025.

Kaffe Bueno faces delays in its project and Borregaard has therefore performed an impairment test of the investment in Kaffe Bueno in accordance with IAS 36, based on updated assumptions. As a result an impairment loss of NOK 10 million has been recognised in 2025.

As of 31 December 2025, total equity in Kaffe Bueno was NOK 25 million (NOK 35 million), non-current liabilities amounted to NOK 2 million (NOK 4 million) and current liabilities amounted to NOK 15 million (NOK 10 million).

Purchase price allocation Kaffe Bueno

The difference between the purchase price of the shares in Kaffe Bueno ApS and Borregaard's share of the booked equity at the time of the acquisition is allocated to intangible assets as it relates to development of the technology to be used in Kaffe Bueno's business. The purchase price, including acquisition costs, of 12% of the shares was NOK 34 million. Borregaard's remaining carrying amount of the investment after impairment as of 31 December 2025 is NOK 20 million of which NOK 19 million is allocated as intangible assets.

Reconciliation of investments in associate companies

Amounts in NOK million	2025	2024
Borregaard's carrying value in associate companies 1 January	417	289
Borregaard's share of profit from associate companies	-209	-22
Impairments of investments in associate companies	-70	-
Capital raise	132	150
Borregaard's carrying value in associate companies 31 December	270	417

NOTE 07 SEGMENTS

Borregaard has business areas as operating segments. The operating segments correspond to the way in which the business areas report figures to the Group Executive Management (key decision maker). All lignin-based products, including biovanillin, are organised under one management in BioSolutions. BioMaterials consist of products utilising wood fibres as the main raw material and include the speciality cellulose and cellulose fibrils businesses. Fine Chemicals include fine chemical intermediates mainly used for contrast agents and advanced bioethanol mainly for biofuel. Corporate overhead and certain other costs are allocated to the three business segments. Segment performance is primarily measured based on EBITDA¹.

BioSolutions develops, produces and sells biopolymers and biovanillin from lignin.

BioMaterials develops, produces and sells speciality cellulose mainly for use as a raw material in the production of cellulose ethers, cellulose acetate and other speciality products. BioMaterials also includes cellulose fibrils for industrial applications, which are in the market introduction phase.

Fine Chemicals consists of fine chemical intermediates and advanced bioethanol.

The arm's length principle is applied to pricing of transactions between the various segments and companies. Borregaard AS provides services to the companies in the Group and charges them for these services.

Figures for the geographical distribution of noncurrent operating assets, investments in property, plant and equipment, sales revenues and the number of man-years are also presented. See Note 8.

The Group applies the same principles for the presentation of segment information as for the rest of its consolidated financial statements, and the operating profit/loss in the segment information is identical to the information presented in the income statement for the Group. There is therefore no need for further reconciliation of these income statement items. Borregaard has a central finance function, and the financing of the various segments does not necessarily reflect the real financial strength of the individual segments. Financial items are therefore presented only for the Group as a whole.

The segment information tables show the key figures in which management monitors the business, such as total operating revenue, operating expenses, EBITDA¹, depreciation,

amortisation and impairment of intangible assets, other income and expenses¹ and operating profit for each business area. It does not disclose internal sales between the various segments as it is considered immaterial.

The table below shows the revenues generated by BioSolutions, BioMaterials and Fine Chemicals. Operating revenues consist of sales revenues (Note 8) and other revenues such as commissions, revenues from waste received for incineration etc.

The segment information also includes cash flow from operating activities, replacement investments, expansion investments¹ and working capital for each area.

¹ Alternative performance measures, see page 221 for definition

SEGMENTS 2025

Amounts in NOK million	BIO-SOLUTIONS	BIO-MATERIALS	FINE CHEMICALS	ELIMINATIONS	BORREGAARD GROUP
Income statement					
Total operating revenues	4,396	2,691	670	-44	7,713
Cost of materials	-1,257	-1,142	-260	-	-2,659
Payroll expenses	-816	-552	-112	-	-1,480
Other operating expenses	-1,114	-502	-124	44	-1,696
EBITDA ¹	1,209	495	174	-	1,878
Depreciation	-309	-232	-46	-	-587
Amortisation and impairment intangible assets	-4	-	-	-	-4
Other income and expenses ¹	-	-	-	-	-
Operating profit	896	263	128	-	1,287
Net financial items	-	-	-	-	-423
Profit before tax	-	-	-	-	864
Cash flow					
Cash flow from operating activities	864	294	198	-	1,356
Replacement investments	-183	-346	-47	-	-576
Expansion investments ¹ including investments in associate companies and bio-based start-ups	-132	-142	-75	-	-349
Capital structure					
Working capital at year-end	1,209	592	192	-	1,993
Capital employed ¹ at year-end					8,237
Return on capital employed ¹					15.7 %

SEGMENTS 2024

Amounts in NOK million	BIO-SOLUTIONS	BIO-MATERIALS	FINE CHEMICALS	ELIMINATIONS	BORREGAARD GROUP
Income statement					
Total operating revenues	4,241	2,622	799	-45	7,617
Cost of materials	-1,355	-1,145	-232	-	-2,732
Payroll expenses	-763	-518	-107	-	-1,388
Other operating expenses	-1,019	-525	-124	45	-1,623
EBITDA ¹	1,104	434	336	-	1,874
Depreciation	-296	-216	-44	-	-556
Amortisation and impairment intangible assets	-5	-	-	-	-5
Other income and expenses ¹	-12	-18	-	-	-30
Operating profit	791	200	292	-	1,283
Net financial items	-	-	-	-	-204
Profit before tax	-	-	-	-	1,079
Cash flow					
Cash flow from operating activities	625	107	336	-	1,068
Replacement investments	-200	-351	-47	-	-598
Expansion investments ¹ including investments in associate companies and bio-based start-ups	-182	-73	-8	-	-263
Capital structure					
Working capital at year-end	1,203	541	179	-	1,923
Capital employed ¹ at year-end					8,172
Return on capital employed ¹					17.1 %

/ ¹ Alternative performance measures, see page 221 for definition

RECONCILIATION CAPITAL EMPLOYED

Amounts in NOK million	2025	2024
Capital employed¹ at year-end	8,237	8,172
Other non-current assets	371	279
Cash and cash equivalents	91	82
Net deferred tax	-207	-28
Interest-bearing liabilities	-2,181	-2,323
Income tax payable	-201	-178
Accumulated write-down and amortisation of goodwill and intangible assets	-206	-216
Other (derivatives, accruals, etc.)	-26	-698
Equity	5,878	5,090

RECONCILIATION WORKING CAPITAL

Amounts in NOK million	2025	2024
Receivables	1,516	1,441
Inventories	1,521	1,498
Other liabilities	-1,017	-1,402
Derivatives, etc. not included in above items	-27	386
Working capital	1,993	1,923

¹ Alternative performance measures, see page [221](#) for definition

NOTE 08 REVENUES AND GEOGRAPHICAL BREAKDOWN

Revenues are recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 applies to all revenue contracts and provides a model for the recognition and measurement of sales of some non-financial assets (e.g disposals of property, plant and equipment).

For contracts with customers, sale of Borregaard's products is generally expected to be the only performance obligation. The Group's revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Borregaard also have some contracts that include volume rebates to some customers.

Amounts in NOK million	Non-current operating assets		Investments		Number of man-years		Sales revenues	
	2025	2024	2025	2024	2025	2024	2025	2024
Norway	4,823	4,487	870	791	843	814	328	227
Rest of Europe	109	114	6	8	88	86	3,121	3,254
Asia	26	9	9	2	56	56	1,885	1,719
America	821	1,011	40	60	189	184	2,169	2,242
Rest of the world	–	–	–	–	1	1	77	60
Total	5,779	5,622	925	861	1,177	1,141	7,580	7,502

Amounts in NOK million	2025	2024
BioSolutions	4,275	4,132
BioMaterials	2,643	2,579
Fine Chemicals	662	791
Eliminations	–	–
Total revenues	7,580	7,502

The Group currently recognises rebates based on the most likely amount method which is also in line with IFRS 15.

Borregaard operates in several countries and below is a summary showing the geographical breakdown of non-current operating assets, investments, number of man-years based on the geographical location of the operation. Sales revenues are based on the location of the customers. See Note 22 for customers' payment terms.

NOTE 09 PAYROLL EXPENSES AND REMUNERATION

Amounts in NOK million	2025	2024
Wages	-1,217	-1,140
Share-based payments (options and discounted shares)	-24	-20
Employer's national insurance contribution	-147	-146
Pension costs (Note 10)	-88	-79
Remuneration to Board Members	-4	-4
Payroll expenses	-1,480	-1,388
Average number of man-years	1,167	1,135

Remuneration of the executive management

Amount in NOK thousand	CEO**		Other members of the Group Executive Management		Total	
	2025	2024	2025	2024	2025	2024
Base salary	3,739	4,686	20,330	18,465	28,945	23,151
Bonus	1,053	1,534	5,017	5,687	6,954	7,221
Pension cost	619	1,294	2,748	2,703	4,631	3,997
Benefits in kind	264	282	2,114	1,904	2,588	2,186
Total *	5,675	7,796	30,209	28,759	43,118	36,556

* Remuneration is actual paid remuneration in the respective years and includes vacation pay on salary earned the previous year. Bonuses however are accrued bonuses in the respective years to be paid out the following year.

** Remuneration for the CEO for both 2024 and 2025 reflects the annual remuneration of the individual who held the CEO position as of 31 December in each respective year. Consequently, remuneration for 2025 relates entirely to the current CEO, while remuneration for 2024 relates to the former CEO. Former CEO received total remuneration of NOK 7,324 thousand for 2025, consisting of base salary of NOK 4,671 thousand, bonus of NOK 804 thousand, pension of NOK 1,221 thousand and other benefits amounting to NOK 628 thousand.

Remuneration guidelines and report – 2025

Borregaard's remuneration guidelines for employees in managerial positions cover base salary, pension, annual bonus/short term incentives (STI) and long-term incentives (LTI). The remuneration guidelines and a more detailed description of executive management remuneration are found in the separate report "Remuneration report 2025" which is available at [Sustainability documentation - Borregaard](#)

ISSUED AND OUTSTANDING SHARE OPTIONS AS OF 31 DECEMBER 2025

Year issued	Number of share options issued	Exercised/forfeited share options	Number of outstanding share options	Strike price*	Expiry date	Number of employees**
2021	249,000.00	112,000	137,000	164.45	16.02.2026	31
2022	200,000.00	–	200,000	212.50	17.02.2027	31
2023	250,000.00	–	250,000	182.75	01.03.2028	35
2024	371,000.00	–	371,000	191.10	27.02.2029	35
2025	398,000.00	–	398,000	216.97	14.02.2030	35
2025	30,000.00	–	30,000	219.31	01.08.2030	1
	1,498,000	112,000	1,386,000			

* The strike prices have been adjusted for dividends. Strike prices were set at 10% above the share price at the issue date.

** Including Group Executive Management.

The common practice is equity settlement for the share-based option programmes. Share-based related costs for 2025 for the Group Executive Management was NOK 8 million in total for all programmes. 55,000 share options issued in 2020

and 106,000 share options issued in 2021 have been exercised in 2025. Changes in outstanding share options for Borregaard's employees are shown in the table below:

Number of share options	2025		2024	
	No.	WAEP *	No.	WAEP *
Outstanding at the beginning of the year	1,119,000	186.23	1,092,450	155.19
Exercised during the year	-161,000		-344,450	
Granted during the year	428,000	217.13	371,000	195.00
Forfeited during the year	-		-	
Outstanding at year-end **	1,386,000	198.09	1,119,000	186.23
Exercisable options at year-end **	337,000		298,000	

* Weighted average exercise price adjusted for dividend. Amounts in NOK.

** Expiry dates are 16 February 2026 for 137,000 options, 17 February 2027 for 200,000 options, 1 March 2028 for 250,000 options, 27 February 2029 for 371,000 options, 14 February 2030 for 398,000 options and 1 August 2030 for 30,000 options.

Borregaard has used the Black-Scholes model when estimating the value of the options. The volatility is calculated on the basis of the average volatility the past years for Borregaard and Borregaard peers. See Note 37 for share options issued in 2026.

Assumptions	Aug. 2025	Feb. 2025	2024
Expected dividend-yield	— %	— %	— %
Expected volatility	27.2 %	27.0 %	31.7 %
Historical volatility	28.0 %	28.0 %	31.7 %
Risk-free return	3.5 %	3.6 %	3.4 %
Expected life of option (years)	4.0	4.0	4.0
Weighted average share price (NOK)	199.37	201.11	180.97

SHARE OPTION AND SHARES HELD BY GROUP EXECUTIVE MANAGEMENT AND RELATED PARTIES AS OF 31 DECEMBER

	Issued 2021 Strike NOK 164.45*		Issued 2022 Strike NOK 212.50*		Issued 2023 Strike NOK 182.75*		Issued 2024 Strike NOK 191.10*		Issued Feb. 2025 Strike NOK 216.97*	Issued Aug. 2025 Strike NOK 219.31*
	No. of share options		No. of share options		No. of share options		No. of share options		No. of share options	No. of share options
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2025
CEO from 1 August 2025	15,000	15,000	10,000	10,000	15,000	15,000	18,000	18,000	20,000	30,000
Former CEO up to 31 July 2025	-	40,000	30,000	30,000	40,000	40,000	40,000	40,000	60,000	-
Other members of the Group Executive Management	62,000	62,000	55,000	55,000	62,000	62,000	98,000	98,000	114,000	-
Total	77000	117000	95000	95000	117000	117000	156000	156000	194000	30000

* The strike prices have been adjusted for dividends

	No. of shares*	
	2025	2024
CEO	31,274	30,773
Other members of the Group Executive Management	291,856	310,252
Total	323,130	341,025

* Total share ownership including related parties.

Special agreements with the CEO and other members of the Group Executive Management

The CEO, Tom Erik Foss-Jacobsen, has a mutual notice period of 9 months and if he, in the best interest of the company, terminates the employment contract, he will receive pay for up to 6 months after the period of notice. 75% of any income from another permanent post during the 6-month period will be deducted. The CEO is included in the company's ordinary pension schemes, but his maximum retirement age is 70 years of age (2 years lower than other employees).

The other members of the Group Executive Management have a six-months period of notice and no severance pay agreement.

There are no loans to the members of the Group Executive Management.

There are no other special agreements with the Group Executive Management team.

Remuneration of the Board of Directors

At the General Meeting in April 2025, it was decided that The Board of Directors would be remunerated at annual rates for the period up to the next General Meeting in 2026:

Board of directors			
Board chair	NOK	732,000	per year
Board member, shareholder-elected	NOK	408,000	per year
Board member, employee-elected	NOK	314,000	per year
Observer, employee-elected	NOK	105,000	per year
Deputy for observer	NOK	8,100	per meeting
Audit and Sustainability Committee			
Committee chair	NOK	118,000	per year
Member	NOK	77,000	per year
Compensation committee			
Committee chair	NOK	69,500	per year
Member	NOK	53,500	per year

According to a resolution at the General Meeting in 2018, shareholder-elected Board members are required to use 20% of their annual remuneration to acquire shares in the Company, until the share value reaches an amount equivalent to one year's remuneration. For actual allowance to Board members, see the "[Remuneration report 2025](#)" on Borregaard's website.

Remuneration of the Nomination Committee

The chair of the Nomination Committee receives NOK 77,800 per year and an additional NOK 12,400 per meeting exceeding 4 meetings. Other members receive NOK 54,200 per year and an additional NOK 10,100 per meeting exceeding 4 meetings.

For shares held by the Board of Directors, see Note 4 in the Financial Statement of Borregaard ASA.

FEEES TO GROUP EXTERNAL AUDITOR

Amounts in NOK million	2025	2024
Statutory audit	7.6	6.7
Sustainability attestation	2.3	1.2
Other attestation services	.6	.5
Tax consultancy services	–	–
Other non-audit services	.3	.6
Total fees to EY	10.8	9.0

NOTE 10 PENSIONS

Borregaard has a policy to use defined contribution pension plans. However, there are some defined benefit pension plans, primarily in the USA and Norway.

