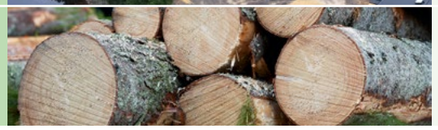
125

Moelven

Sustainability report 2024



Front cover photo by: Sören Håkanlind
The text on the vehicles reads: 'Powered by biogas' and 'We're switching to electric'

Less reporting and more action

Rune F. Andersen, Director of Sustainability at Moelven

I'm sure I'm not the only one who has searched for the word "omnibus" this winter, at least not those of us who work with sustainability. The internet tells us that the word "omnibus" is a French word that comes from Latin and means "for all". In France, the omnibus was apparently originally a horse-drawn carriage with room for many passengers. The word bus is a short form of omnibus. .

What does this have to do with sustainability?

On 26 February 2025, the European Commission presented its "Omnibus proposal". This is a comprehensive package of rules intended to simplify an even more comprehensive package of reporting rules and requirements, including the Corporate Sustainability Reporting Directive (CSRD). Apparently, "omnibus" is a common description of legislation that brings together several different measures or changes in a single package. This makes it easier to manage and implement multiple reforms at the same time, which can contribute to a more holistic and efficient approach. The aim of the omnibus proposal is precisely this, to consolidate and simplify existing regulations to reduce the reporting burden and improve competitiveness.

The omnibus proposal has not yet been adopted, but if it is, it will have a major impact.

1. The number of companies required to report on sustainability is reduced by an estimated 80 per cent.
2. Reporting requirements are simplified, especially for smaller companies.
3. For many large companies, including Moelven, the reporting obligation is postponed by two years.
4. Limitations are introduced on the extent of sustainability information that large companies can require from companies not subject to reporting requirements themselves.

Does this mean that sustainability work is now being deprioritised?

On the contrary, with a simplified reporting regime and more time to establish consistent and cost-effective reporting routines, we will now have freed up resources to focus more on improvement work and less on statutory reporting requirements. The omnibus proposal is not about changes to the targets, for example, halving greenhouse gas emissions by 2030 or climate neutrality by 2050. Targeted and verifiable sustainability work will therefore continue to make an important contribution to our competitiveness in the years ahead. In Moelven's strategic roadmap to 2034, our overall sustainability ambition is fossile-free industries, to optimise the use of raw materials from sustainable forestry, and to actively contribute to net zero emissions in our value chain by 2045. We also have an ambition related to profitable growth with a gross operating margin of 8.5 per cent. To achieve these ambitions, a planned and targeted effort must be directed towards the areas that matter most.

Another prerequisite is that Moelven as a company, our employees and partners in the value chain play an active role in the sustainability work. All of our 3,200 employees have an opportunity to contribute to the work on continuous improvements, whether it is energy efficiency, resource consumption, waste management, HSE or other aspects of sustainability. When so many people are pulling in the same direction, it makes a difference. In collaboration with our business partners in the value chain, we can find new solutions that we would not be able to find on our own. For example, in collaboration with external carriers, we put three new electric lorries and a biogas lorry into service in 2024.

I'm sure that none of us can solve the climate challenges alone, but together we are strong enough to create change.

Vision

Opportunities grow on trees
– we grow with opportunities.

We make use of our opportunities

We reach for the opportunities that surround us, just like the branches of a tree. We think out of the box and adapt to our environment, so that we can grow and remain viable under all conditions.

Mission

We harvest raw materials from the forest and create products and solutions that the world needs.

We deliver

Moelven is reliable, and we keep to our promises. We build trust by cooperating and communicating with everyone around us. This means that we stand steady in both calm and stormy weather.

HR concept

You make the difference! Moelven is the result of all the smaller and larger choices we make every day. Together we create a workplace based on trust, well-being and a sense of belonging. Since 1899, Moelven has seen opportunities, developed new ideas and built better climate-smart solutions for the future. We're going to keep on doing that. We are Moelven – you make the difference!

We take responsibility

We manage the renewable resources we live off with respect and care. We all take responsibility for creating a safe workplace where we take care of people and the environment. These are our fundamental values.

Strategy - Moelven towards 2034

The Group's updated strategy, Moelven towards 2034, was adopted by the Board in October 2024. The strategy is the result of extensive co-operation between the administration and the Board. The focus has been on the 10-year perspective and long-term trends that the Group must relate to and act on. These are based on our values and the sustainability perspective:
People - Economy - Environment

We seize opportunities
We are active employees and leaders who develop ourselves and Moelven. No one should become ill or injured while working for us.

We deliver
We have profitable growth with a gross operating margin of 8.5% (EBITDA).

We take responsibility
Our industries are fossil-free. We make optimal use of raw materials from sustainable forestry. We are actively contributing to net zero emissions in our value chain by 2045.

Our strategic framework

In parallel with the 10-year perspective, a strategy has been drawn up for the three-year period 2025 to 2027. This 3-year rolling strategy follows the established strategy structure, which will now respond to the direction defined in the overarching strategy up to 2034. Our strategic framework summarises our corporate strategy and is a useful tool for clarifying what we need to do and how we prioritise in order to achieve our goals.

Moelven

EMPLOYEESHIP	CREATIVITY	SUSTAINABILITY	COMPETITIVENESS
WE WILL			
– Have a safety culture that ensures that everyone goes home safe and sound. – Be active employees and leaders. – Promote diversity. – Have a culture of improvement.	– Be the best at creating innovative products and solutions in wood. – Be the best at using the technology of today and tomorrow. – Take advantage of the strengths and opportunities offered by our value chain. – Streamline our industrial processes and business operations.	– Offer customers the most sustainable solutions. – Use certified raw materials sourced from sustainable forestry. – Make the best use of resources. – Ensure our business has a low carbon footprint.	– Deliver the quality expected by the customer and on time. – Develop and invest for the future. – Industrialise our value chain through optimal utilisation of our facilities.
OUR GOALS			
– Sickness absences < 4%. – Injuries: Vision zero. – LTI < 4. – TRI < 16.	– 10 new products / concepts / solutions to market per year. – Increased digitalisation of the value chain. – 100% of employees to have access to and knowledge of digital solutions.	– 100% oversight of raw materials throughout the value chain. – Annual improvement of energy efficiency > 2%. – Annual reduction of carbon intensity > 7%. – Percentage of recycled plastic > 30%. – Percentage of waste sorted > 90%.	– ROCE 13%. – EBITDA 7%. – Equity ratio: 40%. – Dividends 50%.

ONE MOELVEN

Vision
Opportunities grow on trees – we grow with opportunities.

Mission
We harvest raw materials from the forest and create products and solutions that the world needs.

Values
We make use of our opportunities.
We deliver.
We take responsibility.

HR Concept
We are Moelven – you make the difference!

Sustainability work in Moelven

Moelven harvests raw materials from the forest and creates products and solutions the world needs.

The world needs both building materials and good ways to capture and store CO_2 from the atmosphere. At Moelven, we are convinced that wood-based materials are part of the solution, but it requires that we do our part of the job correctly. With as low an environmental and climate impact as possible, we need to make products that have a long lifespan in durable buildings and structures and thus continue to store CO_2 while the newly planted forest grows and absorbs more CO_2 from the atmosphere. We utilise the part of the log that is not turned into construction products as a renewable and non-fossil energy source.

Most of Moelven's operations begin in the forest, where raw materials are harvested. Wood is a natural raw material that also serves as a carbon store. Moelven processes spruce and pine timber logs into a number of different products. These range from bioenergy raw materials, wood chip products and sawn timber to finished construction materials, load-bearing structures, entire buildings and building interiors.

We have divided our sustainability work into four focus areas, which are also reflected in the main chapters of this report:

- Environment and climate action throughout the value chain
- Safeguarding natural resources
- Focus on people
- Local values

These main areas are in turn divided into sub-topics that have been selected because they are areas of great importance to both the outside world and Moelven. The following sections summarise how we are working within these sub-topics to develop our existing business to become more sustainable:

People

The people who work at Moelven are the Group's most important resource. Industrial development is moving towards increased automation and product machining, with the use of increasingly advanced technology. At Moelven, we believe that the greatest potential for increased value creation lies in optimising the interaction between man and machine. In order to achieve this, we are dependent on the commitment, expertise and diversity of our employees. They control, operate and use the technology in a workplace where the risk of injury is eliminated. It must be safe to work at Moelven.

Social sustainability

It is not only the people who work at Moelven who are affected by the business. Through the purchase of goods and services, people who work in other companies are affected both upstream and downstream in the value chain. We therefore have a responsibility to choose partners who respect and safeguard fundamental human and labour rights. For Moelven, open and honest communication with our stakeholders is a key area and we expect the same from our business partners. This provides a stronger foundation for co-operation to improve the environmental and climate footprint across the entire value chain, and gives us significantly greater opportunity to make a difference together. How Moelven address this is described in the Group's reporting in accordance with the Norwegian Transparency Act: www.moelven.no/apenhetsloven.

Transport

Transport is the largest single source of CO_2 emissions from Moelven's operations. This applies to both internal transport within our own industrial operations and transport upstream and downstream in the value chain. There is no doubt that the transport industry must be decarbonised in order for society to achieve the goals of reductions in CO_2 emissions, but this will take time. Moelven's approach is to invest the majority of its resources in measures that deliver short-term results, while testing and gradually introducing fossil-free alternatives on a smaller scale.

Energy consumption

Moelven is an energy-intensive business. Of an annual energy requirement of around 1 TWh, approximately 75 per cent is self-produced bioenergy, while the rest is purchased electricity. This represents both a major cost and a source of CO_2 emissions. In a world with a shortage of fossil-free and renewable energy sources, we have a responsibility not to waste energy. We are continuously working to find ways to optimise and reduce our own energy consumption.

