

## Policy for sourcing of wood and wood based raw materials.

### Purpose

The purpose of this policy is to set guidelines and principles for the sourcing of wood and wood based raw material. The policy aims to ensure responsible sourcing of wood, promote environmental stewardship, and support the long-term sustainable management of forest resources.

### Scope

This policy applies to all wood and wood based raw material sourced by Borregaard's units globally. Borregaard will comply with all applicable local, national, and international laws, regulations, and treaties governing sourcing and trade of wood products, including forest management, timber harvesting, and protection of endangered species and habitats.

### Responsibility

The SVP Strategic Sourcing has the overall responsibility for the policy

### Responsible operations

We do not purchase wood or wood based raw materials which come from:

- Illegally harvested
- Logged in protected areas or areas currently undergoing official processes of designation for protection, unless the logging is clearly in line with national conservation regulations
- Harvested in forests where High Conservation Values as defined by the Living Forest standard in Norway or by High Conservation Value Resource Network (HCVRN).

### Sustainable forest management, traceability and forest certification

For Borregaard the best way to avoid deforestation and forest degradation is to support sustainable forest management and promote forest certification and encourage forest restoration. We conduct appropriate due diligence to ensure the legitimacy and sustainability of our wood suppliers. This includes assessing their certifications, environmental policies, practices related to responsible sourcing and forest management. We encourage suppliers to adopt sustainable forestry practices and provide them with information, support, and incentives to improve their environmental performance.

We give preference to wood sourced from sustainably managed forests that promote biodiversity conservation, protect water resources, reduce carbon footprint and minimize negative impacts on ecosystems.

We do not purchase wood or wood based raw material that originates from genetically modified trees (GMT).

### **Follow-up**

We have mechanisms to monitor the implementation of this procurement policy, including regular reporting on wood procurement activities, supplier compliance, and progress toward sustainability goals.

We are committed to continuously improving our wood procurement practices. This includes staying informed about emerging best practices, engaging stakeholders, and seeking opportunities to innovate and promote sustainable solutions.

We provide employees involved in procurement activities with training and resources to understand and implement this policy effectively.

This procurement policy for wood shall be periodically reviewed, at least annually, to ensure its relevance, effectiveness, and alignment with evolving sustainability standards and legal requirements.

### **Key target in 2025**

100% of the purchased wood to Borregaard in Norway shall be certified (FSC or PEFC)

Establish KPI for sourcing of lignin raw material

The long-term target is securing availability of 100% certified raw material