Defined contribution plans

In the defined contribution pension plans, the company is responsible for making an agreed contribution to the employee's pension assets. The future pension will be determined by the amount of the contributions and the return on the pension savings. Once the contributions have been paid, there are no further payment obligations attached to the defined contribution pension. As a result, there is no liability recorded in the statement of financial position. The pension costs related to defined contribution plans will be equal to the contributions to employees' pension savings in each reporting period. Contribution plans also comprise pension

plans that are common to several companies and where the pension premium is determined independently of the demographic profile in the individual companies (multi-employer plans). The company is obligated to follow the Act on Mandatory company pensions in Norway and the company meets the requirements.

Defined benefit plans

Defined benefit plans are measured at the present value of accrued future pension benefits at the end of the reporting period. Pension plan assets are measured at their fair value.

Changes in accounting estimates for defined benefit plans are recognised in other comprehensive income and the net interest costs for the period is calculated by using the discount rate for the liability at the beginning of the period on the net liability. As such, the net interest cost consists of interest on the liability and the return on the plan assets, whereas both have been calculated by using the discount rate. Changes in net pension liabilities as a result of payments of premiums and pension payments have been taken into consideration. The difference between the actual return and the accounted return is recognised continuously through other comprehensive income. The current service cost and net interest income/costs are recognised immediately. The financial part of the pension cost is recognised as part of financial items, the other part is recognised as payroll expenses in the income statement.

Changes in value, both in assets and liabilities, are recognised through other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognised through profit and loss when the curtailment or settlement occurs. A curtailment occurs when the Group decides to make a material reduction in the number of employees covered by a plan or amends the terms of a defined benefit plan such that a considerable part of the current employees' future earnings will no longer qualify for benefits or will qualify only for reduced benefits.

The introduction of a new defined benefit plan or an improvement to the current defined benefit plan will lead to changes in the pension liabilities. These will be charged to expenses in a straight line during the period until the effect of the change has been accrued. The introduction of new plans or changes to existing plans which take place with retroactive effect so that the employees immediately accrue a paid-up policy (or a change in a paid-up policy) are recognised in the statement of comprehensive income immediately. Gains or losses linked to curtailments or terminations of pension plans are recognised through profit and loss when they arise.

Borregaard has pension plans that are classified as funded benefit plans and unfunded benefit plans. Expected contributions for the next year, 2026, to the defined benefit plan obligation is NOK 4 million. The largest part of the benefit plans are in the USA and Norway.

USA

The pension plans in the USA contain three different plans; two defined benefit plans for salaried and hourly employees and one supplemental post-retirement plan. In 2016, the defined benefit plans were closed for new employees and replaced with a contribution plan.

Norway

The net pension liabilities consist of unfunded pension plans and disability pension scheme for key personnel and liabilities related to contribution-based plans for employees who earn more than twelve times the Norwegian National Insurance Scheme's basic amount (12G). The pension plan for employees in Norway who earn more than 12G is a contribution-based plan. The sum of the accrued contributions and the return on the plan assets are presented as a pension liability in the company's statement of financial position. The pension plan is therefore presented as a defined benefit plan.

The early retirement scheme, AFP, is recognised as a multiemployer defined contribution plan. This may change if there are sufficient reliable, consistent data to be able to recognise it as a defined benefit plan. In 2025, the premium for the early retirement scheme is 2.7% of total payments of wages between 1 and 7.1 times the average basic amount (G). All employees in Norway younger than 62 years are included, 899 employees in 2025, and the cost in 2025 was NOK 16 million.

Pension plan assets

The pension plans with pension plan assets are located in the USA. Pension plan assets are mainly invested in bonds and shares. The estimated return will vary depending on the composition of the various classes of assets. The breakdown of pension plan assets is presented below.

ASSUMPTIONS DEFINED BENEFIT PLANS

	NORWAY		USA	
	2025	2024	2025	2024
Discount rate	4.3%	4.5%	5.5%	5.7%
Rate of return on assets	NA	NA	5.5%	5.7%
Future salary adjustment	4.0%	4.0%	4.0%	4.0%
G-multiplier*/Future social security wage base	3.75%	3.75%	3.5%	3.5%
Turnover	2.0%	2.0%	2.5%	2.5%
Expected average remaining vesting period	8.7	8.8	-	-

* 1G is NOK 130.160 as of 31 December 2025

Assumptions defined benefit plans

Borregaard uses the covered bonds interest rate on the Norwegian benefit plans. The discount rate is fixed at the rate on high quality corporate bonds with the same lifetime as the pension liabilities (AA-rated corporate bonds). As a rule, parameters such as wage growth, growth in G (future social security wage base)

and inflation are set in accordance with recommendations on the various countries. The mortality estimate is based on up-to-date mortality tables for the various countries. Norway: K2013 BE, USA: Pri2012 collar base tables from 2012 projected forward using MP-2021.

BREAKDOWN OF NET PENSION COSTS

Amounts in NOK million	2025	2024
Contribution plans	-77	-74
Current service cost	-11	-5
Net pension costs (incl. national insurance contributions)	-88	-79

BREAKDOWN OF PENSION OBLIGATIONS AND PENSION PLAN ASSETS AS OF 31 DECEMBER, IN PAST FIVE YEARS

Amount in NOK million	2025	2024	2023	2022	2021
Present value of funded pension obligations	-321	-349	-319	-333	-457
Pension plan assets (fair value)	531	533	450	409	523
Net pension plan assets/-net funded pension liabilities**	210	184	131	76	66
Present value of unfunded pension obligations**	-116	-104	-92	-90	-95
Capitalised net pension assets/-obligations	94	80	39	-14	-29

** Pension schemes are presented gross in the balance sheet

CHANGES IN THE PRESENT VALUE OF PENSION OBLIGATIONS DURING THE YEAR

Amounts in NOK million	2025	2024
Pension obligations 1 January	-452	-411
Current service cost (incl. national insurance contributions)	-11	-5
Interest on pension obligations	-27	-27
Actuarial gains and losses	2	10
Benefits paid during the year	13	17
Currency translations	38	-36
Pension obligations 31 December	-437	-452

CHANGES IN PENSION PLAN ASSETS DURING THE YEAR

Amounts in NOK million	2025	2024
Pension plan assets (fair value) 1 January	533	450
Expected return on pension plan assets	27	24
Contributions and benefits paid during the year	-11	-21
Actuarial gains and losses	42	27
Currency translations	-60	53
Pension plan assets (fair value) 31 December	531	533

BREAKDOWN OF PENSION PLAN ASSETS (FAIR VALUE)

As of 31 december	2025	2024
Cash and cash equivalents and money market investments	6 %	2 %
Bonds	28 %	33 %
Shares	66 %	65 %
Total pension plan assets	100 %	100 %

Sensitivity

The above pension cost and pension liabilities related to defined benefit schemes, are based on the assumptions outlined above. The actuarial calculations are sensitive to any changes in the assumptions. A 1% increase in wage adjustment would imply a 3% increase in pension liability and a 4% increase in pension cost (defined benefit schemes).

A 1% increase in discount rate would imply a 12% decrease in pension liability and 1% decrease in pension cost while a 1% reduction in discount rate would imply a 13% increase in pension liability and a 2% increase in pension cost.

NOTE 11 OTHER OPERATING EXPENSES

The Borregaard Group has chosen to present its income statement based on the nature of the item of income or expense. Operating expenses have been broken down into the following main items: Cost of materials, payroll expenses, depreciation, amortisation and other operating expenses. Thus, other operating expenses comprises all operating expenses that are not related to cost of materials, employee payrolls and capital costs in the form of depreciation. The most important items have been grouped into the following main items.

Amounts in NOK million	2025	2024
External distribution costs	-653	-640
Maintenance, repair and equipment costs	-372	-390
Consultants, legal advisors, temporary staff, etc.	-217	-183
Rental/leasing (Note 12)	-73	-53
Other	-381	-357
Total other operating expenses	-1,696	-1,623

NOTE 12 LEASES

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees, if any. The lease payments also include the exercise price of a purchase option reasonably

certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Discount rates used:

Machinery, vehicles and equipment: Incremental borrowing rate.

Buildings: Implicit interest rate if available.

The incremental borrowing rate is based on interbank interest rate (NIBOR, EURIBOR or SOFR) plus margin plus country risk mark-up. The Group's lease of buildings have lease terms that vary from 1 to 25 years, and several agreements involve a right

of renewal which may be exercised during the last period of the lease terms. The Group assesses at the commencement whether it is reasonably certain to exercise the renewal right. Group's lease liabilities are included in interest-bearing liabilities. See Note 27.

The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g. personal computers) and short-term leases (i.e. leases with a lease term of 12 months or less) that Borregaard has adopted. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The Group leases several assets such as offices and other facilities, machinery and equipment and vehicles. The Group's right-of-use assets are categorised and presented in the following table.

RIGHT-OF-USE ASSETS

Amounts in NOK million	Land, buildings and other property	Machinery and plants	Fixtures, fittings, vehicles etc.	Other assets	Total
Balance at 1 January 2024	401	1	56	69	527
Depreciations	-72	-1	-24	-22	-119
Additions	48	-	24	-	72
Adjustments to existing contracts and terminations	13	-	-	-	13
Effects of movements in exchange rates	7	-	2	6	15
Balance at 31 December 2024	397	-	58	53	508
Depreciations	-76	-	-23	-22	-121
Additions	20	-	17	10	47
Adjustments to existing contracts and terminations	20	1	-	-	21
Effects of movements in exchange rates	-5	-	-1	-4	-10
Balance at 31 December 2025	356	1	51	37	445

LEASE LIABILITIES

Amounts in NOK million	2025	2024
Balance at 1 January	554	563
Additions	47	72
Adjustments to existing contracts and terminations	21	13
Accretion of interests	33	36
Payments	-147	-146
Currency translations	-9	16
Balance at 31 December	499	554

LEASE LIABILITIES CONT.

Amounts in NOK million	2025	2024
Maturity analysis - contractual undiscounted cash flows		
Less than one year	127	143
One to two years	97	115
Two to three years	63	80
Three to four years	49	53
Four to five years	38	42
More than five years	283	300
Total undiscounted lease liabilities at 31 December	657	733
Lease liabilities included in the statement of financial position at 31 December	497	554
Current	99	112
Non-current	398	442

AMOUNTS RECOGNISED IN PROFIT OR LOSS

Amounts in NOK million	2025	2024
Interest on lease liabilities	-33	-36
Depreciation of right-of-use assets	-121	-119
Gains (+) and losses (-) due to terminations, purchases, impairments, and other changes	-	-
Variable lease payments not included in the measurement of lease liabilities	-9	-8
Expenses relating to short-term leases	-63	-44
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-1	-1
Total amount recognised in profit or loss	-227	-208

AMOUNTS RECOGNISED IN THE STATEMENT OF CASH FLOW

Amounts in NOK million	2025	2024
Total cash outflow for leases	220	199

The Group is committed to fulfil future cash outflows relating to leases amounting to NOK 58 million which is not recorded in the financial position as of 31 December 2025.

Extension option

Borregaard has lease contracts that include extension options. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Set out below are the discounted liability effects related to extension options:

Amounts in NOK million	2025
Options to extend not yet recognised, discounted liability effect	122
Recognised options to extend, discounted liability effect	57

NOTE 13 OTHER INCOME AND EXPENSES¹

Other income and expenses¹ largely consist of material positive and negative non-recurring items, restructuring costs and any substantial write-downs of both tangible and intangible assets. The main purpose of this line is to present material non-recurring items and items substantially relating to other periods separately to ensure that the changes in and comparability of the lines presented in EBITDA¹, depreciation and amortisation are more relevant to the company. There were no Other income and expenses¹ in 2025.

Amounts in NOK million	2025	2024
Accrual related to remediation of contaminated soil at the site in Norway. See note 35	-	-30
Total other income and expenses¹	-	-30

NOTE 14 NET FINANCIAL ITEMS

Interest income and interest costs on loans and receivables are calculated using the effective interest method. Commitment fees and costs related to borrowings are reported as part of interest costs. The financial element of pension costs is included in other finance costs and is disclosed in Note 10. Borrowing costs related to assets under construction are recognised in the statement of financial position together with the asset. Foreign currency gains or losses arising from operational assets and liabilities, and the hedging of such, are reported as operating revenues or operating costs. Other foreign currency gains or losses are reported as foreign exchange gain and foreign exchange loss. The foreign currency gains or losses related to net investments in subsidiaries are disclosed in Note 29.

There are no major differences between recognised interest income and inflow of interests. There are no major differences between recognised interest expense and outflow of interests.

Borregaard has made a total impairment of NOK 245 million of its investments in the bio-based start-ups Alginor ASA, Kaffe Bueno ApS and Lignovations GmbH to reflect recent development in these companies. The impairment is recorded under Net financial items. See Note 6 and 20.

FINANCE INCOME AND FINANCE COSTS

Amounts in NOK million	2025	2024
Interest income	28	33
Foreign exchange gain	301	332
Other finance income	13	1
Total finance income	342	366
Interest costs	-162	-193
Foreign exchange loss	-312	-349
Other finance costs	-12	-6
Total finance costs	-486	-548
Share of profit/loss from associates	-279	-22
Net financial items	-423	-204

NOTE 15 TAXES

Income tax expense consists of the total of current taxes and changes in deferred tax. Current taxes are recognised in the financial statements at the amount that is expected to be paid to the tax authorities based on taxable income reported for entities included in the combined financial statements. Current taxes and changes in deferred tax are taken to other comprehensive income to the extent that they relate to items that are included in other comprehensive income.

Deferred tax in the statement of financial position have been calculated at the nominal tax rate based on temporary differences between accounting and tax basis of assets and liabilities on the statement of financial position date.

Deferred tax liability relating to goodwill has not been recognised in the statement of financial position. Deferred tax assets are continuously assessed and are only recognised in the statement of financial position to the extent it is probable that future taxable profit will be large enough for the asset to be usefully applied. Deferred tax liability and deferred tax assets are offset as far as this is possible under taxation legislation and regulations

TAX EXPENSE

Amounts in NOK million	2025	2024
Profit before tax	864	1,079
Current tax expense	-242	-292
Change in deferred tax	-22	42
Total tax expense	-264	-250
Tax as % of Profit/loss before taxes	30.6 %	23.2 %

Reconciliation of the group's tax rate

In the following table, reported taxes are reconciled with the tax charge based on the Norwegian tax rate of 22%. The main tax components are specified

RECONCILIATION OF TOTAL TAX EXPENSE

Amounts in NOK million	2025	2024
22% of profit before taxes (tax rate in Norway)	-190	-237
Foreign operations with other tax rates than 22%	-8	-10
Joint venture and associate companies	7	-4
Impairments of bio-based start-ups	-71	-
Other non-deductible expenses/non-taxable income	-6	-3
Other current taxes	5	2
Correction previous years	-1	1
Other deferred taxes	-	1
The Group's total tax expense	-264	-250

In addition to the compilation of the tax rates in the various countries in which Borregaard operates and has taxable income, the income tax rate for the Group is also impacted by the following:

Lignotech Florida is a limited liability company (LLC) which is taxed on the owners' hand. Profit before tax is 100% consolidated in the Borregaard Group, whereas the tax expense is calculated based on Borregaard's 55% ownership. Consequently, profit attributable to non-controlling interests for LignoTech Florida (45%) is calculated on profit before tax.

Share of profit after tax from associate companies is accounted for as part of profit before tax. The net loss from the joint venture and associate companies does not decrease the tax expense and thus increases the Group's tax rate.

There are carry forward tax losses in the Group which will not be recognised as deferred tax assets, and hence increase the Group's tax rate.

Excluding impairments of bio-based start-ups (see Note 6), the tax rate was 23.8% in 2025.