Bioenergy

Moelven's goal is to supply 95 per cent of the thermal energy it uses for heating and drying timber through self-produced bioenergy. When bioenergy replaces fossil fuels, it can help slow the rise in atmospheric CO_2 levels over time. That's why it's also important that we optimise our own bioenergy consumption so that as much as possible of the bioenergy raw material from our timber processing operations can be sold externally and replace fossil energy sources.

Resource utilisation

Moelven is a resource-intensive industrial company. The timber processing part of the Group uses approximately 4.3 million m^3 of sawn timber annually as raw material in its production. To be able to claim that our products are beneficial from a climate perspective, it is crucial that we optimise our production. In this way, we help to ensure that natural resources are not wasted by cutting down unnecessary amounts of forest or consuming unnecessary amounts of other resources. Both the environmental and economic value of the raw material is optimised.

Traceability, certification and product documentation

This is important both as quality assurance of our own procedures and to provide our customers with the information they need to make sustianable product and material choices. We have a clear goal that our customers should be confident that products from Moelven come from a value chain that takes the climate, the environment, biodiversity and human and labour rights into account in accordance with recognised principles. We also emphasise that the climate and environmental footprint of our business is documented through product declarations and sustainability reporting, both as information for external stakeholders and as a basis for internal improvement work. A complete overview of certifications and approvals can be found at www.moelven.com/certificates.

Bro Mälarstrand in Upplands-Bro has a new environmentally certified school building (Nordic Swan Ecolabelling) with an associated sports hall, completed in just one year by Moelven Byggmodul AB. Photo: Andreas Hylthén

Raw material certification

The basis for certification of Moelven's products starts in the forest with certification of the raw materials harvested from there. PEFC and FSC® are the relevant certification schemes. Moelven does not own its own forests, but works to promote the certification of forests. In Sweden, where Moelven buys timber directly from forest owners, promoting the benefits of certification is an important part of the purchasing organisation's marketing work. Moelven also emphasises the importance of playing an active role in developing certification standards, based on our knowledge of Scandinavian forestry.

Supply chain traceability [1]

The PEFC Chain of Custody and FSC® Chain of Custody certification schemes ensure the traceability of certified raw materials throughout the value chain. In order to sell certified products, Moelven must ensure that its raw materials can be tracked back to certified sources. The implementation of routines and internal control to comply with the EUDR regulations is also a high priority in 2025.

Product certification and product documentation

The requirements for product documentation are steadily increasing, both as a legal requirement and as a competitive factor in the market. In addition to complying with all relevant legal requirements, Moelven places great emphasis on the environmental documentation of its products. An EPD (Environmental Product Declaration) is a third-party verified document that provides transparent and comparable information about a product's environmental performance throughout the entire life cycle. Both the EPD and the underlying LCA (Life Cycle Assessment) are always based on international standards.

[1] Licence codes for Moelven's multi-site certificates from PEFC and FSC® are listed on page 112.

MOELVEN'S SUSTAINABILITY POLICY

Moelven's sustainability work is prioritised according to its significance for both the outside world and ourselves, as well as emphasising where we can make the greatest difference.

Read Moelven's sustainability policy here.

CERTIFICATIONS AND APPROVALS

Certification is important both for us at Moelven and for our customers

See a complete overview of certifications and approvals here.

EUDR

Moelven has set up its own website www.moelven.com/sustainability/EUDR, where information about Moelven's work on implementing and complying with the EUDR is published on an ongoing basis.

Environmental certification of buildings
It is up to the client to decide whether the finished building should be certified and, if so, which certification scheme to use. The demand for certified buildings is constantly increasing. Those who will be using the building often want certification, and the financing options are often better for a certified building. To provide value to our customers who wish to certify a building that includes Moelven's products, Moelven works continuously to develop good and verifiable documentation of the environmental properties of our products. This gives customers a solid starting point when the finished building is to be certified. The most common building certifications among Moelven's customers are BREEAM and Nordic Swan Ecolabel.

Waste and circularity

Moelven's main priority is that the business generates as little waste as possible. However, waste is unavoidable in industry or on construction sites. By sorting as much as possible and facilitating reuse and recycling, Moelven contributes to creating a more sustainable and circular material cycle. Our goal is to have a sorting ratio that over time exceeds 90 per cent for the Group and the individual entities.

Plastic

Moelven uses significant amounts of plastic. Most of it is used as packaging to preserve the quality and properties of the products and protect them from the weather and wind. Although plastic has many good qualities when used as a packaging material, it also represents an environmental challenge when it goes astray as waste or microplastics in nature. In addition, the incineration of plastic contributes to CO_2 emissions. Moelven has a target of reducing plastic consumption. We are working both to reduce the use of plastic as much as possible and to ensure that at least 30 per cent of the total amount of plastic is recycled plastic.

"I'm here to protect your Timber products, would be nice to do it again. Please recycle me."
Moelven's timber packaging is made from 50 per cent post-consumer recycled plastic and is 100 per cent recyclable.

Our sustainability heroes

The Sustainability Hero is awarded annually and is chosen by the Group's Sustainability Forum based on nominations received. These are our three most recent sustainability heroes.

Trond Stenrud
Key Account Manager
Moelven Wood AS

Anna Gustafsson
Head of Marketing Communications
Moelven Wood AB

Lisa Nilsson
Process engineer
Moelven Industrier AB divisjon Timber

Priority areas for sustainability efforts in Moelven

Energy
The world has a deficit of fossil-free energy sources. Moelven is an energy-intensive business. Although ¾ of our energy consumption is self-produced bioenergy, we must continuously work to find ways to improve efficiency and reduce energy consumption.

Transport
Transport of goods is Moelvens biggest single cause of climate emissions, and therefore an important focus area. Increased use of modular vehicle combinations, boat and train, efficient logistics, modern low emission vehicles, as well as vehicles with fossil-free powertrains are important measures.

HSE
The people who work in Moelven are our most important resource. No one should get sick or injured from working in Moelven.

Employee participation
We shall have leaders who createprerequisites for well-being, innovation and development. We shall have employees who take own responsibility, develop their competence and contribute with commitment.

Environment and climate action throughout the value chain

Ambition - Our activities, products and value chain will make a difference in the effort to find sustainable solutions and stop climate change

People in focus

Ambition
We shall be an attractive and safe workplace

Safeguarding natural resources

Ambition
We will use renewable and sustainably managed resources, and utilise them in full

Local values

Ambition
We will create more green jobs

Certified products

The basis for climate conscious building with wood starts with a responsible and sustainable forestry. Raw material certifications and chain of custody certifications in the value chain are therefore a very important focus area for Moelven.

A responsible value chain

Moelven's value platform involvesa responsibility for both people and the environment. Moelven will work to secure responsible business practices by safeguarding human and labor rights, society and the environment, both within our own business and together with ourpartners in the value chain.

The big picture

2024 became the first year in which the global average temperature exceeded 1.5 °C above pre-industrial levels. This development has led to a number of extreme weather events, including severe heatwaves, floods and forest fires around the world.

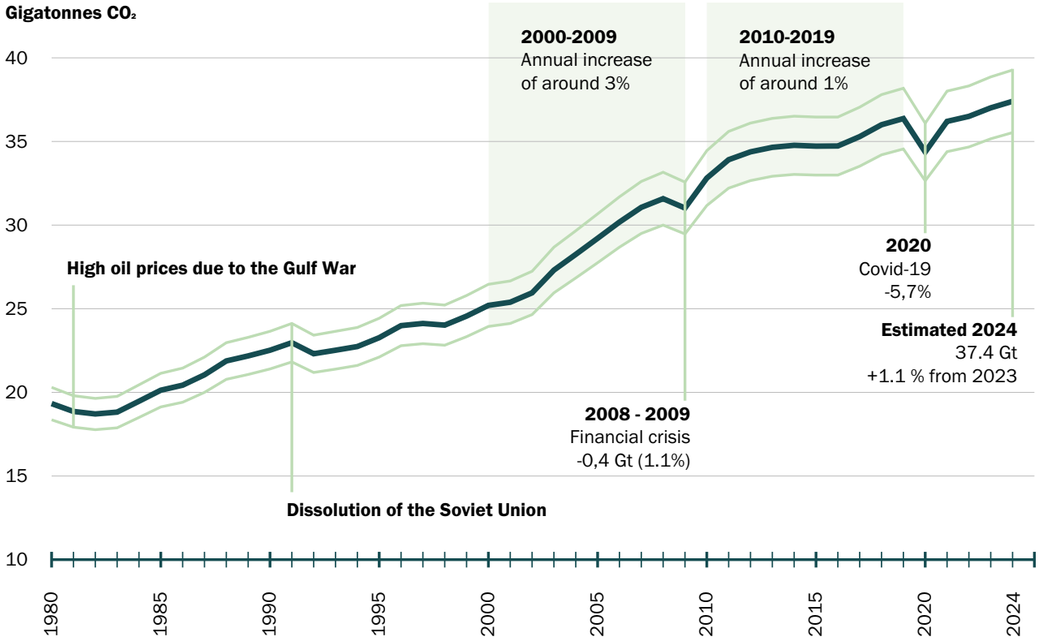
The consequences of global warming are becoming increasingly clear and serious, and the need for immediate action both to mitigate the changes and to adapt to a new reality is growing.

With 2024 being the warmest year ever, the likelihood of reaching the 1.5 °C target has been further reduced. The fact that we have now seen the first calendar year with an average temperature above 1.5 °C is an indication that we are dangerously close to exceeding this limit permanently. However, while some months or years may exceed 1.5 °C, this does not necessarily mean that we have failed to meet the long-term goals of the Paris Agreement, which are measured over several decades. Nevertheless, this emphasises the need for increased ambition and accelerated action in the coming years.

