

## Policy for Environment, Climate, Health and Safety engagement

### 1 Purpose

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

### 2 Scope

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

### 3 Responsibility

The SVP Organisation and Public Affairs/Chair of the company's Sustainability board has the overall responsibility for the policy. The Board of Directors has approved the policy.

### 4 General measurements and ambitions for environment climate, health and safety

Borregaard's overall environment, climate, health and safety goal is that the company and its activities should contribute to sustainable customer solutions without significant harm to human health and the environment (including climate, water and forest). The following general measures have been created on this basis:

- Integration of EHS and climate matters into the company's overall governance system for strategy, risk management, business plans, investments and culture development.
  - A proactive approach to EHS and climate work, where the precautionary principle is a guideline.
  - EHS and climate risks will be identified and assessed, and measures will be put in place to reduce risk.
- Enhancement of employee awareness through dialogue, training, observation and "follow-up".
- Leaders as role models.
- Thorough and systematic incident investigation to effect improvements.
- Documentation, transparency and open communication with all stakeholders.
- Establishment of goals and action plans to continuously improve in these areas.

Borregaard complies with the UN Global Compact's 10 principles of doing business in the areas of human rights, labour, environment and anti-corruption.

We have linked our guidelines to the relevant UN SDG Goals that we impact or that may affect our business and activities.

## 4.1 THE ENVIRONMENT

In the company's environmental efforts, a sustainability perspective will form the basis for work with emissions, energy use, water consumption as well as sourcing of raw materials and other input factors:

- Life cycle approach as basis for evaluation of measurements and priorities, both in innovation of new products and for improved impacts along the entire value chain.
- Raw material suppliers will be required to adhere to Borregaard's standards and ambitions.
- Enhance circular economy by high raw material utilisation and reduction of waste.
- Establish goals, targets and actions for important environmental areas such as energy consumption, emissions, water consumption, waste reductions and enhancement of biodiversity.

### 4.1.1 Air

Borregaard emphasises minimising emissions to air from its own operations. In addition to complying with permits, it is particularly important to minimise emissions where the production facilities are located close to residential areas.

The company will:

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

### 4.1.2 Water

Borregaard recognises that clean water is of substantial importance for societies (as stated in our Human Rights policy) and various ecosystems. Water also has a crucial role in Borregaard's operations. Most of our production units are located in areas where water is abundant, but water quality is important for the water systems and environment.

Borregaard's ambition is to continuously reduce its impact on the connected water systems and the company will report on water related issues and measures to its stakeholders.

The company will:

- Integrate water-related factors and the importance of these into its long-term strategic plans, considering both opportunities and threats.
- Establish goals and actions for reducing water consumption and impact in its operations. The impact will be measured according to relevant governmental directives.

#### 4.1.3 Forest Raw Material

Forests play an important role as a carbon sink, in biodiversity and as a raw material for products that can replace oil-based products (Re. UN report on land use, 2019).

Borregaard will, through its business and sourcing systems, honour the value of sustainable forests. Borregaard will, as a substantial buyer of forest raw materials, source wood from sound forestry operations. Through our biorefinery concept we will strive for high raw material utilisation and develop and produce products with high value added that can replace petrochemical-based products.

The company will:

- Secure that 100% of the purchased wood to the biorefinery in Norway shall be certified (FSC or PEFC).
- Establish KPI's based on documentation for sourcing of sustainable lignin raw material.

#### 4.2 CLIMATE

Borregaard supports international efforts to mitigate climate change and reduce greenhouse gas emissions. Beyond its legal obligations, Borregaard will take climate action towards achieving the global targets contained in The Paris Agreement. Borregaard will adopt a proactive approach to climate-related aspects of its activities, in order to provide climate-friendly customer solutions through emissions reductions (throughout the whole value chain including scope 3 emissions), energy sourcing (e.g. renewable and sustainable solutions), energy savings and development of products with a favourable climate footprint.

The company will:

- Integrate climate-related factors and the importance of these into its long-term strategic development plans considering both opportunities and threats.
- Use Life cycle Assessments to document the climate impact of activities and products and to provide justification for these.
- Document greenhouse gas emissions related to the company's activities.
- Establish goals, targets and actions (eg. through Science Based Target initiative) for reduced emissions of GHG in line with the 1.5 degree temperature campaign following the IPCC's 6th assessment report.
- Develop and offer new products and customer solutions with a low climate footprint.

#### 4.3 HEALTH

Borregaard aims to provide a work environment for its employees with a generally positive impact on their health.

The company will:

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

#### 4.4 SAFETY

In Borregaard, safety includes both personal safety and process safety. Borregaard's ambition is to promote a safety culture involving actions and systems that will lead to zero harmful incidents and zero injuries to employees or third parties as a result of our activities. This will involve:

- Management commitment and engagement with employees to eliminate unsafe conditions and acts.
- Follow the safety-first principle by proactive approach using the hierarchy of controls when managing hazards (elimination, substitution, engineering and administrative controls in addition to personal protective equipment).
- Acceptance and encouragement of observations relating to colleagues to improve and reinforce safe practices ("Thanks for making me aware").
- Establishment and monitoring of routines for safe work-related travel and visits to 3rd party premises/plants.
- Establishment of levels of safety that minimise risk, and communication that creates confidence among people living and working near our production facilities.
- Establishment of goals and actions to reach zero injuries and zero harmful incidents such as fires, explosions and unwanted releases of hazardous substances.

#### 5.0 KEY TARGETS

##### Environment:

- 100% of the purchased wood (Biorefinery in Norway) shall be certified (FSC® or PEFC)
- Zero exceedances of local air quality in 2024
- Effluent of COD to river Glomma below 49 mt/day (Sarpsborg site, Norway) in 2024
- Effluent of COD to river Glomma below 40 mt/day (Sarpsborg site, Norway) in 2030

##### Climate:

- Reduce absolute scope 1 and 2 GHG emissions in 2024 compared with 2023
- Reduce absolute scope 1 and 2 GHG emissions by 10% in 2025, 42% by 2030 and 90% net 100% by 2050 (2020 base year)
- Heat consumption per air dried tonne of cellulose: 20.7 GJ in 2025
- Reduce absolute scope 3 GHG emissions by 25% by 2030 and 90% by 2050 (2020 base year)
- New product' share of sales revenues must be minimum 15%

##### Health:

- Sick Leave below 4.0% in 2024
- Sick Leave below 3.0% long term

##### Safety:

- Total recordable injuries per million hours worked, rolling 12 months (TRIF): below 3.5 in 2024
- TRIF long term: 0

The targets are reviewed annually, and progress towards targets is described in the company's Sustainability report.

*Document updated: 5 December 2023*