Deferred tax liabilities

Deferred tax liability consists of the Group's tax liabilities that are payable in the future. The table below lists deferred tax assets and liabilities

relating to the timing differences between tax accounting and financial accounting:

Amounts in NOK million	2025	2024
Deferred tax on tax increasing/(reducing) differences		
Hedging taken to comprehensive income	9	-153
Intangible assets and Property, plant and equipment	236	237
Net pension liabilities	31	27
Gain and loss tax deferral	1	1
Other non-current items	-9	-7
Total non-current items	268	105
Current receivables	-2	-4
Inventories	59	54
Provisions	-7	-10
Other current items	-107	-113
Total current items	-57	-73
Losses/tax credits carried forward	-37	-37
Net deferred tax	174	-5
Deferred tax assets, not recognised	33	33
Net deferred tax, recognised	207	28
Change in deferred tax	-179	101
Change in deferred tax taken to comprehensive income	173	-74
Acquisitions/sale of companies, translation effects, etc.	-16	15
Change in deferred tax income statement	-22	42

NET DEFERRED TAX PRESENTED IN STATEMENT OF FINANCIAL POSITION

Amounts in NOK million	2025	2024
Deferred tax	208	148
Deferred tax assets	1	120
Net deferred tax	207	28

LOSSES CARRIED FORWARD BY EXPIRY DATE

Amounts in NOK million	2025	2024
Without expiry date	133	132
Total tax losses carried forward	133	132

TAX REDUCING TIMING DIFFERENCES WITH CORRESPONDING DEFERRED TAX ASSETS 2025

Amounts in NOK million	Tax reducing timing differences	Recognised deferred tax assets	Unrecognised deferred tax assets	Total deferred tax assets
Losses/tax credits carried forward by country				
Spain	133	-	33	33
USA	-	4	-	4
Total	133	4	33	37
Other tax reducing timing differences	572	85	-	85
Total tax reducing timing differences	705	89	33	122
Netted deferred tax	-569	-88	-	-88
Net tax reducing timing differences	136	1	33	34

Deferred tax assets are only capitalised to the extent that it is probable that there will be sufficient future taxable profit for the tax asset to be used, either because the unit recently reported a profit or because assets with excess value have been identified. If future profits are not likely to be sufficient to absorb the tax reducing timing differences, deferred tax assets are not recognised.

Borregaard will always seek to meet the tax laws requirements in the countries where we have commercial activity. The company will not enter into arrangements which could be considered artificial, or which have tax avoidance as their sole or main objective. Borregaard uses the OECD guidelines for internal pricing, which is an important factor in ensuring that profits and taxes are distributed fairly among different countries.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. However, this legislation does not apply to the Group as its consolidated revenue does not exceed EUR 750 million.

TAX PAYMENTS PER COUNTRY

Amounts in NOK million	Tax paid
Norway	-170
United Kingdom	-5
Germany	-1
Czech Republic	-15
USA	-60
Brazil	-9
Singapore	-1
India	-3
Other countries	-1
Total tax paid	-265

NOTE 16 EARNINGS PER SHARE (EPS) AND DIVIDEND

Earnings per share are calculated on the basis of profit for the year after non-controlling interests. As a result of the Borregaard Group's option programme (see Note 9), outstanding shares may be diluted when options are exercised. In order to take into account this future increase in the number of shares outstanding, diluted earnings per share are calculated in addition to basic earnings per share. In this calculation, the average number of shares outstanding is adjusted to take into account the estimated dilutive effect of the option programme.

Amounts in NOK million	2025	2024
Profit/loss for the year after non-controlling interests for continuing operations	620	823
Profit/loss for the year after non-controlling interests	620	823

Amounts in million shares	2025	2024
Weighted average number of shares outstanding	99.71	99.70
Estimated dilution effect option programme	.03	.05
Weighted average number of shares outstanding diluted	99.73	99.75

The share capital consists of 100 million shares including 270,174 treasury shares as of 31 December 2025. The average number of outstanding shares during 2025 is 99,705,733 and the average number of diluted shares in 2025 is 99,731,358.

Amounts in NOK	2025	2024
Earnings per share	6.22	8.25
Earnings per diluted share	6.22	8.25
Ordinary dividend per share	4.75	4.25

Earnings per diluted share for 2025 were NOK 6.22 (NOK 8.25). Excluding impairments of bio-based start-ups (see Note 6), earnings per share were NOK 8.67 for the full year.

NOTE 17 INTANGIBLE ASSETS

Capitalised expenditure on internally generated or specially adapted computer programmes is presented as intangible assets. The reinvestment need of specially adapted computer programmes is similar to that of other tangible assets, and the amortisation of intangible assets are presented together with Borregaard's other depreciation.

Research and development (R&D) expenditure is the expenses incurred by Borregaard in conducting research and development, including studies of existing or new products and production processes in order to secure future earnings. Expenditure on research is always expensed as incurred, while expenditure on development is recognised in the statement of financial position if the underlying economic factors are identifiable and represent probable future economic benefits of which Borregaard has control. Borregaard has a large number of projects in process at all times, but the number of projects that end in capitalisation is limited. This is due to the considerable uncertainty throughout the decision-making process and the fact that only a small percentage of all projects culminate in commercial products. Furthermore, the portion of the total project expenses that qualify for recognition in the statement of financial position are relatively small, as it is only from the time the decision to develop the product is made it can be capitalised, and that decision-making point comes at a late stage of the process.

The fair value of intangible assets acquired by the company through business combinations is capitalised. Intangible assets with indefinite life will not be amortised while other intangible assets will be amortised over their useful life.

Goodwill is initially measured at cost, being the excess of the aggregate of the transferred and the amount recognised for non-controlling interest over the net identified asset acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in income statement.

Amortisable intangible assets are amortised on a straight-line basis at the following rates: Development 20% and other intangible assets 10–15%. Development consists mainly of internal resources being involved in development projects. IT consists mainly of external costs.

Amounts in NOK million	Development and other intangible assets	IT	Goodwill	Total	
Book value 1 January 2025		9	40	39	88
Additions		2	8		10
Depreciation/Amortisation		-6	-13		-19
Impairment					-
Currency translations					-
Book value 31 December 2025		5	35	39	79
Initial cost 31 December 2025		177	214	55	446
Accumulated amortisation and impairment		-172	-179	-16	-367
Book value 31 December 2025		5	35	39	79
Book value 1 January 2024		15	32	37	84
Additions		1	17	-	18
Depreciation/Amortisation		-8	-9	-	-17
Impairment		-	-	-	-
Currency translations		1		2	3
Book value 31 December 2024		9	40	39	88
Initial cost 31 December 2024		175	206	55	436
Accumulated amortisation and impairment		-166	-166	-16	-348
Book value 31 December 2024		9	40	39	88

In addition, Borregaard expensed NOK 126 million in research costs in 2025 (NOK 121 million). The amounts include grants and other cost deductions. See Note 34.

Emission rights

Government granted and purchased CO₂ emission allowances expected to be used towards Borregaard's own emissions are recognised as intangible assets at nominal value (cost). In case there are actual CO₂ emissions exceeding the level covered by emission rights, those are recognised as a liability. Sale of government granted CO₂ emission rights are recognised at the time of sale at the transaction price.

See table for information regarding sale of, obligation to deliver and owned emission rights. Market price of the emission rights was EUR 85.37 as of 31 December 2025 (EUR 72.78).

Emission rights	Number of emission rights
Emission rights 1 January 2024	664,700
Delivered emission rights for 2023	-120,107
Received emission rights for 2024	157,676
Sold emissions rights during 2024	-55,000
Emission rights 31 December 2024	647,269
Delivered emission rights for 2024	-105,915
Received emission rights for 2025	157,676
Sold emissions rights during 2025	-100,000
Emission rights 31 December 2025	599,030
Obligation to deliver emission rights for 2025 in 2026	-93,873
Available emission rights for 2026	505,157

NOTE 18 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible assets intended for production, delivery of goods or administrative purposes and have a lasting useful life. They are recognised in the statement of financial position at cost minus any accumulated depreciation and impairment. Annual major maintenance stops are capitalised as part of property, plant and equipment and depreciated over a period of 12 months. All other maintenance and repairs are expensed under operating expenses as and when the maintenance is carried out, while expenditure on replacements or improvements is added to the cost price of the assets. Borrowing costs related to the construction of the Group's own property, plant and equipment are capitalised as part of the cost of the asset.

Property, plant and equipment are depreciated on a straight-line basis over the useful life, at the following rates: buildings 2–5%, machinery, fixtures and fittings mainly 4–20%, vehicles 15–25% and IT equipment 15–33%. The period of depreciation is reviewed each year and if there are changes in useful life, depreciation is adjusted. If there is any indication that an asset may be impaired, the asset will be written down to the recoverable amount if the recoverable amount is lower than the carrying value. The residual value is also calculated and if it is higher than the carrying value, depreciation is stopped. This applies in particular to buildings. The Group is committed to fulfil contracts amounting to NOK 273 million which is not recorded in the statement of financial position as of 31 December 2025 (NOK 34 million as of 31 December 2024).

Investments according to the transition plan (page 61) are not considered to have an impact on the useful life or the value of the existing property, plant, and equipment.

Amounts in NOK million	Land, buildings and other property	Machinery and plants	Assets under constructions	Fixtures, fittings, vehicles, EDP, etc.	Total
Book value 1 January 2025	1,805	2,661	540	20	5,026
Additions	53	307	417	6	783
Disposals	-2				-2
Transferred assets under construction	113	282	-396	1	-
Impairment					-
Depreciation	-113	-327		-10	-450
Currency translation	-24	-74	-4		-102
Book value 31 December 2025	1,832	2,849	557	17	5,255
Initial cost 31 December 2025	3,402	8,418	557	242	12,619
Accumulated depreciation and impairment	-1,570	-5,569	-	-225	-7,364
Book value 31 December 2025	1,832	2,849	557	17	5,255
Book value 1 January 2024	1,605	2,434	596	26	4,661
Additions	100	226	363	3	692
Disposals	-1				-1
Transferred assets under construction	194	228	-423	1	-
Impairment					-
Depreciation	-117	-298		-10	-425
Currency translation	24	71	4		99
Book value 31 December 2024	1,805	2,661	540	20	5,026
Initial cost 31 December 2024	3,279	8,093	540	234	12,146
Accumulated depreciation and impairment	-1,474	-5,432	-	-214	-7,120
Book value 31 December 2024	1,805	2,661	540	20	5,026

NOTE 19 OVERVIEW OF FINANCIAL INSTRUMENTS

Loans, as well as trade receivables, are held to collect contractual cash flows and are expected to give rise to cash flows solely representing payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under IFRS 9. The Group applied the simplified approach and record lifetime expected losses on all trade receivables.

The Group has considered that due to the historical low level of credit losses, the loss allowance will not be materially different from the current level. Transactions in foreign currencies are recognised at the exchange rate on the date of the transaction, while monetary items in foreign currencies are presented at the exchange rate on the balance sheet date, and any gain/ loss is reported in the income statement as financial items. Revenues and expenses in subsidiaries with a functional currency different from the Group's presentation currency are translated monthly at the average exchange rate for the month and accumulated. Statement of financial position items in subsidiaries with a different functional currency are translated at the exchange rate on the balance sheet date. Translation differences are reported in comprehensive income.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments, by valuation technique:

Level 1:

Quoted market prices in an active market (that are unadjusted) for identical assets and liabilities.

Level 2:

Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable).

Level 3:

Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

The foreign exchange element in currency forward contracts is measured at observable market prices using the foreign exchange rate set by Norges Bank, Norway's central bank. Different maturity dates add an interest rate element resulting in an estimated fair value of the currency forward contracts. There have been no transfers from one level in the measurement hierarchy to another from 2024 to 2025. A description of how the derivatives are measured is provided in Note 29.

OVERVIEW OF FINANCIAL INSTRUMENTS 2025

Amounts in NOK million	Note	Measurement level	Financial instruments at fair value through profit and loss	Financial instruments at fair value - hedging instruments	Financial liabilities measured at amortised cost	Deposits and receivables measured at amortised cost	Total	Of this interest-bearing	Fair value
Non-current assets									
Non-current financial receivables	20	2	-	-	-	176	176	-	176
Share investments	20	2	-	-	-	17	17	-	17
Non-current derivatives	20, 29	2	-	89	-	-	89	-	89
Total			-	89	-	193	282	-	282
Current assets									
Accounts receivable	22		-	-	-	1,095	1,095	-	1,095
Other current receivables	22		-	-	-	15	15	-	15
Current derivatives	22, 29	2	7	67	-	-	74	-	74
Cash and cash equivalents	23		-	-	-	91	91	91	91
Total			7	67	-	1,201	1,275	91	1,275
Non-current liabilities									
Non-current financial liabilities	12, 27	2,3	-	-	1,720	-	1,720	1,718	1,720
Non-current derivatives	24, 29	2	-	68	-	-	68	-	68
Total			-	68	1,720	-	1,788	1,718	1,788
Current liabilities									
Current financial liabilities	12, 27	2	-	-	463	-	463	463	463
Accounts payable	25		-	-	503	-	503	-	503
Other current liabilities	25		-	-	7	-	7	-	7
Current derivatives	25, 29	2	1	49	-	-	50	-	50
Total			1	49	973	-	1,023	463	1,023
Total financial instruments			6	39	-2,693	1,394	-1,254	-2,090	-1,254
Total measurement level 1							-		-
Total measurement level 2, assets				7	156	-	193	356	356
Total measurement level 2, liabilities				-1	-117	-1,683	-	-1,801	-1,801
Total measurement level 3				-	-	-500	-	-500	-500

OVERVIEW OF FINANCIAL INSTRUMENTS 2024

Amounts in NOK million	Note	Measurement level	Financial instruments at fair value through profit and loss	Financial instruments at fair value - hedging instruments	Financial liabilities measured at amortised cost	Deposits and receivables measured at amortised cost	Total	Of this interest bearing	Fair value
Non-current assets									
Non-current financial receivables	20	2	-	-	-	191	191	1	191
Share investments	20	1	-	-	-	28	28	-	28
Non-current derivatives	20, 29	2	-	1	-	-	1	-	1
Total			-	1	-	219	220	1	220
Current assets									
Accounts receivable	22		-	-	-	1,073	1,073	-	1,073
Other current receivables	22		-	-	-	41	41	-	41
Current derivatives	22, 29	2	1	4	-	-	5	-	5
Cash and cash equivalents	23		-	-	-	82	82	82	82
Total			1	4	-	1,196	1,201	82	1,201
Non-current liabilities									
Non-current financial liabilities	12, 27	2,3	-	-	2,037	-	2,037	2,035	2,037
Non-current derivatives	24, 29	2	-	336	-	-	336	-	336
Total			-	336	2,037	-	2,373	2,035	2,373
Current liabilities									
Current financial liabilities	12, 27	2	-	-	288	-	288	288	288
Accounts payable	25		-	-	551	-	551	-	551
Other current liabilities	25		-	-	9	-	9	-	9
Current derivatives	25, 29	2	2	361	-	-	363	-	363
Total			2	361	848	-	1,211	288	1,211
Total financial instruments			-1	-692	-2,885	1,415	-2,163	-2,240	-2,163
Total measurement level 1						-	-		-
Total measurement level 2, assets			1	5	-	219	225	1	225
Total measurement level 2, liabilities			-2	-697	-1,825	-	-2,524	-1,823	-2,524
Total measurement level 3			-	-	-500	-	-500	-500	-500

For current assets and liabilities, fair value is estimated close or equal to book value. The bond is determined as measurement level 3. The fair value of the bond is deemed to equal book value.

The bond carries floating interest terms and the issuer's credit quality is not considered to have changed since the bond was issued in June 2023.

NOTE 20 OTHER ASSETS (NON-CURRENT)

Receivables are initially recognised at fair value which is generally the original invoice amount.

For trade receivables see Note 22. The interest rate element is disregarded if it is insignificant, which is the case for the majority of receivables

The Austrian technology start-up Lignovations has had delays and consequently faced lack of funding. Borregaard has made a total impairment of NOK 10 million of the investment.

After the impairment of Lignovations, Borregaard's carrying amount of share investments in bio-based start-ups (Lignovations and Oceanium) and other companies was NOK 17 million as of 31 December 2025. These investments are a result of Borregaard's business development strategy and complement the existing business portfolio.