The Norwegian research institute CICERO (Center for International Climate Research) has analysed various scenarios for future global warming. They emphasise that developments depend heavily on human actions and political decisions. If current emission levels continue without significant changes, global warming is expected to reach between 3 °C and 4 °C by the end of the century. This will lead to serious consequences for ecosystems, weather patterns and human life.

If countries fulfil their commitments under the Paris Agreement and significantly reduce emissions, warming can be limited to around 2 °C. However, this requires rapid and comprehensive action, including a transition to renewable energy and improved energy efficiency. To limit warming to 1.5 °C, which is the most ambitious target in the Paris Agreement, global emissions must be reduced by over 40 per cent by 2030 and reach net zero by 2050. This scenario requires a massive global effort and co-operation across borders.

It is clear that if global warming is to be limited to between 1.5 and 2 °C, society will have to change significantly. For companies like Moelven, not only regulatory requirements, but also demands from stakeholder groups such as customers, suppliers, employees, local communities, etc. will have a major impact on future operations and strategic development direction. Many framework conditions will undoubtedly change in a direction that makes operations more demanding and costly. The changes will also bring opportunities for those companies that have the capacity and ability to utilise them. At Moelven, we are convinced that a sustainable and renewable material such as wood, with a natural ability to absorb and store carbon, provides a good foundation for being part of the solution to the climate crisis.



The graph illustrates global CO_2 emissions from fossil sources. Thin lines indicate a 5 percent uncertainty in the calculations.
Emissions are still increasing, but the increase from 2023 to 2024 of 1.1 percent was less than the increase from 2022 to 2023 of 1.4 percent.
Source: Global Carbon Project

Our most important task is therefore to manage and process the raw materials we harvest from the forest with a minimal climate footprint, so that we, our products and our value chain together make a difference in the work to stop climate change.

Legal provisions and reporting requirements

Greenhouse gas emissions continue to rise and the need for accelerating the transition is indisputable.

The EU's "European Green Deal" was launched by the European Commission at the end of 2019 and is a strategy for sustainable growth that aims to make the EU climate-neutral by 2050. Moelven has all of its production activities in Sweden and Norway, which, as EU members and EEA countries respectively, are strongly influenced by developments within the EU. Europe is also an important export market for Moelven.

The main points of the EU Green Deal include topics such as:

- Climate neutrality
- Green economy
- Protection of nature and ecosystems
- Clean energy
- Sustainable transport
- Circular economy
- Agriculture and food production
- Climate policy and fairness

To achieve the objectives of the strategy, a number of laws and regulations have been drawn up and introduced to drive the changes in the desired direction, including how sustainability information should be reported.

The EU's Corporate Sustainability Reporting Directive (CSRD) requires listed companies and large companies in the EU to disclose comprehensive information about their business model, strategy and corporate governance, goals, policies and internal controls related to sustainability, risk assessments and how social and environmental challenges are addressed. The reporting requirements are also incorporated into Norwegian and Swedish national legislation. The requirements are initially aimed at large companies and financial institutions, but will gradually come into force for smaller organisations as well. Smaller organisations are also affected indirectly through requirements from, for example, financial stakeholders and customers who are subject to the regulations.

Under the current CSRD regulations as of March 2025, Moelven as a group and several of the group companies will be obliged to report as of the 2025 reporting year, i.e. with the first report due in 2026. Preparations for this have been ongoing since 2023. However, in February 2025, the European Commission presented a proposal to make significant changes to the regulations. In order for the proposal to be adopted, both the EU Parliament and the EU countries must agree and approve it. For Moelven, the omnibus proposal as it now stands will mean that mandatory reporting in accordance with both CSRD and the Taxonomy

Moelven value chain

Forest management services

- Felling
- Forestry and other forestry activities
- Support services for forestry

Transport

- Freight transport by road and rail

Wood processing and production

- Sawing, planing and impregnation of wood
- Production of wooden goods
- Supply of steam, district heating and air conditioning

Logistics and market

- Freight transport by rail
- Freight transport by road and relocation services
- Maritime and coastal transport
- Domestic water carriage

Construction and building systems

- Development of construction projects
- Construction of residential and commercial buildings
- Specialist construction activities

→ These items represent financial activities in the Moelven value chain.
In the context of the taxonomy, however, it may be parties other than Moelven itself that are responsible for the activity and the associated risk.

will be postponed by two years, i.e. with the first reporting in spring 2028 for the reporting year 2027.

In simple terms, the taxonomy is a set of assessment criteria to be used as a basis for defining what a sustainable activity is. Activities that meet the sustainability criteria are given better access to capital, more favourable tax and duty levels, easier market access, etc. than activities that do not meet the requirements. For an activity to be classified as sustainable, it must fulfil the following criteria:

1. Significantly contribute to at least one of six environmental objectives:
- a. Limiting climate change
- b. Climate change adaptation
- c. Sustainable use and protection of water and marine resources
- d. Transition to a circular economy
- e. Pollution prevention and control
- f. Protection and restoration of biodiversity and ecosystems

2. Doing no significant harm to any of the other environmental objectives

3. Complying with minimum safeguards

Based on the assessment criteria available at the end of 2024, Moelven has conducted an overall survey to determine which economic activities within the Group's value chain are covered by the taxonomy. The extent to which the criteria for classifying the activities as green activities are satisfied has not been determined.

The figure below shows the result of the mapping carried out for 2024.

Moelven's goals and priorities

At Moelven, we have prioritised our sustainability efforts based on the impact they have on the world and on us, and emphasised where we can make the greatest difference. In order to make this prioritisation, we have conducted a stakeholder analysis to identify which stakeholder groups are most affected by our business and what they care about.

We have also carried out a materiality analysis to determine which areas are of greatest importance to both Moelven and the stakeholder groups.

It is the materiality analysis that forms the basis for prioritising sustainability work.

Most of Moelven's activities are based on wood, which is a natural, renewable raw material and also one of nature's own solutions for carbon capture and storage.

The most important aspect of our sustainability strategy is therefore to work to preserve the positive properties of the wood and process the raw material with as small a climate and environmental footprint as possible, and to work to ensure that the highest possible proportion of our finished products become part of durable buildings and structures. In this way, the tree can continue to store carbon long after it has been harvested, while the newly planted forest grows and absorbs more CO_2 from the atmosphere.

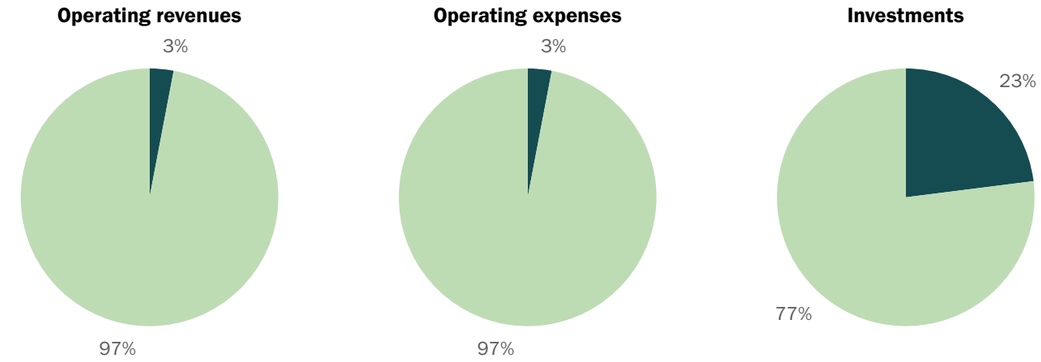
Moelven's overall sustainability work is divided into four main areas, with sub-topics:

- Environment and climate action throughout the value chain
- Safeguarding natural resources
- Focus on people
- Local values

These main areas make up the chapters in this report. The sub-topics of each main area provide a description of how Moelven works with the topics. As a further indication of the importance of each topic, they have been prioritised as shown below.

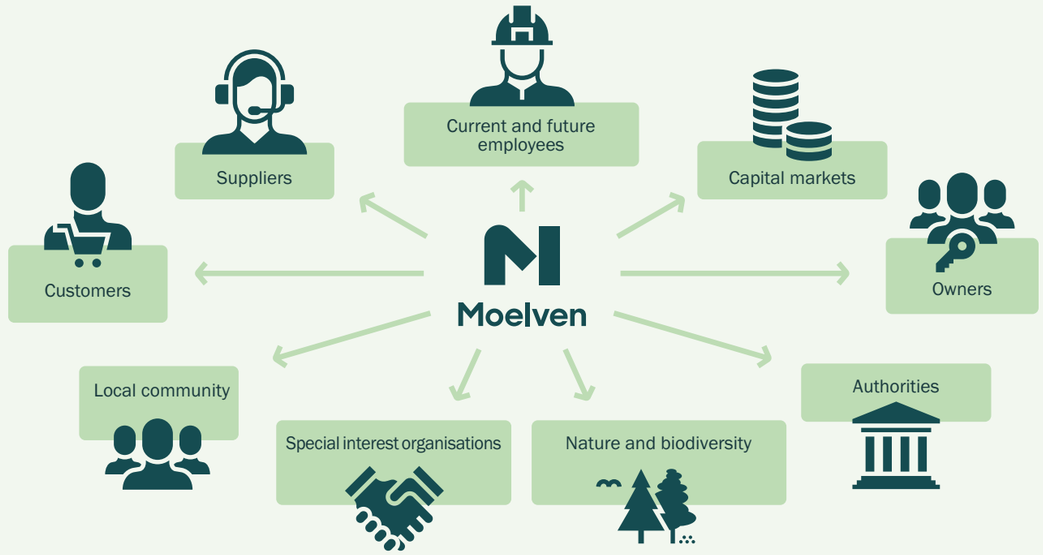
IMPORTANT | MORE IMPORTANT | MOST IMPORTANT

