

Policy for 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 materials. The policy aims to ensure responsible sourcing, promote environmental stewardship, and support the long-term sustainable management of forest resources.

Scope

This policy applies to all wood and wood-based raw materials sourced by Borregaard's global units. 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 Senior Vice Procurement and President Strategic Sourcing has overall responsibility for the policy.

Responsible operations

We do not purchase wood or woodchips that have been:

- 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).

Norway is a part of the European Union Timber Regulation (EUTR). The EUTR monitors the trade of timber to avoid trade of illegally harvested timber and timber products by:

- Prohibits the placing on the EU market for the first time of illegally harvested timber
- Exercising due diligence
- Keep records of suppliers and customers

Sustainable forest management, traceability and forest certification

We believe the best way to avoid deforestation and forest degradation is to support sustainable forest management and promote forest certification and encourage forest restoration.

We will conduct appropriate due diligence to ensure the legitimacy and sustainability of our wood suppliers. This may include assessing their certifications, environmental policies, practices related to responsible sourcing and forest management. We will encourage suppliers to adopt sustainable forestry practices and provide them with information, support, and incentives to improve their environmental performance.

We will give preference to wood and wood-based raw materials sourced from sustainably managed forests that promote biodiversity conservation, reduce greenhouse gas emissions, protect water resources, and minimise negative impacts on ecosystems. We will not purchase wood that originates from genetically modified trees (GMT).

Follow-up

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

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

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

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

Key targets in 2024

- 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