Amounts in NOK million	2025	2024
Share investments	17	28
Non interest-bearing derivatives (Note 19)	89	1
Receivables interest-bearing (Note 19)	–	1
Receivables non interest-bearing (Note 19)	176	190
Total financial assets	282	220
Net pension plan (Note 10)	210	184
Total other assets	492	404

NOTE 21 INVENTORIES AND COST OF MATERIALS

Inventories are measured at the lower of cost and net realisable value. Purchased goods are measured at purchase cost according to the FIFO principle, while internally manufactured finished goods and work in progress are measured at production cost. Deductions are made for obsolescence. Net realisable value is the estimated selling price minus selling costs.

As of 31 December 2025, there is a total write down of inventories of NOK 6 million (NOK 2 million) related to inventories measured at net realisable value total NOK 59 million (NOK 28 million). There are no reversed write-downs from earlier years.

Amounts in NOK million	2025	2024
Raw materials	217	216
Work in progress	106	127
Finished goods and merchandise	1,198	1,155
Total inventories	1,521	1,498
Amounts in NOK million	2025	2024
Wood costs (Note 28)	-866	-783
Energy costs (Note 28)	-472	-537
Other materials	-1,342	-1,431
Change in work in progress and finished goods	21	19
Cost of materials	-2,659	-2,732

NOTE 22 RECEIVABLES (CURRENT)

Receivables are initially recognised at fair value which is generally the original invoice amount. For trade receivables the Group applies a simplified approach in calculating expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Current receivables are both operating receivables and interest-bearing receivables. Operating receivables are broken down into trade receivables, accrued advance payments to suppliers and other current receivables. Trade receivables are non interest-bearing and are generally on terms of 30 to 90 days.

Amounts in NOK million	2025	2024
Accounts receivable (Note 19)	1,095	1,073
Non interest-bearing derivatives (Note 19)	74	5
Other current receivables (Note 19)	15	41
Total financial receivables	1,184	1,119
Advance payment to suppliers/earned income	289	301
Tax receivables	43	21
Total current receivables	1,516	1,441

CHANGE IN PROVISIONS FOR BAD DEBT:

Amounts in NOK million	2025	2024
Provisions for bad debts 1 January	18	11
Bad debts recognised as expense (- income)	-8	6
Realised losses	-3	-
Translation effects	-1	1
Provisions for bad debts 31 December	6	18

ACCOUNTS RECEIVABLE HAVE THE FOLLOWING DUE DATES:

Amounts in NOK million	2025	2024
Accounts receivable not due	975	901
Overdue receivables 1-30 days	107	144
Overdue receivables 31-60 days	12	29
Overdue receivables 61-90 days	7	3
Overdue receivables over 90 days	-	14
Accounts receivable carrying amount 31 December	1,101	1,091

NOTE 23 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held for the purpose of meeting short-term fluctuations in liquidity rather than for investment purposes. Cash and cash equivalents consist of cash, bank deposits and current deposits with a maturity of three months or less. Company policy is to channel excess liquidity in wholly owned subsidiaries to Borregaard's cash pools (with DNB and Handelsbanken) or placed as deposits with Borregaard AS. In some countries, however, there are legal or technical impediments on participation in Borregaard's cash pools or making deposits with Borregaard AS.

NOTE 24 PROVISIONS AND OTHER NON-CURRENT LIABILITIES

Provisions are recognised in the financial statements in the case of onerous contracts or when restructuring measures have been adopted. Future operating losses will not be part of the provisions. In the case of restructuring provisions, there must be a detailed plan that identifies which parts of the business are to be restructured. The location and number of employees affected, and a valid expectation must have been created among those concerned that the restructuring will be carried out. In addition, it must be possible to provide a reliable estimate of the amount of the liability. It is a condition that the restructuring materially changes the size of the business or the way in which it is operated.

Amounts in NOK million	2025	2024
Cash and cash equivalents	91	82
Bank overdraft	-107	-85
Net cash and cash equivalents	-16	-3

Borregaard has a bank guarantee for the majority of the withholding tax related to employees, in addition to restricted bank deposits of NOK 1 million as of 31 December 2025. The liability related to withholding tax as of 31 December 2025 was NOK 39 million (NOK 36 million).

The provision is calculated on the basis of the best estimate of expenses. If the effect is material, anticipated future cash flows will be discounted using a current pre-tax interest rate that reflects the risks specific to the provision.

Amounts in NOK million	2025	2024
Unfunded pension (Note 10)	116	104
Derivatives (Note 19)	68	336
Other non-current liabilities	1	2
Environmental provisions (Note 35)	-	-
Total provisions and other non-current liabilities	185	442

NOTE 25 OTHER LIABILITIES (CURRENT)

Current liabilities are operating liabilities (trade accounts payable, unpaid public taxes/charges, prepaid revenues, other accruals, etc.) and financial liabilities (payable interest). All these items are interest-free borrowings. Dividend does not become a liability before it has been approved by the General Meeting.

Amounts in NOK million	2025	2024
Accounts payable (Note 19)	503	551
Derivatives (Note 19)	50	363
Other current liabilities (Note 19)	7	9
Total financial liabilities non interest-bearing	560	923
Value-added tax, employee taxes, etc.	84	83
Accruals	373	397
Total other liabilities	1,017	1,403

NOTE 26 CAPITAL MANAGEMENT

Borregaard's financial policy shall ensure short-term and long-term financial flexibility for the Group.

Borregaard aims to maintain key financial ratios corresponding to an investment grade rated company in order to ensure access to debt capital on favourable terms and conditions. Borregaard shall manage financial risks, primarily related to currency fluctuations in a prudent manner and in accordance with established guidelines. Borregaard shall develop and maintain relationships with a core group of banks, based on long-term financing commitments.

Borregaard's policy for long-term funding is for debt to have an average maturity of at least 2.5 years, with a maturity profile spread over several years. Refinancing risk shall be actively managed and the refinancing process for maturing loans shall preferably commence at least one year ahead of scheduled maturity.

Borregaard shall seek to diversify its long-term funding sources, supplementing bank loans with debt capital markets and other sources, subject to availability and conditions. The company may utilise commercial paper markets and/or short-term bank loans as sources of liquidity, provided that such loans can be substituted by undrawn long-term committed loan facilities. In 2025, Borregaard ASA's issuer rating of A-/ Stable was affirmed by Scope Ratings GmbH. The same rating was assigned to the company's senior unsecured debt.

Long-term funding

In 2023, Borregaard issued a five-year NOK 500 million unsecured green bond in the Norwegian bond market. A green financing framework, structured in accordance with the 2021 ICMA Green Bond Principles, as well as the 2023 LMA, APLMA and LSTA Green Loan Principles, was established in conjunction with the green bond issue. The net proceeds from the green bond will be used to

finance or re-finance projects and costs defined as eligible under Borregaard's Green Financing Framework. In 2022, Borregaard entered into a USD 50 million sustainability linked term loan with the Nordic Investment Bank (NIB). The loan has a tenor of ten years with a grace period of four years. Borregaard has secured long-term sustainability linked revolving credit facilities totalling NOK 1,500 million, with equal portions of NOK 500 million being provided by each of the three banks (Handelsbanken, DNB and SEB). The facilities mature in 2027. The term loan and credit facilities are linked to Borregaard's sustainability targets and the margins can be adjusted based on the progress on three parameters: Borregaard's 2030 target of reducing greenhouse gas emissions (Scope 1 and 2) as approved by the Science Based Targets initiative in 2019, reduction of the Group's total recordable injuries and finally, keeping emissions of organic compounds to the Glomma river below certain levels. All outstanding loans and all other sums due and outstanding must be repaid in full on the termination date specified for each tranche under the Bank Facilities Agreements.

The Bank Facilities Agreements and the term loan agreement with NIB, granted to Borregaard ASA and Borregaard AS on a joint and several basis, are unsecured (negative pledge), but contain a financial covenant and some limitations on new indebtedness beside change of control and cross-default provisions. The financial covenant is as follows: Leverage ratio¹: the ratio of Net Interest-Bearing Debt¹ to Consolidated EBITDA¹ including Other income and expenses¹ shall not exceed 3.50:1 during the life of the agreements. Partially owned companies including the joint venture or companies

whose domestic legislation prevents them from entering into loan agreements with Borregaard AS, will need either to be financed on equal (pro rata) terms by the partners or will have to establish independent funding. As of 31 December 2025 Borregaard is in compliance with the covenants.

In June 2017, LignoTech Florida LLC entered into a USD 60 million loan agreement with SEB. The loan facility is guaranteed 70% by The Norwegian Export Credit Guarantee Agency and has a tenor of 8.5 years from commercial completion of the plant. As of 31 December 2025, the remaining balance of the loan was USD 40.8 million. Furthermore, an overdraft facility of USD 15 million was established to meet short term liquidity needs. The owners of LignoTech Florida (see Note 31) will guarantee the loan and the overdraft facility on a pro rata basis until certain financial conditions are met. See Note 37 for refinancing in 2026. As an industrial group, Borregaard is not subject to any external capital requirements.

Liquidity and cash management

At 31 December 2025, Borregaard had a multicurrency overdraft facility of NOK 125 million linked to its international cash pool with DNB, a NOK 125 million overdraft limit linked to its cash pool (Group account system) with Handelsbanken and an intra-day facility of NOK 75 million with Nordea related to salary payments. Group liquidity shall be managed in cash pools, with Borregaard AS as owner of top accounts and legal counterpart to relevant banks. Group companies shall participate in cash pools to the extent possible, with allocated internal credit lines. Group companies which are prevented from participating in cash pools, shall enter into deposit and/or loan agreements with Borregaard AS and shall aim at keeping locally held cash balances at a near-zero level. Excess liquidity shall primarily be used to repay debt. Alternatively, excess liquidity can be placed with relationship banks or other well-rated banks. Partially owned companies including the joint venture or companies whose domestic legislation prevents them from entering into deposit and/or loan agreements with Borregaard AS, shall invest surplus cash in low-risk deposits and/or pay dividend

NOTE 27 FUNDING AND INTEREST-BEARING LIABILITIES

Loans and receivables are carried at amortised cost. Thus, changes in fair value resulting from changes in interest rates during the interest rate period are not reported in the income statement. Borrowing costs related to the long-term funding are capitalised over the period of the loan facilities.

Funding

Borregaard's main sources of financing are proceeds from its USD 50 million term loan with the Nordic Investment Bank, its green bond issue of NOK 500 million, and its long term revolving credit facilities totalling NOK 1,500 million from three Scandinavian banks. For liquidity and cash management purposes two multi-currency overdraft facilities totalling NOK 250 million are in place.

In June 2017, LignoTech Florida entered into a USD 60 million loan agreement. The loan has a remaining balance of USD 40.8 million at 31 December 2025. To meet short term liquidity needs, an overdraft facility of USD 15 million has been established.

Amounts in NOK million	Book value		Fair value	
	2025	2024	2025	2024
Non-current interest-bearing liabilities				
Bank loans/bond	1,319	1,593	1,319	1,593
Other interest-bearing liabilities	399	442	399	442
Total non-current interest-bearing liabilities	1,718	2,035	1,718	2,035
Current interest-bearing liabilities				
Bank loans/overdraft/commercial paper/bond	364	176	364	176
Other interest-bearing liabilities	99	112	99	112
Total current interest-bearing liabilities	463	288	463	288
Total interest-bearing liabilities	2,181	2,323	2,181	2,323
Interest bearing receivables				
Non-current interest-bearing receivables	–	1	–	1
Cash and cash equivalents	91	82	91	82
Total interest-bearing receivables	91	83	91	83
Net interest-bearing debt¹	2,090	2,240	2,090	2,240

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES 2025

	1 January,	Cash flows	Additions / transfer leases	Foreign exchange movemen	Fair value changes	31 December,
	2025					2025
Long-term borrowings	2,035	-299	52	-70	–	1,718
Short-term borrowings excluding overdraft	202	146	17	-9	–	356
Other instruments	–	–	–	–	–	–
Change in net interest-bearing liabilities		-153				
Overdraft	86	31	–	-10	–	107
Total liabilities from financing activities	2,323	-122	69	-89	–	2,181

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES 2024

	1 January,	Cash flows	Additions/ transfer leases	Foreign exchange movement	Fair value changes	31 December,
	2024					2024
Long-term borrowings	2,016	-118	66	71	–	2,035
Short-term borrowings excluding overdraft	206	-32	19	9	–	202
Other instruments	–	–	–	–	–	–
Change in net interest-bearing liabilities		-150				
Overdraft	40	41	–	5	–	86
Total liabilities from financing activities	2,262	-109	85	85	–	2,323

There were no drawings under the Bank Facilities Agreements as of 31 December 2025. Drawings originating from the bond issue, the term loan with Nordic Investment Bank, and the term loan related to LignoTech Florida amounted to NOK 1,415 million as of 31 December 2025. The maturity profiles of the Group's interest-bearing liabilities are shown in the table below.

MATURITY PROFILE INTEREST-BEARING LIABILITIES AND UNUTILISED CREDIT FACILITIES

Amounts in NOK million	Gross interest-bearing liabilities		Unutilised credit facilities	
	2025	2024	2025	2024
Maturity <1 year	463	288	295	310
Maturity 1-3 years	1,105	788	1,500	1,500
Maturity 3-5 years	211	738	–	–
Maturity 5-7 years	162	213	–	–
Maturity >7 years	240	296	–	–
Total	2,181	2,323	1,795	1,810

/ ¹ Alternative performance measures, see page 221 for definition

NOTE 28 FINANCIAL AND CLIMATE RISKS

(I) ORGANISATION OF FINANCIAL RISK MANAGEMENT

Borregaard operates internationally and is exposed to financial risks like currency risk, interest rate risk, commodity price risk, climate risk, liquidity risk and credit risk. Borregaard uses derivatives and other financial instruments to reduce these risks in accordance with the Group's finance policy.

Responsibility for managing financial risk in Borregaard is divided between business areas, which manage risk related to business processes and corporate functions, which manages risk related to centralised activities like funding, interest rate management, cash management, currency risk management and credit management policy. Borregaard's CFO and the Group's Treasury Department are responsible for managing centralised financial risk elements.

Financial risks

This section describes the most important risk factors within the Group and the management of these risks. In this context, financial risk is defined as risk related to financial instruments. These may either be hedging instruments for underlying risk or viewed as inherently a source of risk.