Mapping of economic activities that fall under the taxonomy

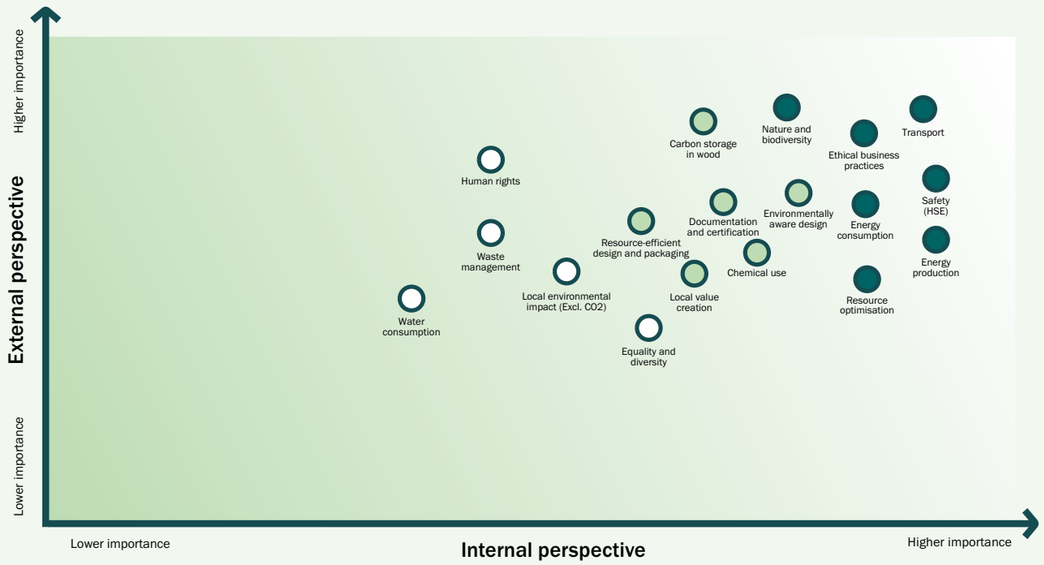


The figure above shows the share of the Group's operating revenues, operating expenses and investments that are currently covered by existing assessment criteria. Moelven's activities in building and construction and forest management are the largest individual areas that fall under the taxonomy. Building and construction activities mainly take place in the Building Systems division. Forest management is included under Other businesses, where it is linked to timber purchases and forest management assignments undertaken by Moelven as part of these activities.

Stakeholder analysis



Materiality assessment



Climate accounting

The climate accounting includes emission categories that are material and for which sufficient data is available to calculate emissions. Within Scope 3, some emission categories are not yet included in the climate accounting due to limited data availability. This includes investment activities, which are expected to be a material category.

Moelven's goal is to report complete Scope 3 based on primary data rather than generic data, and is working to put in place reporting systems that make this possible.

(Tonnes of CO_2 equivalents)	Change %	2024	2023	2022
Scope 1 (Emissions in the company)	**-4.1 %**	**12,950**	**13,499**	**16,419**
Fuel oil		533	657	952
Biofuel oil		1	1	1
Diesel		11,876	12,119	13,560
Petrol		18	16	86
LPG (gas)		522	707	1,820
Direct biobased emissions (outside scope)	**-1.9 %**	**368,827**	**375,934**	**399,609**
Bark		212,599	229,589	245,561
Sawdust		17,880	19,249	23,599
Hogged chips		91,065	92,845	101,081
Wood shavings		5,903	5,791	5,750
Cellulose chips		40,088	28,052	23,292
Pellets		1,284	407	324
Firewood		8	3	2
Biofuel oil		0	1	1
Scope 2 (Emissions related to electricity consumption)				
Location-based calculation	3.7 %	3,965	3,823	2,462
Market-based calculation	21.1 %	127,234	105,110	86,843
Total electricity consumption (GWh)	*4.4 %*	*227*	*217*	*226*
Scope 3 (Emissions outside the company)	**-8.5 %**	**217,335**	**225,001**	**237,057**
Scope 3 Upstream		**95,134**	**100,259**	**103,015**
Input products A1-A3 (Biogenic carbon in purchased timber is not included)		52,334	54,632	64,558
Transport of goods from suppliers		41,330	44,016	37,728
Work-related car transport		1,027	1,093	220
Waste		289	308	343
Flights		154	210	166
Scope 3 Downstream		**122,201**	**137,138**	**134,042**
Transport of goods to the customer		122,201	137,138	134,042
Total emissions (scope 1, scope 2 location-based, scope 3)	**-8.0 %**	**234,250**	**254,719**	**255,938**
Total emissions (scope 1, scope 2 market-based, scope 3)	**0.4 %**	**357,518**	**356,006**	**340,318**

Since 2017, Moelven's climate accounting has been prepared on the basis of the GHG protocol.

Climate accounting 2024

Scopes 1 and 3 show a reduction in emissions, while Scope 2 shows increased emissions. The main reason for the reduction in Scope 1 is a decrease in internal transport compared to 2023.

The increase in Scope 2 emissions from electricity is due to increased consumption and updated emission factors. Total electricity consumption increased from 217 GWh to 227 GWh.

For location-based emissions, the same emission factor has been used as for 2023. For market-based emissions, an updated and higher emission factor has been used. This is the reason why market-based emissions increased relatively more than location-based emissions.

Reduced indirect emissions in Scope 3 are mainly due to the geographical distribution of sales.

In 2024, a larger share of export volumes have been delivered to markets with shorter transport distances.

Basis for calculation of direct bio-based emissions

The Moelven Group uses approximately 227 GWh of electrical energy and approximately 800 GWh of self-produced thermal bioenergy annually. Electricity is purchased from external suppliers, while bioenergy is primarily produced in our own combustion plants. The biomass burned in the furnaces consists of residual materials such as bark and various wood chips from timber production. Roughly speaking, around 50 per cent of the logs' volume yields sawn timber, while the remaining 50 per cent becomes various wood chips and shrinkage as a result of drying. The bark is not included in the volume when the timber is measured, and is included as an additional volume. The largest combustion plants are found at units that use logs as raw material. Some units produce more bioenergy feedstock than they consume in their own energy production. The surplus is then sold to others who need more bioenergy feedstock than they produce themselves. Customers can be both internal and external. Volume balances are key to keeping control of production efficiency and for financial follow-up. However, systems and routines for measuring volumes vary between the different units. To calculate CO_2 emissions from bioenergy production, it has been necessary to have some standardised alternative ways of reporting the consumption of biomass in the combustion plants. All reporting is done in number of cubic metres of loose biomass (lm^3). The volume reported by each production company is calculated on the basis of the following main alternatives or a combination of these:

1) **Companies that purchase bioenergy feedstock**
   Invoice received indicates quantity. If necessary, the stated quantity is converted to loose cubic metres (lm^3). Consumption in the reporting period is calculated as the difference between net incoming inventory and outgoing inventory.

2) **Companies that produce bioenergy feedstock themselves, with installed metering systems**
   The energy production is recorded and calculated back to a theoretical feedstock volume based on estimated moisture content and composition of the combusted biomass.

3) **Companies that produce bioenergy feedstock themselves, without installed metering systems, alt. 1**
   The total volume of feedstock is calculated based on measured sawn yields and experience-based factors of various types of wood chip products. The volume is adjusted for chip products sold externally. Consumption during the reporting period is calculated as the difference between net incoming inventory and outgoing inventory.

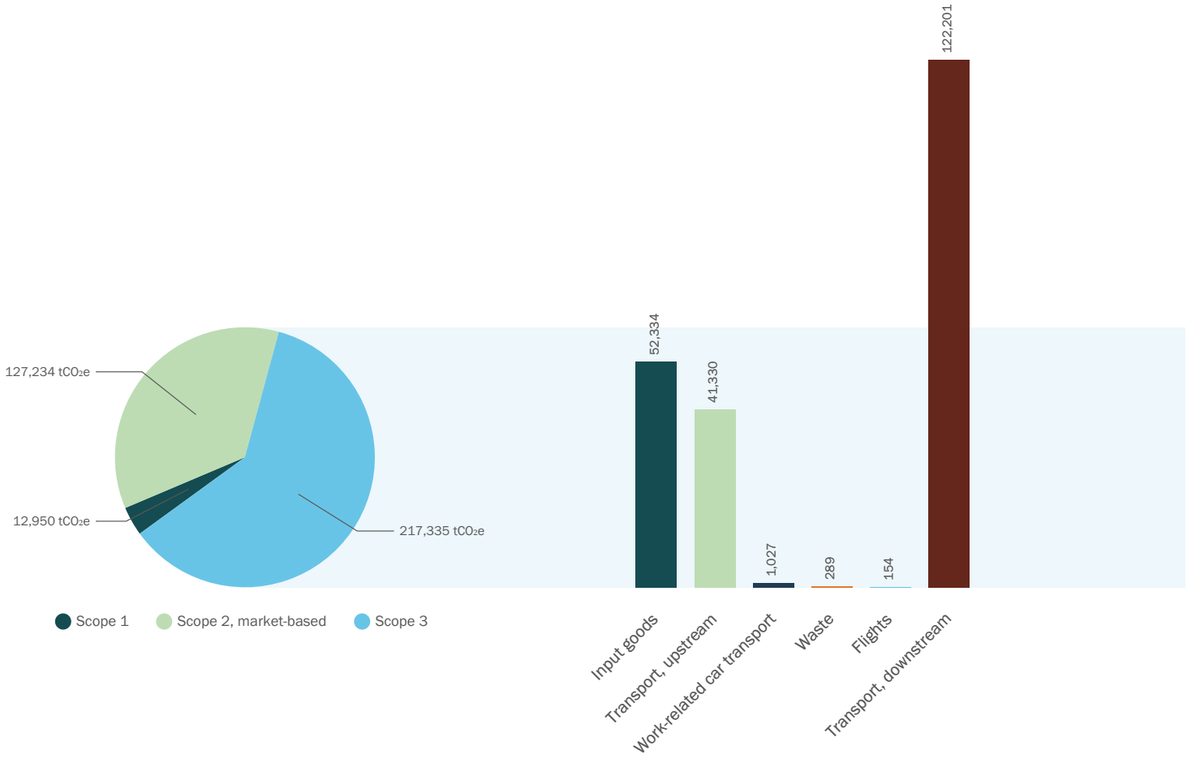
4) **Companies that produce bioenergy feedstock themselves, without installed metering systems, alt 2**
   The amount of biomass combusted is recorded. Loading usually takes place using a wheel loader, where the capacity per bucket in lm^3 is known. The composition of bark and various woodchip products is estimated based on incoming and outgoing inventory corrected for volume sold externally.

Storage silos for wood pellets at Moelven Pellets AB in Karlskoga. Not all residual raw material is used for our own bioenergy production. In both Norway and Sweden, Moelven has plants that process residual raw material from the wood industry into pellets for external sales.

The carbon footprint is based on CO_2 emissions as no emissions of other greenhouse gases such as CH4, N20, HFCs, PFCs, SF6 or NF3 have been identified or quantified. Emission factors are mainly taken from Defra (Department for Environment, Food & Rural Affairs). Emission factors for electricity are based on NVE's factors in Norway, Energinet.dk's factors in Denmark and the Energy Market Inspectorate (Ei) in Sweden. For location-based emissions from Swedish companies, the IEA CO_2 Emissions from Fuel Combustion 2016 is used.

For calculations of bio-based emissions, EN 16449 is used, based on values from the Norwegian Institute of Wood Technology and Erik Eid Hohle (Bioenergy).

Unless otherwise specified, the principle of ownership and where Moelven is the invoice recipient for the activity is applied for system delimitation.



Reporting of emissions in Scope 3

- **Increased ccope of reported emissions from purchased goods**
  From 2023 onwards, more purchased goods have been included in the calculation where the necessary data is available. An average carbon footprint from available EPDs (product phase A1-A3) has been used for the main product groups included. For purchased timber, biogenic carbon is not included. Emissions associated with logging and off-road transport are included based on purchased volume.

- **Transport**
  From 2023, the system boundary has been changed to include transports of purchased goods where CO_2 emissions are also calculated for the purchased goods themselves, regardless of whether Moelven is the invoice recipient for the transport. Due to the limited availability of data for these transports, the calculation is based on our own estimates. Estimate uncertainty is therefore high.

  For the transport of timber and chip products, both supplier- and customer-operated transport, as well as Moelven-operated transport, are included. For timber transport, inbound transport is determined based on data from the logistics systems used by the raw material supply organisations.

  Transport (A4) of purchased goods other than timber is estimated based on total volume and the estimated distance from the producer to the reporting Moelven company.

  Transport of goods to the customer is based on volume and estimated transport distances from the producing Moelven company and the customer. Transport is sometimes carried out as combined transport (e.g. rail for parts of the route), and the transport distance varies. These variables are considered at an overall level, including through communication with major suppliers, but considerable degree of estimation uncertainty remains.

- **Waste management**
  Estimated CO_2 emissions from waste are included from 2023 onwards. Complete and sufficiently detailed information on how the various waste fractions are processed by the waste management companies has not been available. Therefore, the calculation is based on the total amount of waste and the open-loop conversion factor provided by DEFRA.

- **Significant categories not yet included**
  Biogenic carbon stored in consumed timber is not included. Estimated content of biogenic carbon in consumed timber is shown in the table on page 36. Investments are not included due to lack of data. Total investments in 2024 of NOK 1,286 million (1,085 million) are divided into NOK 406 million (438 million) in buildings, NOK 872 million (636 million) in equipment and machinery and NOK 8 million (11 million) in operating equipment. For further information, see note 8 to the Group's financial statements for 2024.

Recalculation of comparative figures for 2023 and 2022

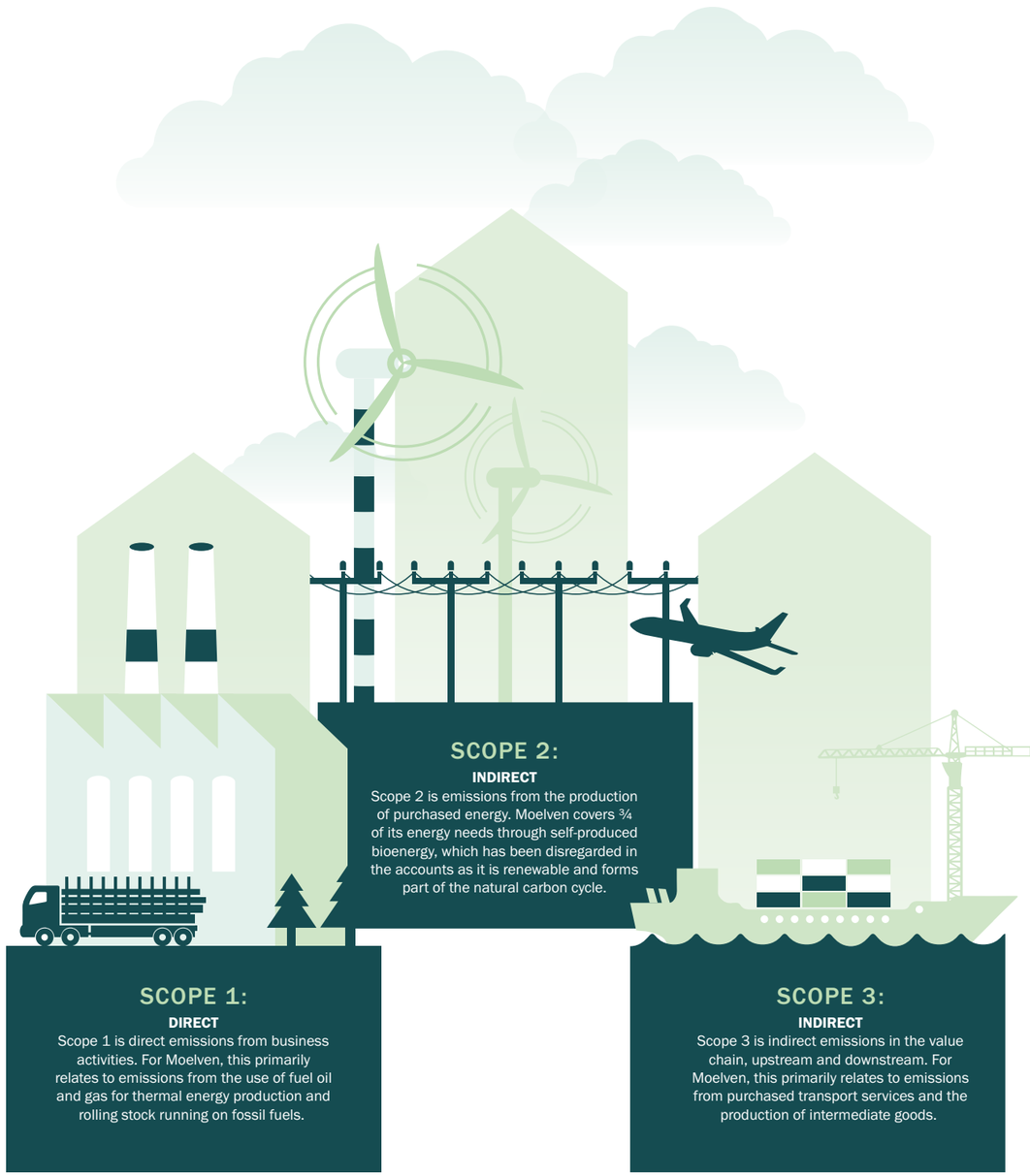
Comparative figures for 2023 and 2022 have been recalculated where data is available. This includes:

- Harvesting and off-road transport of timber to the forest road.

The climate accounts in brief

The GHG Protocol splits climate accounts into three focus areas: Scope 1, 2 and 3.

CO_2 SF_6 CH_4 N_2O HFCs PCFs



Environmentally focused value creation

CO_2 emissions from Moelven
0.3 mill ton
CO_2 emissions from bioenergy
0.4 mill ton
CO_2 stored in finished goods
1.4 mill ton

Forest raw materials stores
2,892,738
tCO_2e

Emissions from saw log transport
27,364
tCO_2e

Emissions from other transport
13,966
tCO_2e

Emissions from input materials
52,334
tCO_2e

Energy consumption
227 GWh el
3,965 / 127,234
tCO_2e

Bioenergy
646 GWh
self-produced bioenergy
101 GWh
purchased
bioenergy

Emissions from production
12,932
tCO_2e

Emissions from transport to customers
122,201
tCO_2e

3,200 employees
1,615 Norway
1,569 Sweden
4 Denmark
12 other countries

LTI = 9.6
TRI = 21.9
Absence 6.3%

Moelven

Operating revenues NOK 12.9 billion
Operating profit NOK -199 million

34 production companies
40 production sites

Other input materials

Timber 4.1 million m^3

Distribution
22% sales to
44 countries outside
Scandinavia

Emission from waste
289
tCO_2e

Material recycling
Energy recovery
Depositing

Approximately 37% Plastic, plaster, metal
Approximately 42% Wood, paint, lacquer, glue
Approximately 19% Ash

Waste
13,697 tonnes in total
1,332 tonnes hazardous waste
405 tonnes plastic
93.4% sorting rate

Bioenergy raw material:
Biomass and Pellets 1,774 GWh

Produced bioenergy 790 GWh
Sold external 71 GWh

System interiors
837 projects
Modules
5,196 pcs
Plywood panels
93,000 m^3
Glulam
44,337 m^3
Planed timber
0.6 million m^3
Sawn timber
2.0 million m^3