Borregaard is exposed to currency risk for most of its sales, primarily in USD and EUR. A substantial part of this exposure, defined as estimated net cash flow in USD or EUR, is routinely hedged on a rolling basis with a nine month time horizon. In order to secure medium-term competitiveness, the hedging horizon may gradually be extended to three years

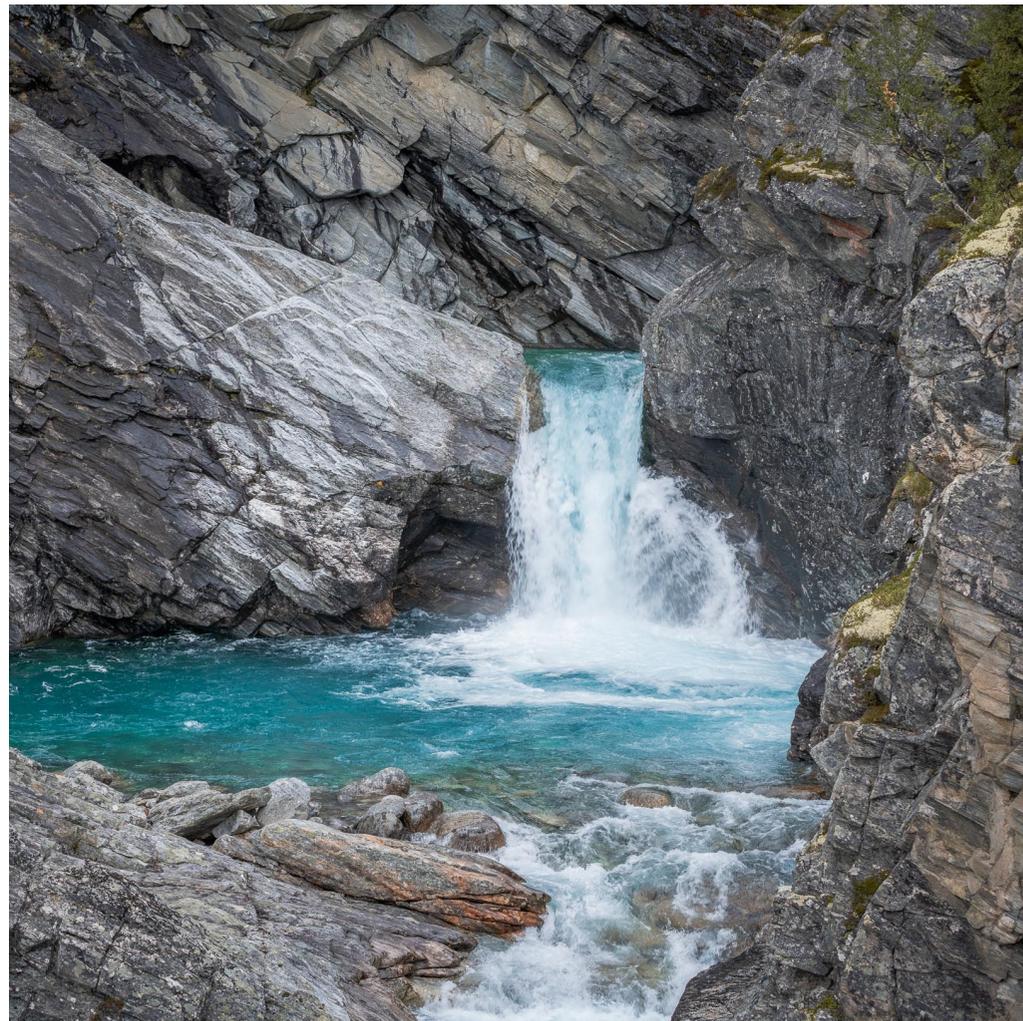
for a EUR/ NOK hedging rate in the range of 10.75-11.25 and gradually to three years for USD/ NOK hedging rates in the 9.75-10.25 range.

On the revenue side, all of Borregaard's business segments are exposed to price risk in international markets. Borregaard is also exposed to price risk on wood, energy (heat energy and electric power) and other strategic raw materials. At the end of 2025 Borregaard has five longterm supply contracts for electric energy to the Sarpsborg site for the period 2026 to 2034:

- Eidsiva Vannkraft, 2.8 TWh for the period 2020 to 2029 with annual deliveries decreasing from 420 GWh to 130 GWh.
- Statkraft, 1.75 TWh for the period 2020 to 2029, with annual deliveries of 175 GWh.
- E-CO Energi, 1.66 TWh for the period 2022 to 2033, with annual deliveries increasing from 88 GWh to 175 GWh.
- Å Energi, 0,88 TWh for the period 2024 to 2033, with annual deliveries of 88 GWh.
- Hafslund, 0,88 TWh for the period 2025 to 2034, with annual deliveries of 88 GWh.

The long-term supply contracts for electric energy are intended for own use and therefore deemed qualified under the own-use exemption.

Borregaard also has a hedging strategy which enables hedging of part of its future expected power consumption. The purpose of this hedging is to reduce the risk from volatility in the power prices.



(II) CATEGORIES OF FINANCIAL AND CLIMATE RISKS FOR THE BORREGAARD GROUP

Currency risk

As NOK is the presentation currency for the Group, Borregaard is exposed to currency translation risk for net investments in foreign operations. Borregaard hedges this category of risk using currency forward contracts for EUR and a mix of forward contracts and loan for USD.

Transaction risk is hedged against each entity's functional currency. Borregaard applies hedge accounting for most hedges of future transactions, either cash flow hedges or fair value hedges of firm commitments. The different types of hedges are described in Note 29.

The Group's aggregated outstanding currency hedges of future transactions on the balance sheet date are shown in the following table.

Interest rate risk

Borregaard's interest rate risk is mainly related to the Group's interest-bearing liabilities and assets. This risk is managed at parent level. Borregaard shall primarily follow a floating rate strategy, but may consider fixed rates for a maximum of 50% of its debt, using appropriate derivatives.

Liquidity risk

Liquidity risk is the risk that Borregaard is not able to meet its payment obligations. This risk is managed centrally, but in close concert with affected subsidiaries. Borregaard AS initiates measures deemed necessary to maintain a strong liquidity. Cash flow from operations, which among other factors is affected by changes in working capital, is managed operationally at Group level, and is relatively stable. Borregaard monitors liquidity flows, short and long-term, through reporting and selected forecasting routines. Due to the aforementioned measures, the Group has limited liquidity risk.

The table below shows the maturity profile for the Group's contractual financial liabilities, including liabilities which are not recognised in the financial position.

The amounts represent undiscounted future cash flows and may therefore deviate from recognised figures. The table also includes derivatives recognised as assets on the balance sheet date, as derivatives may include both positive and negative cash flows, and the fair value fluctuates over time. Forward prices are used to determine the future settlement amounts for electric power and currency derivatives. See Note 29.

2025

Amounts in million

Purchase currency	Amount	Sale currency	Amount	Maturity
USD	2	NOK	24	2026
NOK	1,538	USD	153	2026
NOK	1,407	USD	140	2027
NOK	919	USD	91	2028
EUR	6	NOK	73	2026
EUR	9	NOK	109	2027
NOK	1,404	EUR	119	2026
NOK	1,354	EUR	114	2027
NOK	915	EUR	77	2028
SEK	66	NOK	72	2026

2024

Amounts in million

Purchase currency	Amount	Sale currency	Amount	Maturity
USD	2	NOK	19	2025
NOK	1,572	USD	158	2025
NOK	1,567	USD	150	2026
NOK	1,086	USD	102	2027
EUR	2	USD	2	2025
EUR	2	NOK	18	2025
NOK	1,365	NOK	125	2025
NOK	1,389	EUR	119	2026
NOK	1,049	EUR	87	2027
SEK	66	EUR	68	2025

MATURITY PROFILE FINANCIAL LIABILITIES 2025

Amounts in NOK million	Book value	Contractual cash flows	< 1 year	1-3 years	3-5 years	5-7 years	> 7 years
Interest-bearing liabilities excluding lease liabilities	1,684	1,684	365	985	155	116	63
Lease liabilities	497	657	127	159	87	70	214
Interest payable bank loans & bonds	7	175	72	81	18	4	-
Accounts payable	503	503	503				
Gross settled derivatives*	-45						
Inflow		-8,208	-3,637	-4,571	-	-	-
Outflow		8,163	3,632	4,510	15	4	2
Total	2,646	2,974	1,062	1,164	275	194	279

MATURITY PROFILE FINANCIAL LIABILITIES 2024

Amounts in NOK million	Book value	Contractual cash flows	< 1 year	1-3 years	3-5 years	5-7 years	> 7 years
Interest-bearing liabilities excluding lease liabilities	1,769	1,769	176	637	674	174	108
Lease liabilities	554	733	143	195	95	65	235
Interest payable bank loans & bonds	9	332	103	161	51	16	1
Accounts payable	551	551	551				
Gross settled derivatives*	693						
Inflow		-9,626	-4,535	-5,091	-	-	-
Outflow		10,319	4,893	5,380	31	6	9
Total	3,575	4,077	1,330	1,282	851	261	353

The financial liabilities are serviced by cash flow from operations, liquid, and interest-bearing assets, and, when necessary, drawings on unutilised credit facilities.

Credit risk

The management of credit risk related to accounts receivable and other operating receivables is handled as part of the business risk but based on guidelines set by Borregaard AS and continuously monitored by the operating entities. There is no significant concentration of credit risk in respect of single counterparts. A credit management policy is in place. Credit losses are historically modest due to a stable and financially healthy customer base as well as stringent monitoring of trade receivables. See Note 22. For sales to countries or customers associated with high political or commercial risk, trade finance products are widely used to reduce credit risk.

With these risk mitigation measures in place, the current credit risk is considered to be acceptable. See Note 8 for geographical breakdown of sales revenues.

Borregaard considers its credit risk related to other financial instruments to be low. Firstly, only relationship banks act as counterparts for financial hedge transactions. Secondly, bank accounts are mainly held with relationship banks. For deposits of liquidity with other counterparts in countries where relationship banks are not present, Borregaard has requirements relating to the bank's credit rating.

Maximum credit risk

The maximum credit exposure for the Group related to financial instruments corresponds to total gross receivables. In the hypothetical and highly unlikely event that no receivables are redeemed, this amounts to:

Amounts in NOK million	2025	2024
Cash and cash equivalents	91	82
Accounts receivable	1,095	1,073
Other current receivables	15	41
Non-current receivables	176	191
Derivatives	163	6
Total	1,540	1,393

Commodity price risk

The Group is exposed to price risks in respect of a number of raw materials, of which electric power, liquefied natural gas and wood are the most substantial. However, prices of sold products are also affected by raw material prices, and it is generally Borregaard's policy to reduce the price risk through commercial contracts.

Climate risk and nature risks

The climate- and-nature related risk assessment is conducted in accordance with the European Sustainability Reporting Standards (ESRS), as required under the Corporate Sustainability Reporting Directive (CSRD). In the table below, climate and nature risks and opportunities, as described from page 87 in this Annual Report, and in the [Climate and Nature Risk](#) Report, are included with current exposure and current price/ level cost.

Climate and nature risks and opportunities

Material financial risks and opportunities	Current exposure, price level and cost
<p>Risk. Current and emerging carbon pricing mechanism, other climate-related regulatory issues such as EU RED III. Investment costs related to transition plan.</p>	<ul style="list-style-type: none"> • EU ETS: 90,718 tCO₂ in 2025. The EU Emissions Trading System is governed by the European Commission under Directive 2003/87/EC and requires companies covered by the EU ETS to hold allowances for every tonne of CO₂ they emit. • Emission rights owned (beginning of 2025): 647,269 • Scope 1 and 2 emissions: 167,473 tCO₂e • CO₂ Tax for waste incineration: 42,385 tCO₂. Set by the government and administered by the Ministry of Finance, the Norwegian CO₂ Tax Act obliges waste-incineration plants to pay a tax on the fossil CO₂ emitted from each tonne of waste incinerated.
<p>Risk. Increased energy prices, long-term power supply contracts. Potential requirements for Guarantees of Origin, Power Purchase Agreements (PPAs), and grid capacity may pose future risks.</p>	<ul style="list-style-type: none"> • Total energy 1,847 GWh, energy from fossil-based sources is 587 GWh (from LNG, light oil and waste), whereas 1,260 GWh is from renewable sources (power supply, biofuel and biogas) of which 793 GWh is from electricity. • Long-term power supply contracts. • Energy is 8% of total cost in 2025, NOK 472 million • CO₂ compensation 2025 NOK 125,6 million, see Note 34
<p>Risk. Capital investments aimed at reducing energy consumption and improving efficiency through grid optimisation. investment cost related to transition plan</p>	<ul style="list-style-type: none"> • Investments under Borregaard's transition plan are estimated to a total of approximately NOK 1,000 million through 2030. Of this, about 85% relates to ongoing and completed projects. For 2026–2028, investments according to the transition plan will be in the range NOK 350 to 450 million.
<p>Risk. Potential increase in transportation (cat.4 and cat.9) and raw material cost (cat.1) to meet Scope 3 emission reduction targets in 2030 (Science Based Target), including changes in routes due to physical climate incidents.</p>	<ul style="list-style-type: none"> • Supply chain/Operations: Challenging river conditions (Rhine and Glomma) • Scope 3 GHG emissions: 624,618 tCO₂ for 2025.
<p>Opportunity. Renewable energy/flexibility in variable load. Flexibility in sourcing of raw materials, resilient business model.</p>	<ul style="list-style-type: none"> • Total energy 1,847 GWh, 1,260 GWh from renewable sources. CO₂ emissions from energy is the major emissions source. Technology is available to invest in more renewable energy solutions to achieve our science-based emission targets. • Flexibility for variable load (LNG, electricity and light oil). • Average electricity spot price (Oslo region) at 684 NOK/MWh in 2025.
<p>Opportunity. Resilience, 800 different products in numerous applications reduces exposure to cyclical markets. Markets that will grow or decline due to climate change are identified, supported by regulatory changes. Business opportunities from Borregaard's products.</p>	<ul style="list-style-type: none"> • About 50% (NOK 3.8 billion) of Borregaard's sales revenues in 2025 came from bio-based products with lower climate/environmental footprint compared with fossil-based products. 800 different products in numerous applications, reduced exposure to cyclical markets. • Markets that will grow or decline due to climate changes are identified. • Average sales price in 2025: • BioSolutions products NOK 12,027 per mtds. • BioMaterials products NOK 17,678 per mt
<p>Opportunity. Capital markets: Positive effect from funding of investment and innovations. Green bonds, effect from taxonomy. Investors.</p>	<ul style="list-style-type: none"> • 86% of long-term financing (including Revolving Credit Facilities) at the end of 2025 had a sustainability linked margin or were issued in accordance with Borregaard's Green Financing Framework ("green financing"). • There were indications that the margin on the green bond issued in 2023 got a slight discount compared to a traditional bond issue. However, it is difficult to quantify the exact effect

Sensitivity analysis

The financial instruments of the Borregaard Group are exposed to different types of market risk which can affect the income statement or equity. Financial instruments, in particular derivatives, are applied as means of hedging both financial and operational exposure.

In the table below, Borregaard presents a partial analysis of the sensitivity of financial instruments, where the isolated effect of each type of risk on the income statement and on equity is estimated. This is done on the basis of a selected reasonably possible change in market prices/rates on the statement of financial position as of 31 December.

According to IFRS, the analysis covers only financial instruments and is not meant to give a complete overview of the Group's market risk, for instance:

- For currency hedges of contracts entered into, changes in fair value of the hedging instrument will affect the income statement, while changes in the fair value of the underlying hedged contract offset by the hedging instrument will not be shown, as it is not a financial instrument.
- If one of the parameters changes, the analysis will not take into account any correlation with other parameters.

- Financial instruments denominated in the entities' functional currencies do not constitute any currency risk and are therefore not included in this analysis. Nor is the currency exposure on translation of such financial instruments to the presentation currency of the Group included, for the same reason.
- No sensitivity analysis is performed for the power hedges as the exposure is considered immaterial.

Generally, the effect on the income statement and equity of financial instruments in the table below is expected to offset the effects of the hedged items where financial instruments are part of a hedging relationship.

The sensitivity to currency risk in accounts receivable and accounts payable is mitigated by the company's hedging activities, which offset the related impacts on the income statement and equity.

Accounting effects of changes in market risk are classified to income statement and equity according to where the effect of the changes in fair value will be recognised initially. Effects recognised in the income statement will also affect equity beyond the figures presented in the table.

SENSITIVITY FINANCIAL INSTRUMENTS 2024

2025	ACCOUNTING EFFECTS ON			
	Income statement of		Equity of	
	Increase	Decrease	Increase	Decrease
Amounts in NOK million				
Financial instruments in hedging relationships				
Interest rate risk (excluding leasing): 100 bp parallel shift in interest curves all currencies	-15	15		
Currency risk: 10% change in FX-rate USD/NOK	-	-	-301	301
Currency risk: 10% change in FX-rate EUR/NOK	-	-	-278	278
Currency risk: 10% change in FX-rate SEK/NOK	-	-	6	-6
Currency risk: 10% change in FX-rate USD/EUR	-	-	-	-

SENSITIVITY FINANCIAL INSTRUMENTS 2023

2024	Accounting effects on			
	Income statement of		Equity of	
	Increase	Decrease	Increase	Decrease
Amounts in NOK million				
Financial instruments in hedging relationships				
Interest rate risk (excluding leasing): 100 bp parallel shift in interest curves all currencies	-16	16		
Currency risk: 10% change in FX-rate USD/NOK	-	-	-360	360
Currency risk: 10% change in FX-rate EUR/NOK	-	-	-311	311
Currency risk: 10% change in FX-rate SEK/NOK	-	-	5	-5
Currency risk: 10% change in FX-rate USD/EUR	-	-	-	-

NOTE 29 DERIVATIVES AND HEDGING

Derivatives are measured at fair value on the balance sheet date and reported as receivables or liabilities. Changes in fair value are reported in the income statement in cases where the derivative is not part of a hedge relationship that satisfies the criteria for hedge accounting. Embedded derivatives in contracts are identified and measured separately. Purchases and sales of derivatives are recognised at trade date. The Group applies IFRS 9 on its financial instruments.