Focus areas, results and objectives

Basic premise
– we are a reliable partner

Four priority areas	Important topics	Results	2024	2023	2022	Objectives and remarks
Environment and climate action throughout the value chain Our activities, products and value chain will make a difference in the effort to find sustainable solutions and stop climate change	1. Energy consumption in own production 2. Goods transport 3. Production of bioenergy 4. Climate benefits from the forest 5. Climate-conscious design	Electricity consumption (GWh)	227	217	226	2% annual reduction in energy consumption per unit produced.
		Self-produced Thermal Bioenergy (GWh)	790	788	836	95% of needs for thermal energy covered by self-produced bioenergy.
		Carbon footprint (tCO $_2$e) incl. location based Scope 2	234,250	254,719	255,938	7% annual reduction in carbon intensity.
		Carbon footprint (tCO $_2$e) incl. market-based Scope 2	357,518	356,006	340,318	
		Carbon stored in finished goods (tCO$_2$)	1,464,004	1,421,181	1,510,706	
		Share of transport to customers by modular vehicle combinations in Norway	12.6 %	13.8 %	6.5 %	Digitalised logistics planning to optimise driving routes and minimise driving when empty. Trialling of transport methods based on renewable energy sources. Electrification of internal transport. Requirement of EURO 6 from 2022. Increased use of modular vehicle combinations, sea and rail.
		Internal transport, forklifts and log loaders EURO-6	75	62	59	
		Internal transport, forklifts and log loaders EURO-5	168	173	179	
		Internal transportation, electric lorries	170	171	166	
Safeguarding natural resources We will use renewable and sustainably managed resources, and utilise them in full	1. Sustainable materials 2. Resource optimisation 3. Resource-efficient design and packaging 4. Waste management in production 5. Water consumption	Controlled raw material	100 %	100 %	100 %	Certified raw materials from sustainable forestry. 100 percent controlled raw materials throughout the value chain.
		Recycled plastic (tonnes)	405	440	418	Plastic is included as a separate fraction in waste sorting.
		Plastic consumed (tonnes)	1,633	1,574	1,807	Share of recycled plastic > 30%. Collaborate with customers and suppliers on concepts to minimise the need for packaging. Development and testing of alternative packaging materials.
		Share of recycled plastic	35 %	33 %	35 %	
		Sorting ratio	93.4 %	90.8 %	92.9 %	90% sorting rate for the Group and all units over time.
People in focus We will be an attractive and safe workplace	1. HSE 2. Engaged and competent employees 3. Safe chemical use	LTI	9.4	6.0	8.0	2025: LTI < 4 2026: LTI rate < 3
		TRI	21.7	17.3	19.6	2025: TRI < 16 2026: TRI rate < 14
		Rate of absence due to injury	139	111	113	F-value = Number of work injury-related absence days per million hours worked
		Risk reports per employee	1.0	1.3	1.3	> 1.2 per employee
		Absence due to illness	6.3 %	6.8 %	6.7 %	< 4.0 %.
		Employees	3,200	3,256	3,332	
Local values We will contribute to local value creation	1. Creating economic value in local communities 2. The local environment	Total tax contributions in Norway and Sweden (MNOK)	961	1 031	1 553	Sustainability is one of the four cornerstones of the Moelven strategy and will be included as a decision-making criterion in connection with investments and the development of the Group.
		Value creation (MNOK)	4,590	4,889	6,183	
		Violation of the Pollution Control Act or equivalent	None	None	None	Moelven shall not be responsible for any violation of pollution control legislation or equivalent. Moelven shall continuously work to improve its environmental footprint in the local community
		Social sustainability				Moelven will work to ensure responsible business practices and transparency related to human and employee rights, society and the environment throughout the value chain.

One consequence of climate change is the increased frequency of flooding. After experiencing floods in three of the previous four years, construction of a flood embankment at Moelven Trysil AS began in 2017. The embankment was completed in 2018. In addition to protecting the industrial area from flooding, the embankment also has a fishing path, ensuring public access and free movement along the river. Photo: Runar Pettersen

Climate risk

The climate and environmental crisis is increasingly shaping the operational landscape for businesses. This can be due to extreme weather, changes in access to raw materials, changes in product requirements, etc. The social changes driven by efforts to limit climate change may have serious negative consequences for organisations that fail to take part in the transition. At the same time, there are also great opportunities for those who contribute to the green shift.

Management

The role of the Board of Directors

The Board of Directors' responsibilities and duties are governed by the legislation in force at any given time, as well as the Board's instructions for Moelven Industrier ASA. The Board has overall responsibility for ensuring reliable control of the company's activities. This includes addressing climate-related risks and opportunites. In accordance with the current Board's instructions, the Board annually reviews and adopts the company's policy for sustainable business and Code of Conduct. These provide guidelines for how Moelven should integrate external consideration its into value creation. The Sustainability policy also states that Moelven shall publish its results and progress in this area through an annual sustainability report.

The role of management

The CEO is responsible for the day-to-day management of Moelven's operations and follows the guidelines issued by the Board. Sustainability work at the group level is organised as a staff/support function for the group management, reporting directly to the CEO. A separate steering group for sustainability has been established, consisting of the CEO, Division Managers, Director of Forestry Business, Chief Communications Officer and Chief Sustainability Officer. In addition, group- and/or division-wide functions have been established for control and follow-up where appropriate. Examples include monitoring of raw material and traceability certification schemes such as PEFC and FSC®, energy management, HSE and a dedicated specialist forum for sustainability. Climate-related topics are also closely integrated into day-to-day operations - particularly product certifications, operating permits, etc. Moelven has a decentralised organisational model where most operational units are independent legal entities. The local boards and company management have independent responsibility for addressing climate and sustainability issues at the unit level.

Risk management and strategy

Moelven's risk policy aims to ensure systematic and effective approach on managing the Group's key risks and opportunities. Sustainability and climate risk fall under this.

Identified risks

Moelven's climate risks generally fall into two categories: physical risks and transition risks associated with the shift to a zero-emission society.

Physical climate risk arises from changes in weather and climate. For Moelven, this primarily affects the supply of raw materials, as well as the frequency and severity of flooding. Extreme weather events can damage standing forests, impacting timber quality, availability, and price. Harvesting can be affected by heavy rainfall or wet winters resulting in poor accessibility in the forest, or by drought that limit operations due to increased fire risk. Both types of events have previously affected Moelven, and the level of risk is expected to rise with ongoing climate change. Increasingly extreme weather also presents challenges for storing materials outdoors, and places higher demands on certain end products. Flooding can cause damage to several of Moelven's industrial facilities located near rivers and watercourses. These risks are known and have been strategically addressed for many years.

Transition risks affect several areas. Changes in political regulation, along with growing societal and market demands for sustainable solutions, are reshaping the business environment. There are high expectations for the forest industry and the bioeconomy to contribute to the green transition. To make this possible, it is essential that the authorities' policy instruments support the industry with further development through appropriate and long-term regulatory framework. New requirements for the protection, sustainable management and harvesting of forests will impact Moelven's access to raw materials and operations. External stakeholders' views on wood as a renewable resource and sustainable building material will influence market demand.

Moelven's operations require extensive transport of raw materials to the production facilities, and finished goods and by-products to the markets and customers. Over time, Moelven has developed a significant logistics network to handle this, by road, sea and rail. However, new regulations could pressure this part of the business, both in the form of mandates, and restrictions, as well as price fluctuations, or taxes. The transport sector is affected by international dynamics, and global regulatory shifts may also affect Moelven's logistics operations.

The timber processing industry consumes a substantial amount of energy, particularly for sawing logs and drying timber. Most of the energy needs are met with self-produced bioenergy, but the company also purchases approximately 220-230 GWh of electricity annually. Fluctuation in electricity prices, as a result of increased demand for energy and the transition from fossil to renewable energy, will therefore affect Moelven. Today, wood is considered as a sustainable building material, but this may change due to technological developments in other sectors.

Moelven actively incorporates identified environmental and climate-related risks in its strategic planning. The most significant factors are summarised in the table on the next page.

Moelven has taken inspiration from the TCFD reporting recommendations in its analyses of climate-related risks and opportunities. Going forwards, both the reporting requirements of the CSRD (Corporate Sustainability Reporting Directive) and the new reporting recommendations under TNFD (Taskforce on Nature Related Financial Disclosures) will play a key role. Under the current regulations as of March 2025, Moelven as a group, and several of its subsidiaries individually, will be required to report under CSRD for the 2025 reporting year, with the first reporting in spring 2026. However, if the European Commission's Omnibus proposal is adopted, Moelven's reporting obligation under CSRD may be postponed by two years. Moelven's goal is to prepare a consolidated Group report that fulfills the reporting requirements for all Group companies.

When assessing climate risk, Moelven uses the following time horizons: short-term (0-5 years), medium-term (5-10 years), and long-term (10-30 years). The definition align with the time frames established by the IEA in the World Energy Outlook. The short- and medium-term perspectives are in line with Moelven's current strategic planning horizon. In the medium term, the company evaluates its operations and assets in light of potential trends and risks though 2034, particularly regarding shifts in global climate policies and markets. The long-term view remains relevant as several European countries have set targets for near-zero emissions by 2050. The results of these climate risk and opportunity assessments are reviewed by Group management and the Board of Directors, forming the basis for strategic and operational decision-making. Ongoing work on climate-related and broader sustainability risks will continue to evolve in accordance with the Group's risk policy and international recommendations.

Climate-related risk areas

#	Risk	Risk type	Risk description	Risk level	Ability to impact	Time horizon	Risk-mitigating measures
A	**Unpredictable access to raw materials**	Acute physical climate risk and chronic physical climate risk	*Physical climate risk in the form of increasing droughts, storm and extreme precipitation levels in the Nordic region. The market balance in the entire value chain is disturbed as a result of supply side shock in the raw materials market. Increased risk of forest fires in the Nordic region. Unpredictable outbreaks of pests and fungus.*	▲▲▲ **High**	Low	Short/Long (0-30 years)	*Centralised and competent purchasing organisation with a solid market position and a presence in a large geographical area. Ability to manage the raw material flows between units for the best possible utilisation.*
B	**Extreme weather damage to industry and infrastructure**	Physical acute climate risk	*Larger and more frequent extreme weather events in the Nordic region. Damage or need for preventive measures that e.g. are limited to a geographical area will impact competitiveness.*	▲▲▲ **High**	Medium	Short/Long (0-30 years)	*Flood embankments, contingency plans to both maintain deliveries and protection of plants and machinery. Strategic and continuous work for good quality and scaling of infrastructure (road and rail).*
C	**Changed raw material quality**	Physical chronic climate risk	*Increased temperature contributes to better growth conditions for trees, but also poorer quality.*	▲▲△ **Medium**	Low	Long (10-30 years)	Contact and engagement with research communities. Internal competence development and product development.
D	**The final product cannot withstand a more extreme climate**	Physical chronic climate risk	*Extreme weather requires more robust materials. Access to use effective impregnation agents may be limited to a greater extent.*	▲▲△ **Medium**	Low	Long (10-30 years)	*Product development, development of construction methods, cooperation with e.g. paint manufacturers.*
E	**Changed requirements for the storage of materials**	Physical chronic climate risk	*More extreme weather creates challenges in storing materials outdoors.*	▲▲△ **Medium**	Low	Short/Medium (0-10 years)	*Building of climate storage, umbrella roofs, development of packaging materials.*
F	**Increased electricity prices**	Market	*Phasing out fossil sources of energy and transitioning to renewable energy. Increased transmission capacity to other countries and increasing demand for energy lead to increased electricity prices in Scandinavia.*	▲▲△ **Medium**	Low	Short/Long (0-30 years)	*Purchasing and hedging strategy. Work for continuous improvement of electricity intensity in the business.*
G	**Increased prices of fossil fuels**	Statutes and regulations	*Norwegian authorities increase the CO_2 tax to achieve goals of emission reductions in the transport sector.*	▲▲△ **Medium**	Medium	Short/Medium (0-10 years)	*Build expertise on and exploit alternative energy sources. Conversion plans for transition to fossil-free transports.*
H	**Fossil fuels subject to emissions restrictions**	Statutes and regulations	*New regulations that impose requirements on the restructuring of operational forms or investments in new plants and equipment.*	▲△△ **Low**	Medium	Long (10-30 years)	*Adopt new and improved technology for the production of biomass for energy purposes.*
I	**Construction materials from other industries become eco-friendly**	Technology	*Other sectors adopt new technology, for example CCS in concrete production.*	▲▲▲ **High**	Low	Long (10-30 years)	*Work for constant improvement of own climate footprint and documentation of the overall climate footprint. Participation in research and development of objective and good calculation methods for climate footprint over time.*
J	**Changed perception of the role of forests in the green shift**	Reputation	*Increased knowledge and commitment to the role the forest plays in the green transition, as well as potential new management requirements lead to increased costs and place new demands on documentation and communication.*	▲▲▲ **High**	Medium	Medium (5-10 years)	*Contribute to research and social enlightenment, active participation in industry and stakeholder organisations.*
K	**New regulations for forest management and wood as a resource**	Statutes and regulations	*New requirements for the protection and restoration of forest areas, requirements for felling methods etc. affect the raw material market both with regard to volume and cost level.*	▲▲△ **Medium**	Medium	Short/Medium (0-10 years)	*Centralized and competent purchasing organization with a solid market position and presence in a large geographical area.*

Climate-related opportunity areas

Identified opportunities

Climate change and the green transition also mean significant new opportunities for Moelven. Sustainable forestry and the use of wood as a building material are considered important contributors to the green transition. This growing focus increases demand for timber and provides opportunities to expand markets and offer new sustainable products and services. However, quantifying the opportunities is challenging and must be assessed on a case-by-case basis. Overall, it is nevertheless assumed that the opportunities outweight the risks.

#	Opportunity	Type of opportunity	Description of opportunity	Financial impact
A	**Increased energy efficiency in own production**	Resource efficiency	Technology developments make it possible to increase the utilisation of resources in production processes. This applies to both thermal energy and electricity.	*Lower production costs. Income from sale of surplus heat.*
B	**New regulations and improved infrastructure enable increasingly sustainable transport**	Resource efficiency	*Increased opportunities for the use of rail transport and larger lorries with greater transport capacity offer significant potential for improving efficiency, especially in Norway.*	*Reduced costs linked to transport.*
C	**The use of renewable energy for own production**	Renewable energy	*Technology developments make renewable energy more efficient. Statutes and regulations facilitate the use of renewable energy.*	*Lower production costs.*
D	**Increased demand for bioenergy for heating**	Market, products and services	*Increased awareness among consumers about climate footprint for heating.*	*Økt verdi på Moelvens produkter.*
E	**Increased demand for wood-based products and materials**	Market, products and services	*Stricter requirements and expectations for climate-friendly buildings. Increased demand for raw materials that replace fossil fuels (e.g. fuel, plastics, etc.).*	*Increased market share and sale of Moelven's products. Increased income from a broader portfolio.*
F	**Restrictions on imported wood**	Market	*Norwegian authorities implement restrictions on imported wood due to increased risk of the introduction of foreign pests.*	*Less competition from foreign players. Increased market share.*
G	**Increased growth of forests**	Market	*A warmer climate improves the growth conditions for forest in Norway and Sweden.*	*Increased access to raw materials and lower prices.*
H	**Changed raw material quality**	Market	*Increased temperature contributes to better growth conditions for forests, but also changes in quality. Depending on geography and customer segment, this may entail development opportunities.*	*Increased revenues from a more diverse product portfolio and/or greater volume.*
I	**Increased access to expertise and labour**	Reputation	*Increased attractiveness as an industry.*	*Increased competitiveness.*