Hedge accounting

The Group's existing hedge relationships designated in effective hedging relationships qualify for hedge accounting under IFRS 9. The Group uses the following criteria for classifying a derivative or another financial instrument as a hedging instrument:

- (1) the hedging instrument is expected to be highly effective in offsetting the changes in fair value or the cash flow of an identified object,
- (2) the hedging effectiveness can be measured reliably,
- (3) satisfactory documentation is established before entering into the hedging instrument, showing among other things that the hedging relationship is effective,

- (4) for cash flow hedges, that the future transaction is considered to be highly probable, and the hedging relationship is evaluated regularly and is considered to be effective.

The table shows the fair value of all outstanding derivative financial instruments grouped according to treatment in the financial statements:

DERIVATIVES AND HEDGING

Amounts in NOK million	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedges				
Currency forwards, currency swaps	152	61	5	610
Power hedges	–	–	–	–
Interest swaps	–	–	–	–
Embedded derivative	–	56	–	88
Hedges of net investments				
Currency forwards, currency swaps	4	–	–	–
Other derivatives - Fair value changes recognised in income statement				
Currency forwards, currency swaps, options	7	1	1	1
Total derivatives	163	118	6	699

Calculation of fair value

- Currency forwards and currency swaps are measured at fair value using the observed forward exchange rate for contracts with a corresponding term to maturity at the balance sheet date.
- The fair value of currency options is calculated using Garman-Kohlhagen's version of the Black Scholes Option pricing method, and the variables are based on observed indicative market prices at the balance sheet date.

These derivative financial instruments are designated in hedge relationships as follows:

Cash flow hedges

The effective part of changes in the fair value of a hedging instrument is recognised in comprehensive income and reclassified to the income statement when the hedged transaction affects profit or loss and is presented on the same line as the hedged transaction. The ineffective part of the hedging instrument is reported in the income statement. When a hedging instrument is sold, exercised or terminated, the accumulated gains and losses at this point will remain in hedging reserve of equity and will be recognised in the income statement when the hedged transaction affects profit or loss.

The Group has established a hedge ratio of 1:1 for the hedging relationship as the underlying risk of foreign exchange are identical to the hedged components. If the hedged transaction is no longer expected to occur, the accumulated unrealised gain or loss recognised in the hedging reserve of equity will be recognised in the income statement immediately. Embedded EUR derivatives in power contracts are designed as hedging instruments to hedge currency fluctuations of highly probable future sales.

In 2025, a loss of NOK 6 million (2024: loss of NOK 10 million) was recorded in the income statement as a result of hedging inefficiency.

DEVELOPMENT IN THE EQUITY HEDGING RESERVE

Amounts in NOK million	2025	2024
Opening balance hedging reserve before tax	-1,101	-607
Reclassified to P/L - operating revenues (-gains/+loss)	352	222
Reclassified to P/L - operating costs (-gains/+loss)	-1	1
Reclassified to P/L - net financial income (-gains/+loss)	7	7
Reclassified to Balance sheet (-gains/+loss)	-	2
Fair value change cash flow hedges	372	-611
Change in gain/(loss) on hedges of net investments in subsidiaries	103	-115
Closing balance hedging reserve before tax	-268	-1,101
Deferred tax and tax payable hedging reserve	66	250
Closing balance hedging reserve after tax	-202	-851

All expected cash flows which have been hedged during 2025 still qualify for hedge accounting.

HEDGES OF NET INVESTMENTS IN FOREIGN CURRENCIES

Currency risk on foreign net investments is hedged with currency forward contracts and currency loans. Realised and unrealised effects of the effective part of the hedging instrument are recognised through comprehensive income. Effects from ineffective parts of the hedging instrument are recognised through profit and loss. The Group has established a hedge ratio of 1:1 for the hedging relationship as the underlying risk of foreign exchange are identical to the hedged components.

A negative hedging reserve means a negative recognition in the income statement in the future. In 2025, the impact of hedging activities on the operating profit was NOK -174 million (NOK -365 million). The hedging impact from cash flow hedges recognised in the equity hedging reserve as of 31 December 2025 are expected to be recycled to the income statement as follows (before tax):

- 2026: NOK 14 million
- After 2026: NOK 21 million

Fair value hedges

Gains and losses on derivatives designated as hedging instruments in fair value hedges are reported in the income statement and are offset by changes in the value of the hedged item.

There have not been any significant fair value hedges in the period 2025-2026.

NOTE 30 EQUITY AND SHARE CAPITAL

Borregaard ASA was established on 22 August 2012 with a share capital of NOK 1 million. As part of establishing the Borregaard Group, capital transactions to increase share capital and share

premium fund was made. Share capital, share premium fund, other paid-in equity and retained earnings are presented from the establishment of the Borregaard Group in October 2012.

Date/year	Number of shares	Nominal value (NOK)	Share capital (NOK million)
31.12.2025	100,000,000	1	100,000,000
31.12.2024	100,000,000	1	100,000,000

THE 20 LARGEST SHAREHOLDERS AS OF 31 DECEMBER 2025*

Shareholder	Number of shares	% of capital	
1 Folketrygdfondet	12,552,410	12.55	%
2 Must Invest	7,322,755	7.32	%
3 Goldman Sachs Asset Mgt	5,717,906	5.72	%
4 Pareto Asset Mgt	4,669,401	4.67	%
5 Nordea Investment Mgt	4,411,091	4.41	%
6 Vanguard Group	3,713,933	3.71	%
7 DNB Asset Mgt	3,551,748	3.55	%
8 Storebrand Investments	3,513,518	3.51	%
9 Alfred Berg	3,431,949	3.43	%
10 ODIN Fund Mgt	3,083,139	3.08	%
11 KLP Kapitalforvaltning	2,932,201	2.93	%
12 Impax Asset Mgt	2,913,009	2.91	%
13 Arctic Asset Mgt	2,578,471	2.58	%
14 aberdeen (Standard Life)	2,210,937	2.21	%
15 Janus Henderson Investors	1,872,163	1.87	%
16 Fondsinans Kapitalforvaltning	1,580,807	1.58	%
17 Degroof Petercam Asset Mgt	1,533,197	1.53	%
18 MFS Investment Mgt	1,264,080	1.26	%
19 Jupiter Asset Mgt	1,247,375	1.25	%
20 Danske Capital Mgt	1,062,683	1.06	%
Total shares	71,162,773	71.16	%

* The list of top 20 shareholders is based on information from MUFG Corporate Markets in their capacity as shareholder analysis provider. In preparing this report, MUFG Corporate Markets has used data sourced from third parties. None of the third parties have been involved in the preparation of this report and do not accept any liability for its contents. The information disclosed is factual information only and is not financial product advice. Neither Borregaard, MUFG Corporate Markets or any third party supplier of data accepts any responsibility for any investment decision or action taken or not taken as a result of this report.

TREASURY SHARES OWNED BY BORREGAARD ASA

	Nominal value (NOK)	Number of shares	Fair value (NOK million)
01.01.2024	436,860	436,860	75
Exercise of share options in 2024	-344,450	-344,450	-
Shares to employees	-166,605	-166,605	-
Purchase/Buy-back of treasury shares	522,974	522,974	-
31.12.2024	448,779	448,779	82
Exercise of share options in 2025	-161,000	-161,000	-
Shares to employees	-171,269	-171,269	-
Purchase/Buy-back of treasury shares	153,664	153,664	-
31.12.2025	270,174	270,174	54

NOTE 31 NON-CONTROLLING INTERESTS

As of 31 December 2025, non-controlling interests consist of LignoTech Ibérica SA and LignoTech Florida LLC. Borregaard owns 60% of LignoTech Ibérica located in Spain and 55% of LignoTech Florida located in USA. In 2020, LignoTech Ibérica lost its local lignin source when Sniace's cellulose business went bankrupt and had to close. Production at the lignin plant was discontinued and liquidation will be finalised in 2026. The entities are fully consolidated into the Borregaard Group's financial statements and minority interests are recognised.

BORREGAARD'S SHARE OF LIGNOTECH FLORIDA LLC

Amounts in NOK million	2025	2024
Operating revenues	569	598
Profit/loss for the year	-43	8
Non-current assets	734	892
Current assets	168	204
Non-current liabilities	575	718
Current liabilities	275	273
Equity	52	105
Borregaard's share of equity	29	58

Reconciliation of non-controlling interests

Amounts in NOK million	2025	2024
Changes in non-controlling interests:		
Non-controlling interests 1 January	49	39
Non-controlling interests' share of profit/loss	-20	6
Translation differences etc.	-4	4
Non-controlling interests 31 December	25	49

NOTE 32 PLEDGES AND GUARANTEES

In 2017, LignoTech Florida LLC (55% owned by Borregaard) entered into a USD 60 million loan agreement as well as a USD 15 million overdraft facility. The owners will guarantee the loan and the overdraft facility on a pro rata basis until relevant financial conditions are met. As of 31 December 2025, USD 40.8 million of the facility was drawn. See Note 26, 31 and 37.

NOTE 33 RELATED PARTIES

Activity within the Group is reported in the segment information disclosed in Note 7.

Internal trading within the Group is carried out in accordance with special agreements on an arm's length basis, and joint expenses in Borregaard are distributed among the Group companies in accordance with distribution formulas, depending on the various types of expense. For further information on intercompany transactions, see Note 7 "Segments". The members of the Group Executive Management of Borregaard hold a total of 504,000 stock options in the Company. Further information regarding the Group Executive Management is disclosed in Note 9.

Other transactions with related parties are part of ordinary business operations. Transactions with associate companies are considered immaterial.

NOTE 34 GOVERNMENT GRANTS

Government grants are recognised in the financial statements when there is a reasonable assurance that the requirements of the grants will be complied with and that the grants will be received. Grants related to income are presented as reduction of expenses they are intended to compensate for. Government grants that relate to assets are recognised as a reduction in the acquisition cost of the asset. The grant reduces the depreciation of the asset.

Borregaard recognised NOK 139.2 million in government grants in 2025 (NOK 120.8 million). Of this amount, NOK 136.7 million was recognised as reduced expenses (NOK 119.3 million), while NOK 2.5 million was recognised as a reduction of the acquisition cost of the asset concerned (NOK 1.5 million). The grants are provided by the Norwegian government and the US government mainly for research and development projects, environmental investments and CO₂ compensation.

The current regulation on CO₂ compensation for industrial enterprises for the period 1 January 2021 to 31 December 2030 was approved during the 4th quarter of 2022. Borregaard is also in line with the effect of the regulation from 2025. Of the recognised government grants of NOK 139.2 million (NOK 120.8 million), NOK 125.6 million was related to CO₂ compensation (NOK 97.8 million).

/ ¹ Alternative performance measures, see page 221 for definition

/ ³ Figures in parentheses are for the corresponding period in the previous year.

NOTE 35 ENVIRONMENT, HEALTH AND SAFETY MATTERS

A provision is recognised when the Group has a present obligation (legal or constructive) following a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of the cash flows.

Environment, Health and Safety issues (EHS):

Sulphur dioxide (SO₂) is one of the most important chemicals used in the production processes at Borregaard. There are several EHS regulations to secure safe operations, a safe working environment and low emissions to the environment. The use of SO₂ has been regulated for many years, but the authorities both in the EU and in Norway have enhanced the regulations during the last years and new demands are coming. Borregaard decided to introduce new technology to substantially reduce the amount of SO₂ stored at the plant in Sarpsborg in order to further improve safety. The majority of the installation was done in 2020 and finalised in 2022. Technology for recovery and scrubbing of emissions will be installed in different process areas during the next years, as well as measures to reduce the exposure to SO₂ in the working

environment. Our target is to achieve 0 hourly exceedances of local air quality limits in 2026. In 2025, there were 3 hourly exceedances of local air quality. Two exceedances were caused by a failure in the scrubber absorption capacity for SO₂ and one from a valve leakage. No provision is deemed necessary related to EHS.

Reductions in COD effluents:

Borregaard has submitted a long-term plan for reduction of COD to water to the Norwegian Environmental Authorities. The plan includes several measures including recipe and process optimisation and technical installations such as spill collection and evaporation. The goal is to reduce COD emissions to a level below 46 tonnes per day in 2026. The long-term goal is 40 tonnes per day (2030). The emissions of COD decreased by 13% in 2025 compared to 2024. The main reason for the decrease was improved performance of efficiency wastewater treatment plant and effect of improvement projects in our emission reduction portfolio. No provision is deemed necessary related to COD.

Chlor-alkali plant:

From 1949 to 1997, Borregaard used mercury-based technology for chlor-alkali production at the site in Sarpsborg. This process led to pollution of the soil in the area surrounding the plant. In 1994, a ground water barrier was built and a water monitoring programme was established. The concentration of mercury in ground water wells and in the sewage system is continuously monitored in close co-operation with the authorities to secure stable and acceptable mercury levels. The mercury level

increased with 170 grams in 2025, to 1.1 kg/year, well below the permitted level of 3 kg/year. Borregaard has performed a study investigating how to increase emission barriers further and has decided to extend the water barrier to secure stable mercury levels at acceptable risk. The extended water barrier will be finished in 2026 together with an upgrade of the treatment plant. An accrual of NOK 30 million was made as of 31 December 2024 to increase the emission barriers further. Remaining accrual as of 31 December 2025 is NOK 26 million.

Ground conditions:

In 2022, a provision of NOK 20 million was made related to ground conditions at the site in Norway. Implementation of the measures started in 2023 and was fully implemented in 2025. Additional accruals of NOK 30 million was made from 2023-2025. The work was delayed due to weather and water condition.

Borregaard's site in Norway has several areas that are defined as polluted by the Norwegian Environment Agency, due to former operations. Borregaard's future costs for environmental remediation depends on a number of uncertain factors, such as changes in regulations or approval from authorities for the extent of actions. Monitoring of contaminated areas will continue to confirm that implemented measures are sufficient, and if not sufficient, additional costs will incur.

Conditions which could require future expenditures may be determined to exist for various sites, including Borregaard's major production facilities and warehouses.

ENVIRONMENTAL ACCRUALS

Amounts in NOK million	Chlor-alkali plant	Ground conditions	Total
Accrual 1 January 2024	–	22	22
Additional accruals in 2024	30	13	43
Utilisation in 2024	–	-24	-24
Accrual 31 December 2024	30	11	41
Additional accrual in 2025	–	11	11
Utilisation in 2025	-5	-22	-26
Accrual 31 December 2025	26	–	26

NOTE 36 UNCERTAINTY IN GLOBAL ECONOMY

Uncertainty in the global economy related to tariffs, war and conflicts, may impact Borregaard's markets and costs. Borregaard will continue to closely monitor tariffs, markets and cost development and implement relevant measures. See Note 28 for financial risks. No provision is deemed necessary related to the uncertainty in global economy.

NOTE 37 OTHER MATTERS AND SUBSEQUENT EVENTS

Anti-dumping:

In August 2025, RYAM and the United Steelworkers Union filed petitions with US authorities seeking anti-dumping duties on speciality cellulose from Norway, as well as anti-dumping and countervailing duties on similar products from Brazil. Borregaard and the Brazilian producer Bracell are the only exporters of these products to the US from the respective countries.

Borregaard disputes the basis for the allegations, both regarding the data presented and the underlying arguments. Borregaard has engaged legal and accounting experts to manage its defence. In 2025, the cost of legal and accounting experts was slightly above NOK 10 million.

The case has been delayed due to the shutdown of US federal agencies for several weeks at the end of 2025. A preliminary decision on potential duties is expected at the end of May 2026, with a final decision anticipated towards the end of 2026. Such duties may apply retroactively for 90 days.

No provision is deemed necessary as of 31 December 2025.

Convertible loan to Alginor:

In February 2026, the second tranche of the NOK 200 million convertible loan to Alginor was paid out. Borregaard's share was NOK 56 million in the second tranche. In addition, Borregaard has committed to participate with its share to the uncommitted tap facility of NOK 100 million, subject to participation by the shareholders Hatteland Group and Must Invest.. See notification to the Oslo Stock Exchange on 6 October 2025.

Shares to employees:

As part of the employee share programme, Borregaard has sold a total of 212,596 shares to employees in February 2026. The share price was NOK 129.68 per share including a 25% discount. Costs in 2026, including administration costs, related to the employee share programme amount to approximately NOK 10 million. For more details, see notifications to the Oslo Stock Exchange on 9 and 16 February and 2 March 2026.

Share options issued:

In February 2026, 393,000 share options at a strike price of NOK 193.27 were granted under the long-term incentive programme. The options will expire after five years, the vesting period is three years and the options may be exercised during the last two years. For more details, see notification to the Oslo Stock Exchange on 23 February 2026.

Refinancing in LignoTech Florida

In March 2026, LignoTech Florida LLC refinanced its current loan and entered into a new USD 42

million loan agreement with SEB. The loan will have a tenor of three years with two one-year extension options. The overdraft facility of USD 15 million will be continued. The owners of LignoTech Florida (see Note 31) will guarantee the loan and the overdraft facility on a pro rata basis until certain financial conditions are met.

There have been no events after the balance sheet date that would have had a material impact on the financial statements, or the assessments carried out.

Financial Supervisory Authority of Norway's review of financial reporting:

Reference is made to the Financial Supervisory Authority of Norway's (FSA) Review of financial reporting for Borregaard ASA and their notice to the Oslo Stock Exchange as of 16 March 2026 and to Borregaard's information regarding this review in the 4th quarter 2025 report. The review was related to the assessment of Borregaard's calculation of value in use of the investment in the associate company Alginor ASA. In the notice to the Oslo Stock Exchange, FSA takes note that the revised measurement of the recoverable amount as of 31 December 2024 showed no impairment.

Notice of decision from the Financial Supervisory Authority:

On 9 March 2026 Borregaard received a Notice of Decision from the Financial Supervisory Authority of Norway (FSA). FSA states that the information Borregaard provided in its 4th quarter 2025 report does not give users of the financial reporting a sufficient understanding of the events and circumstances that led to the recognition of an impairment loss on the investment in Alginor ASA. In FSA's view, such information is material to users' understanding of the company's financial position and performance in the interim period. Borregaard has provided the additional information in Note 6 to the Consolidated Financial Statement for 2025.



BORREGAARD ASA FINANCIAL STATEMENTS

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INCOME STATEMENT

AMOUNTS IN NOK THOUSAND	Note	2025	2024
Other operating expenses	4, 8	-14,749	-12,580
Operating profit		-14,749	-12,580
Finance income	5, 8	742,875	545,699
Finance costs	5	-37,753	-35,770
Financial items, net	5, 8	705,122	509,929
Profit/loss before taxes		690,373	497,349
Taxes	6	-151,897	-109,304
Profit/loss for the year		538,476	388,045
Proposed dividend		-473,717	-423,093

Sarpsborg, 18 March 2026

THE BOARD OF DIRECTORS OF BORREGAARD ASA

Signed

HELGE AASEN

*Chair**Signed*

MARGRETHE HAUGE

Signed

RAGNHILD ANKER EIDE

Signed

TERJE ANDERSEN

Signed

JOHN ARNE ULVAN

Signed

TOM ERIK FOSS-JACOBSEN

*CEO**Signed*

TOVE ANDERSEN

Signed

ARUNDEL KRISTIANSEN

STATEMENT OF FINANCIAL POSITION

Amounts in NOK thousand	Note	31.12.2025	31.12.2024
Assets			
Deferred tax assets	6	401	468
Shares in subsidiaries	7	1,158,347	1,158,347
Loans to Group companies	8	1,725,890	1,649,166
Non interest-bearing receivables		723	1,013
Non-current assets		2,885,361	2,808,994
Receivables	8	650,359	450,168
Cash, cash equivalents and deposits in Group cash pool	8	11,748	-
Current assets		662,107	450,168
Total assets		3,547,468	3,259,162
Equity and liabilities			
Share capital	9	100,000	100,000
Treasury shares	9	-270	-449
Share premium		1,758,347	1,758,347
Other paid in equity		84,877	82,418
Retained earnings		375,726	279,182
Equity		2,318,680	2,219,498
Deferred tax		-	-
Interest-bearing liabilities	10	500,000	500,000
Non-current liabilities		500,000	500,000
Dividends		473,717	423,093
Income tax payable	6	151,830	109,504
Accounts payable	8	496	1,110
Overdraft of Group cash pool	8	-	2,973
Other liabilities		2,745	2,984
Current liabilities		728,788	539,664
Equity and liabilities		3,547,468	3,259,162

STATEMENT OF CASHFLOW

Amounts in NOK thousand	2025	2024
Profit/loss before taxes	690,373	497,349
Changes in net working capital, etc.	-200,754	767
Taxes paid	-109,504	-109,262
Cash flow from operating activities	380,115	388,854
Cash flow from investing activities	-	-
Dividends	-423,839	-374,022
Proceeds from sales of treasury shares	65,002	93,724
Buy-back of treasury shares	-29,833	-97,797
Net paid to shareholders	-388,670	-378,095
Change in interest-bearing liabilities	100,000	-
Change in interest-bearing receivables	-76,724	-29,762
Change in net interest-bearing liabilities	23,276	-29,762
Cash flow from financing activities	-365,394	-407,857
Change in cash and cash equivalents	14,721	-19,003
Cash and cash equivalents as of 1 January	-2,973	16,030
Change in cash and cash equivalents	14,721	-19,003
Cash and cash equivalents as of 31 December	11,748	-2,973

The cash flow statement has been prepared according to the indirect method and reflects cash flows from operating, investing and financing activities and explains changes in cash and cash equivalents in the reporting period.

STATEMENT OF CHANGES IN EQUITY

Amounts in NOK thousand	Share capital	Treasury shares	Share premium	Other paid-in equity	Retained earnings	Total equity
Equity 31 December 2023	100,000	-437	1,758,347	77,457	323,912	2,259,279
Profit/loss for the year	-	-	-	-	388,045	388,045
Proposed dividend for 2023	-	-	-	-	373,362	373,362
Actual paid-out dividend in 2024	-	-	-	-	-374,022	-374,022
Proposed dividend for 2024	-	-	-	-	-423,093	-423,093
Buy-back/sales of treasury shares	-	-12	-	4,961	-9,022	-4,073
Equity 31 December 2024	100,000	-449	1,758,347	82,418	279,182	2,219,498
Profit/loss for the year	-	-	-	-	538,476	538,476
Proposed dividend for 2024	-	-	-	-	423,093	423,093
Actual paid-out dividend in 2025	-	-	-	-	-423,839	-423,839
Proposed dividend for 2025	-	-	-	-	-473,717	-473,717
Buy-back/sales of treasury shares	-	179	-	2,459	32,531	35,169
Equity 31 December 2025	100,000	-270	1,758,347	84,877	375,726	2,318,680

NOTES TO THE FINANCIAL STATEMENTS

NOTE 01 GENERAL INFORMATION

Borregaard ASA ("The Company") was incorporated as a public limited liability company on 22 August 2012. On 17 September, The

Company was inserted as a holding company of Borregaard AS.

NOTE 02 ACCOUNTING PRINCIPLES

The financial statements for Borregaard ASA have been prepared and presented in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway (Norwegian GAAP). The annual accounts give a true and fair view of assets and liabilities, financial status and result.

All amounts are in NOK thousand unless otherwise stated. The functional currency of Borregaard ASA is NOK.

Classification of items in the financial statements

An asset or liability is classified as current when it is part of a normal operating cycle, when it is held primarily for trading purposes, when it falls due within 12 months and when it consists of cash or cash equivalents on the statement of financial position date. Other items are non-current.

NOTE 03 PAYROLL AND PENSIONS

Borregaard ASA has no employees and therefore no pension plan. The executive management is employed by Borregaard AS. For matters relating to the remuneration of the executive management, reference is made to Note 9 in

the Consolidated Financial Statements and the separate report "[Remuneration report 2025](#)" at the company's website.

NOTE 04 REMUNERATION AND CONTRACTUAL ARRANGEMENTS

Remuneration of the Board of Directors

In the General Meeting of the Company's shareholders in April 2025 it was determined

that The Board of Directors is remunerated at annual rates for the period up to the next General Meeting in 2026:

Board of Directors			
Board chair	NOK	732,000	per year
Board member, shareholder-elected	NOK	408,000	per year
Board member, employee-elected	NOK	314,000	per year
Observer, employee-elected	NOK	105,000	per year
Deputy for observer	NOK	8,100	per meeting
Audit and Sustainability Committee			
Committee chair	NOK	118,000	per year
Member	NOK	77,000	per year
Compensation Committee			
Committee chair	NOK	69,500	per year
Member	NOK	53,500	per year

Remuneration of the Nomination Committee

The Chair of the Nomination Committee receives NOK 77,800 per year and an additional NOK 12,400 per meeting exceeding four meetings. Other members receive NOK 54,200 per year and an additional NOK 10,100 per meeting exceeding four meetings.

SHAREHOLDINGS OF CEO AND MEMBERS OF THE BOARD OF DIRECTORS

	Number of shares*
President & CEO	
Tom Erik Foss-Jacobsen	31,274
Shareholder-elected Board members	
Helge Aasen	4,500
Terje Andersen	4,371
Tove Andersen	11,100
Margrethe Hauge	4,077
John Arne Ulvan	5,500
Employee-elected Board members	
Ragnhild Anker Eide	3,850
Arundel Kristiansen	1,948
Employee-elected Board observers	
Bente Seljebakken Klausen	2,201
Roy Kåre Appelgren	3,173
Total	71,994

*Total share ownership including related parties

FEEES TO EXTERNAL AUDITOR

Amounts in NOK thousand	2025	2024
Statutory audit	967	955
Specific scope audit subsidiaries	590	567
Sustainability attestation	2,254	1,152
Other attest services	555	350
Tax consultancy services	–	–
Other non-audit services	277	66
Total	4,643	3,090

NOTE 05 FINANCE INCOME AND FINANCE COST

Amounts in NOK thousand	2025	2024
Group contribution	650,000	450,000
Interest income from Borregaard AS	92,663	94,458
Interest income	200	1,241
Foreign exchange gain	12	–
Total finance income	742,875	545,699
Interest costs	-37,753	-35,754
Foreign exchange loss	–	-16
Total finance costs	-37,753	-35,770
Financial items, net	705,122	509,929

NOTE 06 TAXES

Deferred tax shows the company's tax liability assuming its assets and debt are realised at book value by year-end. Positive temporary differences state that book value is higher than taxable value, and vice versa for negative differences. The item Taxes in the profit and loss statement, consists of two elements: The tax payable, and the change in deferred tax. Deferred tax/tax benefit is reflected as long-term debt/non-current assets in the balance sheet.

TAX EXPENSE

Amounts in NOK thousand	2025	2024
Profit before tax	690,373	497,349
Current tax expense	-151,830	-109,504
Change in deferred tax	-67	200
Total tax expense	-151,897	-109,304
Tax as % of Profit before taxes	22 %	22 %

Deferred tax liabilities

Deferred tax liability consists of the tax liabilities that are payable in the future. The table below lists deferred tax assets and liabilities relating to the timing differences between tax accounting and financial accounting.

Amounts in NOK thousand	2025	2024
Deferred tax on tax increasing/reducing differences		
Provisions	-401	-468
Deferred tax liabilities/assets	-401	-468
This year's change in deferred tax	-67	200
Change in deferred tax income statement	-67	200

Deferred tax assets are only capitalised to the extent that it is probable that there will be sufficient future taxable profit for the tax asset to be used, either because the unit recently reported a profit or because assets with excess value have been identified. If future profits are not likely to be sufficient to absorb the tax reducing timing differences, deferred tax assets are not recognised.

Reconciliation of total tax expense

Amounts in NOK thousand	2025	2024
22% of profit before taxes	-151,882	-109,417
Other non-deductible expenses	-15	113
Correction previous years	-	-
Total tax expense	-151,897	-109,304

The tax rate in Norway is 22%.

NOTE 07 SHARE IN SUBSIDIARIES

Long-term investments in subsidiaries, associate companies and other shares and bonds, which are held to maturity date, are classified as noncurrent assets in the balance sheet and entered at the lower of cost and market value.

Only directly owned subsidiaries are included in the below table.

Amounts in NOK thousand	Book value	Group's share of capital
Borregaard AS, Sarpsborg, Norway	1,158,347	100 %
Total	1,158,347	

Group's share of capital

Indirectly owned subsidiaries

Borregaard, Inc.	100 %
Nutrancell AS	100 %
Borregaard Austria GmbH	100 %
Borregaard Czech s.r.o.	100 %
Borregaard UK Ltd.	100 %
Borregaard Deutschland GmbH	100 %
Borregaard S.E.A. Pte. Ltd	100 %
Borregaard Poland sp. z.o.o.	100 %
Borregaard France SarL	100 %
Borregaard Ibérica, S.L.	100 %
LignoTech Ibérica SA	60 %
Borregaard USA, Inc.	100 %
Borregaard Brasil LTDA	100 %
Borregaard South Asia Pvt. Ltd	100 %
Borregaard China Company Limited	100 %
LignoTech Florida LLC	55 %
Borregaard South Africa (Pty) Ltd.	100 %

Indirectly owned associate companies

Alginor ASA	41 %
Kaffe Bueno Aps	12 %

NOTE 08 RELATED PARTIES

INTERCOMPANY RELATIONS WITH BORREGAARD AS

Amounts in NOK thousand	2025	2024
Other operating expenses (Note 4)	4,335	4,154
Group contribution	650,000	450,000
Interest income from Group companies (Note 5)	92,663	94,458
Loans to Group companies*	1,725,890	1,649,166
Current receivable Group contribution	650,000	450,000
Deposits/Overdrafts(-) in Group cash pool	11,748	-2,973
Accounts payable	–	1,051

* The loans are interest-bearing and the interest is calculated in accordance with market conditions.

NOTE 09 SHARE CAPITAL AND SHAREHOLDERS

Information about the share capital and a list of the largest shareholders in Borregaard ASA is presented in Note 30 in the Consolidated Financial Statements for the Borregaard Group.

NOTE 10 INTEREST-BEARING LIABILITIES

Unsecured green bond 2023-2028

On 13 June 2023, Borregaard issued NOK 500 million in new senior unsecured green bond a coupon of 3 months NIBOR plus 1.25% p.a. Settlement of the transaction took place on 20 June 2023. Maturity is 20 June 2028.

Commercial paper

On 10 December 2025, Borregaard issued a commercial paper of NOK 100 million. Settlement of the transaction took place on 12 December 2025. Maturity is 12 February 2026.

NOTE 11 GUARANTEES

MORTGAGES AND GUARANTEES

Amounts in NOK thousand	2025	2024
Guarantees to subsidiaries	1,500,000	1,500,000
Total guarantee commitments	1,500,000	1,500,000

Borregaard ASA is jointly and severally liable as guarantor and as borrower for the long-term credit facilities entered into by Borregaard AS (NOK 1,500 million).

In addition, Borregaard ASA is jointly and severally liable borrower with Borregaard AS for the USD 50 million term loan with Nordic Investment Bank.

In 2017, LignoTech Florida LLC (55% owned by Borregaard) entered into a USD 60 million loan agreement as well as a USD 15 million overdraft facility. The loan has a remaining balance of USD 40.8 million as of 31 December 2025. The owners will guarantee the loan and the overdraft facility on a pro rata basis until certain financial conditions are met.

NOTE 12 OTHER MATTERS AND SUBSEQUENT EVENTS

There have been no events after the balance sheet date that would have had a material impact on the financial statements.

STATEMENT FROM THE BOARD OF DIRECTORS

We confirm that the financial statements for the period 1 January up to and including 31 December 2025, to the best of our knowledge, have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial positions and profit or loss of the Company and the Group as a whole.

The Board of Directors' report includes a fair review of the development and performance of the business and the position of the Company and the Group as a whole, together with a description of the principal risks and uncertainties that they face.

The annual report has been prepared in accordance with sustainability reporting standards established pursuant to Section 2-6 of the Norwegian Accounting Act and in accordance with the rules established pursuant to Article 8(4) of the Taxonomy Regulation.

Sarpsborg, 18 March 2026

THE BOARD OF DIRECTORS OF BORREGAARD ASA

Signed

HELGE AASEN

Chair

Signed

JOHN ARNE ULVAN

Signed

TERJE ANDERSEN

Signed

ARUNDEL KRISTIENSEN

Signed

TOVE ANDERSEN

Signed

RAGNHILD ANKER EIDE

Signed

MARGRETHE HAUGE

Signed

TOM ERIK FOSS-JACOBSEN
CEO

AUDITOR'S REPORT



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Medlemmer av Den norske Revisorforening

To the General Meeting in Borregaard ASA

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Borregaard ASA (the Company), which comprise:

- The financial statements of the company, which comprise the statement of financial position as at 31 December 2025, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the statement of financial position as at 31 December 2025, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements of the company give a true and fair view of the financial position of the company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and
- the consolidated financial statements of the group give a true and fair view of the financial position of the group as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the IESBA Code) as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 14 years from the election by the general meeting of the shareholders on 22 August for the accounting year 2012 (with a renewed election on the 7 April 2022).



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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Hedging of cash flows related to sales

Basis for the key audit matter

The Group is exposed to currency risk as a significant part of sales are invoiced in foreign currencies. A portion of future forecasted cash flows from sales are hedged using currency forward contracts. The Group applies hedge accounting for cash flow hedges. The use of hedge accounting requires effective hedging relationships and supporting documentation. Accounting for cash flow hedging related to sales is material to The Group and we consider this a key audit matter.

Our audit response

We assessed the Group's requirements for use of hedge accounting. We tested, on a sample basis, whether the documentation of cash flow hedging meets the requirements of IFRS Accounting Standards as adopted by EU and that the hedging instruments therefore are eligible for hedge accounting. We examined the assessments of cash flows forecasts from sales and the relationship between hedging instruments and hedged items. Furthermore, we considered the retrospective effectiveness testing to assess that the ineffective part of the hedge has been calculated accurately. We reconciled the outcome of the retrospective effectiveness testing resulting in the hedge adjustment to the financial statements. We obtained external confirmations for unrealized forward contracts at year-end and assessed the changes in fair value of forward contracts and changes in foreign exchange for hedged items. Further, we assessed the impact on income statement, comprehensive income and the financial position. We refer to note 28 financial and climate risks and note 29 derivatives and hedging.

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Environmental obligations

Basis for the key audit matter

The Group operates in an industry with risk of environmental contamination. The site in Norway has, due to former operations, areas that are defined as polluted by the Norwegian Environment Agency. Contaminated areas are monitored on a continuous basis to assess if implemented measures are sufficient. Environmental provisions are recognized when contamination and environment clean up obligations are identified, and a reliable estimate can be made of the amount of the obligation. Since environmental obligations may be material and subject to estimation uncertainty, we consider recognition and measurement of environmental provisions to be a key audit matter.

Our audit response

We read correspondence with the Group's external advisors on the current situation and risks regarding potential environmental obligations and potential provisions and correspondence with environmental authorities to assess the recognition criteria and suggested measures. In addition, we inspected the Group's litigation and compliance reports and held discussions with the Group's internal counsel. We also held discussions with management and internal representatives responsible for monitoring and assessing potential environmental obligations. We refer to note 35 environment, health and safety matters.

Other information

The Board of Directors and the President and CEO (management) are responsible for the information in the Board of Directors' report and the other information presented with the financial statements. The other information comprises Board of Directors report. Our opinion on the financial statements does not cover the information in the Board of Directors' report and the other information presented with the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report and for the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report and for the other information presented with the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report and the other information presented with the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our statement on the Board of Directors' report applies correspondingly for the statement on Corporate Governance.

Our statement that the Board of Directors' report contains the information required by applicable law does not cover the sustainability report, for which a separate assurance report is issued.

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Responsibilities of management for the financial statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial



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statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Borregaard ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name borregaard-2025-12-31-1-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (the ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and XBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML format. We evaluate the completeness and accuracy of the XBRL tagging of the consolidated financial statements and assess management's use of judgement. Our



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procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 19 March 2026
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The auditor's report is signed electronically

Kjetil Rimstad
State Authorised Public Accountant (Norway)

HISTORICAL KEY FIGURES

	Definitions	2025	2024	2023	2022	2021
PROFIT & LOSS						
Operating revenues	(mill.NOK)	7,713	7,617	7,132	6,881	5,805
EBITDA ¹	(mill.NOK)	1,878	1,874	1,781	1,643	1,372
Depreciation and write-down	(mill.NOK)	-587	-556	-485	-444	-416
Amortisation intangible assets	(mill.NOK)	-4	-5	-5	-5	-4
Other income and expences ¹	(mill.NOK)	-	-30	-	-8	-
Operating profit	(mill.NOK)	1,287	1,283	1,291	1,186	952
EBITDA margin	(%)	24.3	24.6	25.0	23.9	23.6
Ordinary profit before taxes	(mill.NOK)	864	1,079	1,124	1,118	873
Profit / loss for the year	(mill.NOK)	600	829	856	851	660
CASH FLOW						
Cashflow from operating activities	(mill.NOK)	1,356	1,068	1,563	735	1,431
RETURN						
Return on capital employed ¹	(%)	15.7	17.1	18.3	18.1	16.1
CAPITAL AS OF 31 DECEMBER						
Booked value of total assets	(mill.NOK)	9,670	9,584	9,115	8,114	7,166
Market capitalisation	¹ (mill.NOK)	19,886	18,158	17,065	15,134	22,108
Equity ratio	(%)	60.8	53.1	53.7	54.8	60.1
Net interest bearing liabilities ¹	(mill.NOK)	2,090	2,240	1,791	1,836	1,417
Leverage ratio ¹		1.11	1.20	1.01	1.12	1.03
Share of floating interest bearing liabilities	(%)	100	100	100	82	74

	Definitions	2025	2024	2023	2022	2021
SHARES						
Shares outstanding diluted	(x 1.000)	99,731	99,598	99,753	99,753	99,743
Shares outstanding excluding treasury shares	(x 1.000)	99,706	99,551	99,563	99,565	99,585
SHARES-RELATED KEY FIGURES						
Share price at 31 December	(NOK)	199.40	182.40	171.40	152.00	222.00
Earnings per share diluted	² (NOK)	6.22	8.25	8.71	8.92	6.94
Ordinary dividend per share (proposed for 2025)	(NOK)	4.75	4.25	3.75	3.25	2.75
Extraordinary dividend	(NOK)					2.25
Payout ratio	³ (%)	76.41	51.53	43.07	36.43	72.05
Price/earnings ratio	⁴	32.07	22.11	19.69	17.04	31.99
PERSONELL						
Number of man-years at 31 December (excluding JV)		1,177	1,141	1,127	1,107	1,079

DEFINITION:

- 1 Market capitalisation is calculated on the basis of number of shares outstanding multiplied by the share price at year end
- 2 Profit for the year after minority interests/Average number of shares outstanding diluted at year end
- 3 Total dividend per share/Earnings per share diluted
- 4 Share price/Earnings per share diluted

INDEPENDENT ASSURANCE OF SUSTAINABILITY REPORTING



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To the General Meeting of Borregaard ASA

INDEPENDENT SUSTAINABILITY AUDITOR'S LIMITED ASSURANCE REPORT

Limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Borregaard ASA, included in Sustainability Statements of the Board of Directors' report (the "Sustainability Statement"), as at 31 December 2025 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities, and
- compliance of the disclosures in Taxonomy Regulation of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Sustainability auditor's responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other matter

The comparative information included in the Sustainability Statement related to 2023 was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Responsibilities for the Sustainability Statement

The Board of Directors and the Managing Director (management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance



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with the ESRS and for disclosing this Process in ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in Taxonomy Regulation of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability auditor's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities.

Independent sustainability auditor's limited assurance report - Borregaard ASA

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Our other responsibilities in respect of the Sustainability Statement include:

- identifying where material misstatements are likely to arise, whether due to fraud or error; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing the Company's internal documentation of its Process; and
- evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by
 - obtaining an understanding of the Group's control environment, processes, control activities and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control
 - and obtaining an understanding of the Group's risk assessment process.
- evaluated whether the information identified by the Process is included in the Sustainability Statement;
- evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- performed substantive assurance procedures on selected information in the Sustainability Statement;
- where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- evaluated the methods, assumptions and data for developing estimates and forward-looking information;

Independent sustainability auditor's limited assurance report - Borregaard ASA

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Permisjon/Dokumentnummer: 411820-16511W-6E70X-SINGEL-ÅRSGÅD-ÅRÅG6

Permisjon/Dokumentnummer: 411820-16511W-6E70X-SINGEL-ÅRSGÅD-ÅRÅG6

Permisjon/Dokumentnummer: 411820-16511W-6E70X-SINGEL-ÅRSGÅD-ÅRÅG6



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- obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement, and
- performed inquiries of relevant personnel, analytical procedures and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Oslo, 19 March 2026
Ernst & Young AS

Kjetil Rimstad
State Authorised Public Accountant - Sustainability Auditor
(This document is signed electronically)

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Penneo-Dokumentnummer: 471180716511W4E7OK5HGCL4BRGSD-PA466

ALTERNATIVE PERFORMANCE MEASURES

In the discussion of the reported operating results, financial position and cash flows, Borregaard refers to certain measures which are not defined by generally accepted accounting principles (GAAP) such as IFRS. Borregaard management makes regular use of these Alternative Performance Measures and is of the opinion that this information, along with comparable GAAP measures,

is useful to investors who wish to evaluate the company's operating performance, ability to repay debt and capability to pursue new business opportunities. Such Alternative Performance Measures should not be viewed in isolation or as an alternative to the equivalent GAAP measures.



EBITDA

Description

EBITDA is defined by Borregaard as operating profit before depreciation, amortisation and other income and expenses.

Reason for including

Shows performance regardless of capital structure, tax situation and adjusted for income and expenses related transactions and events not considered by management to be part of operating activities. Management believes the measure enables an evaluation of operating performance.

EBITDA	2025	2024
Operating profit	1,287	1,283
Other income and expenses	–	30
Amortisation intangible assets	4	5
Depreciation and impairment property, plant and equipment	587	556
EBITDA	1,878	1,874

EBITDA MARGIN

Description

EBITDA margin is defined by Borregaard as EBITDA divided by operating revenues.

Reason for including

Shows the operation's performance regardless of capital structure and tax situation as a ratio to operating revenues.

EBITDA MARGIN	2025	2024
EBITDA	1,878	1,874
Operating revenues	7,713	7,617
EBITDA margin (%) (EBITDA/operating revenues)	24.3	24.6

EQUITY RATIO

Description

Equity ratio is defined by Borregaard as equity (including non-controlling interests) divided by equity and liabilities.

Reason for including

Equity ratio is an important measure in describing the capital structure.

EQUITY RATIO	2025	2024
Total equity	5,878	5,090
Equity & liabilities	9,670	9,584
Equity ratio (%) (total equity/equity & liabilities)	60.8	53.1

EXPANSION INVESTMENTS

Description

Borregaard's investments are either categorised as replacement or expansion. Expansion investments are defined by Borregaard as investments made in order to expand production capacity, produce new products or improve the performance of existing products. Such investments include business acquisitions, investments in bio-based start-ups, pilot plants, capitalised research and development costs and new distribution set-ups.

Reason for including

Borregaard's strategic priorities are specialisation and diversification, increased value creation from the biorefinery, development of business areas, and continued emphasis on ESG along the entire value chain. To be able to deliver on those priorities, expansion investments are needed. As such, expansion investments are important information for investors. One of Borregaard's financial objectives is to have an internal rate of return >15% pre-tax for expansion investments.

EXPANSION INVESTMENTS	2025	2024
Total investments including investments in associate companies and bio-based start-ups	925	861
Replacement investments	-576	-598
Expansion investments including investment in associate companies and bio-based start-ups	349	263

OTHER INCOME AND EXPENSES

Description

Other income and expenses are defined by Borregaard as non-recurring items or items related to other periods or to a discontinued business or activity. These items are not viewed as reliable indicators of future earnings based on the business areas' normal operations. These items will be included in the Group's operating profit.

Reason for including

To be able to compare the EBITDA of different reporting periods, significant non-recurring items not directly related to operating activities, are included in Other income and expenses.

OTHER INCOME AND EXPENSES	2025	2024
Other income and expenses	-	-30

NET INTEREST-BEARING DEBT

Description

Net interest-bearing debt is defined by Borregaard as interest-bearing liabilities minus interest-bearing assets.

Reason for including

Net interest-bearing debt provides an indicator of the net indebtedness and an indicator of the overall strength of the statement of financial position. Net interest-bearing debt is part of Borregaard's financial covenants (leverage ratio) and is important in understanding the capital structure.

NET INTEREST-BEARING DEBT	2025	2024
Non-current interest-bearing liabilities	1,718	2,035
Current interest-bearing liabilities including overdraft of cashpool	463	288
Non-current interest-bearing receivables (included in "Other assets")	-	-1
Cash and cash deposits	-91	-82
Net interest-bearing debt	2,090	2,240

LEVERAGE RATIO

Description

Leverage ratio is defined by Borregaard as net interest bearing debt divided by last twelve months' (LTM) EBITDA.

Reason for including

Leverage ratio is an indicator of the overall strength of the statement of financial position. Borregaard has a targeted leverage ratio between 1.0 and 2.25 over time. Leverage ratio is Borregaard's financial covenant on long-term credit facilities.

LEVERAGE RATIO	2025	2024
Net interest-bearing debt	2,090	2,240
EBITDA	1,878	1,874
Leverage ratio (net interest-bearing debt/EBITDA)	1.11	1.20

CAPITAL EMPLOYED

Description

Capital employed is defined by Borregaard as the total of net working capital, intangible assets, property, plant and equipment, right-of-use assets minus net pension liabilities.

Reason for including

Borregaard uses capital employed as basis for calculating ROCE.

CAPITAL EMPLOYED (END OF YEAR)	2025	2024
Capital employed (end of year)	8,237	8,172

RETURN ON CAPITAL EMPLOYED (ROCE)

Description

Return on capital employed (ROCE) is defined by Borregaard as last twelve months' (LTM) capital contribution (operating profit before amortisation and other income and expenses) divided by average capital employed based on the ending balance of the last five quarters.

Reason for including

ROCE is an important financial ratio to assess Borregaard's profitability and capital efficiency. One of Borregaard's financial objectives is to have ROCE >15% pre-tax over a business cycle.

RETURN ON CAPITAL EMPLOYED (ROCE)	2025	2024
Capital employed end of:		
Q4, 2023	–	7,142
Q1, 2024	–	7,789
Q2, 2024	–	7,582
Q3, 2024	–	7,813
Q4, 2024	8,172	8,172
Q1, 2025	8,290	–
Q2, 2025	8,292	–
Q3, 2025	8,247	–
Q4, 2025	8,237	–
Average capital employed	8,248	7,700
CAPITAL CONTRIBUTION	2025	2024
Operating profit	1,287	1,283
Other income and expenses	–	30
Amortisation intangible assets	4	5
Capital contribution	1,291	1,318
RETURN ON CAPITAL EMPLOYED (ROCE)	2025	2024
Capital contribution	1,291	1,318
Average capital employed	8,248	7,700
Return on capital employed (ROCE) (%) (capital contribution/average capital employed)	15.7	17.1

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