Environment and climate action throughout the value chain

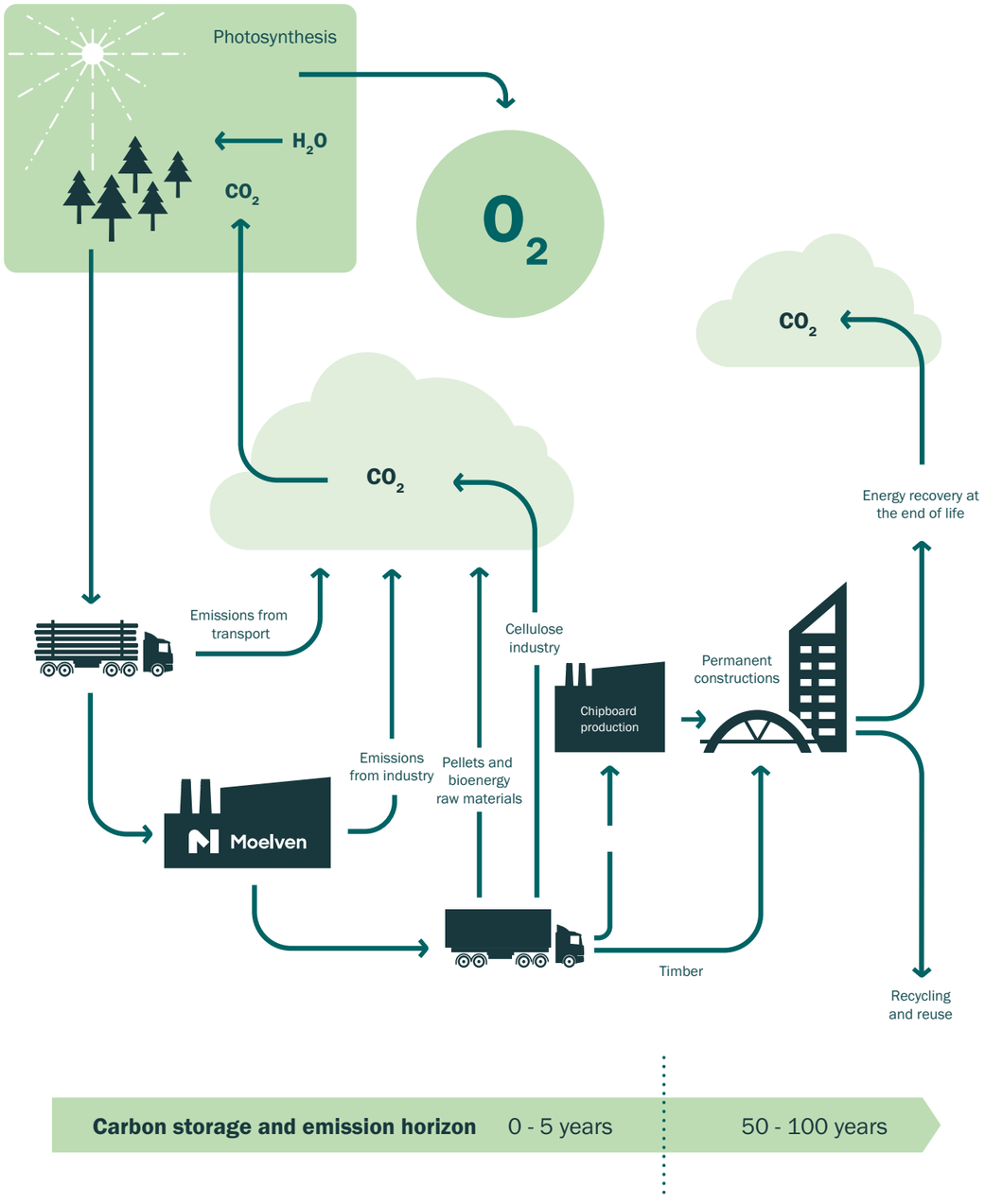
AMBITION

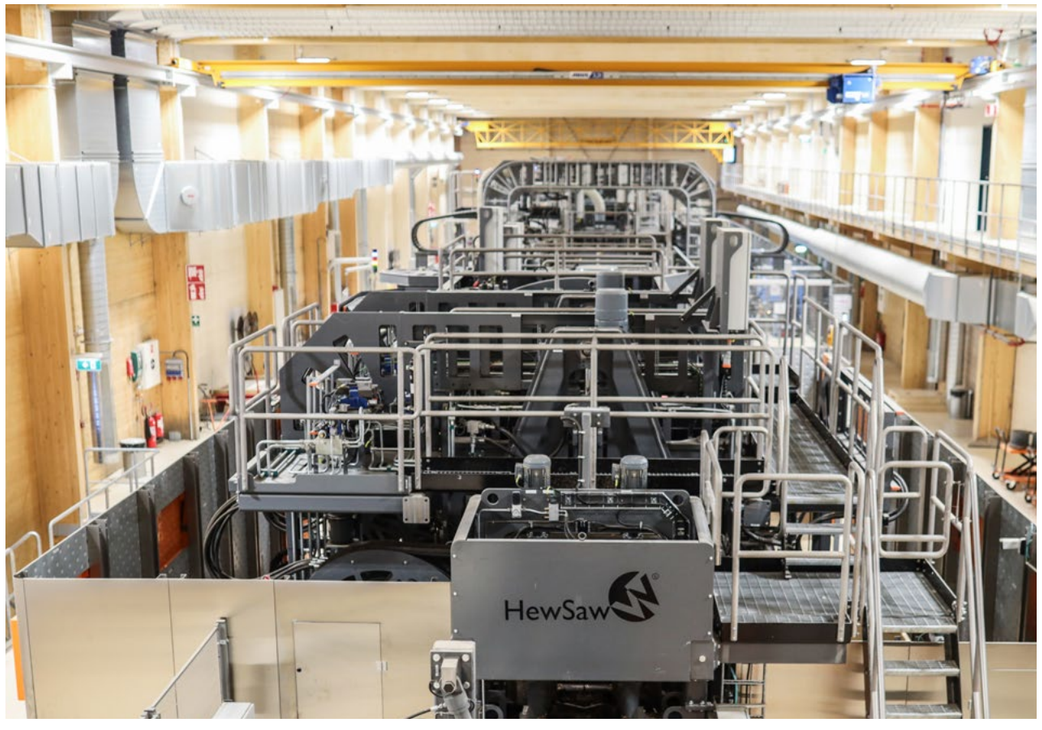
Our activities, products and value chain will make a difference in the effort to find sustainable solutions and stop climate change.

Logistics Director Lasse Skinstad at Moelven Wood AS.

PRIORITY AREA

Environment and climate action throughout the value chain





When Moelven Edanesågen AB invested in a new sawing line, the associated building was constructed using a load-bearing structure made of glued laminated timber and wall/floor elements of solid wood, a total 674 m^3. These materials store biogenic carbon equivalent to around 470 tonnes of CO_2. For context, the World Population Review (www.worldopulationreview.com) has calculated that average CO_2 emissions per capita in Norway and Sweden in 2023 were 7.8 tonnes and 3.4 tonnes respectively.

Carbon storage and bioenergy

Where and why is it important?

A large share of Moelven's products and materials are based on timber as a raw material. Forests are part of the natural carbon cycle. Through photosynthesis, trees absorb large amounts of CO_2 from the atmosphere. Oxygen is released back to the air, while the carbon is stored in the tree until it rots or burns. In this way, forests function as natural carbon sinks. Carbon that is released when raw materials from forests are used as a source of bioenergy is part of the natural, short-term carbon cycle. This means that bioenergy does not contribute "new" CO_2 to the atmosphere in the same way as fossil fuels do, where the carbon was stored for many millions of years before it is released.

Responsible and sustainable forestry ensures access to a renewable and natural raw material that stores CO_2. It also helps to safeguard environmental values and increase the forest's productivity and ability to absorb CO_2. Combined with the planting of new forests, this helps maintain a balance between annual harvesting and growth of new forests.

By optimising the use of raw materials and ensuring that as much timber as possible is processed into products that can be used in long-lived buildings, Moelven contributes to the carbon storage that starts with photosynthesis in the forest and continues long after the tree has been harvested.

Policy and approach

Moelven will work to ensure that all raw materials come from sustainable forestry and use 100 per cent controlled raw materials throughout the value chain.

In Sweden, Moelven Skog AB is responsible for timber purchases, which are made directly from forest owners. Moelven Skog AB is thus one of the companies in the Group with the greatest opportunity to directly influence forestry practices. This is done in co-operation with the forest owners. The shared goal is to optimise the forest's productive capacity over time, while safeguarding environmental values. This provides Moelven with more and better raw materials, the forest owner gets a better return, and the balance between harvesting and forest growth is preserved.

In Norway, Moelven Virke AS is responsible for purchasing timber. In Norway, purchases are mainly made through the forest owners' assiciation. Moelven Virke AS is therefore not directly involved in the felling or management of the forest in the same way as Moelven Skog AB. However, Moelven as a group has a social responsibility and a responsibility to its suppliers to ensure that the products Moelven supplies do not come from controversial sources. Moelven therefore places great emphasis on certification and traceability trhoughout the supply chain.

Evaluation of results

Estimates based on production volumes and Moelven's climate accounting for 2024 show that the products produced by Moelven's timber-consuming units store approximately four times as much CO_2 as the emissions generated by the business. Based on this, it can be said that the value chain as a whole, from the forest to the finished timber, has the potential to reduce the atmospheric CO_2 concentrations when compared to scenarios where forests are left untouched and using other building materials with higher CO_2 emissions from fossil sources. However, it is important to recognise that there are several uncertainties that affect the overall picture. Among other things, it must be assumed that a certain proportion of the products will be burned or processed relatively soon after production so that stored CO_2 is released into the atmosphere. At the same time, there is uncertainty regarding the extent of greenhouse gas emissions from soils after deforestation.

Residual raw materials from both forestry and the timber processing industry represent a valuable resource for bioenergy production. Moelven sells a significant amount of pulpwood, biomass and chip products to the bioenergy industry. In addition, the Group produces a significant amount of thermal bioenergy both for its own consumption and for sale as district heating. Strategic use of bioenergy based on residual raw materials from the timber processing industry to replace fossil energy sources can be an important means of reducing society's overall climate impact.

Description	2024	2023	2022
Total volume of timber consumed (m^3)	4,107,536	4,093,800	4,328,153
Total volume of timber consumed – CO_2 stored (tCO_2e)	2,892,738	2,878,902	3,038,034
Sawn timber and plywood produced (m^3)	2,076,876	2,028,178	2,161,057
Sawn timber and plywood produced – CO_2 stored (tCO_2e)	1,464,004	1,421,181	1,510,706
Biomass, including pellets for external bioenergy - industry (fm^3)	877,936	970,290	1,030,637
Energy content in sold biomass, including pellets (GWh, lower calorific value)	1,774	1,895	2,068
Overall CO_2 emissions (location based) (tCO_2e)	234,250	254,719	255,938
Overall CO_2 emissions (market-based) (tCO_2e)	357,518	356,006	340,318

Moelven Soknabruket AS and Moelven Pellets AS are located at Sokna outside Hønefoss. Sawlogs are the most important input material. It forms the basis for the production of sawn timber, construction timber, exterior wood products, wood pellets and fibre products. When the activity is gathered in one area, with access to railway tracks and a short distance to the nearest port, the conditions are favourable for the efficient manufacture of products that have a long service life in durable structures and continue to store the biogenic carbon contained in the timber. The distribution of bioenergy raw materials in the form of pellets is efficient both because the energy density per load is higher than for wood chips, and because there is a short distance to the harbour where the product is loaded onto a boat for transport to the customer.

CALCULATION BASIS

Calculation basis: Source for calculation of CO_2 is EN16449. Source for density is Bramming et al (2006). Physical and mechanical properties of Norwegian spruce and pine. An activity in the SSFF project. Treteknisk Report 65, 2006.

It is assumed that a cubic metre of spruce sawn timber has a basic density of 363 kg/m^3, and pine has a basic density of 418 kg/m^3. Basic density is dry weight of wet volume (>30% wood moisture). The carbon content is assumed to be 50% of the dry weight. The proportion of spruce and pine is set equal to the production volumes per tree species.

- **Spruce**: 363*0.5*44/12= 665.5 kg CO_2 / m^3 sawlog
- **Pine**: 418*0.5*44/12= 766.3 kg CO_2 / m^3 sawlog

AMBITIONS

- Moelven shall maintain environmental assessments and certifications for its operations and products that meet the applicable legal requirements at all times, as well as widely recognised certification schemes relevant to the markets in which the Group operates.
- Moelven shall use certified raw materials sourced from sustainable forestry. As a minimum, all timber purchased by Moelven must be controlled in accordance with the applicable requirements for controlled timber defined in recognised chain-of-custody standards (PEFC CoC and/or FSC® CoC). The highest possible proportion of purchased timber should be certified under recognised standards for sustainable forestry (PEFC and/or FSC®). At a minimum, this share must cover the need based on the Group's sales of certified finished products.

RESULTS

- 2.9 million tonnes of CO_2 stored in consumed timber.
- 1.5 million tonnes of CO_2 stored in sawn timber and plywood.
- 0.35 million tonnes of CO_2 emissions Scope 1-3 according to the climate accounting, corresponding to 12% of CO_2 stored in manufactured finished goods.

ACTIONS

- Improve reporting routines to reduce uncertainty and increase accuracy in the data basis for calculating greenhouse gas emissions across the value chain.
- Increase focus on direct bio-based emissions.
- Map fhe downstream value chain to improve knowledge of the products' role in the carbon cycle.

What are the cut-down trees used for?

Branches and tops

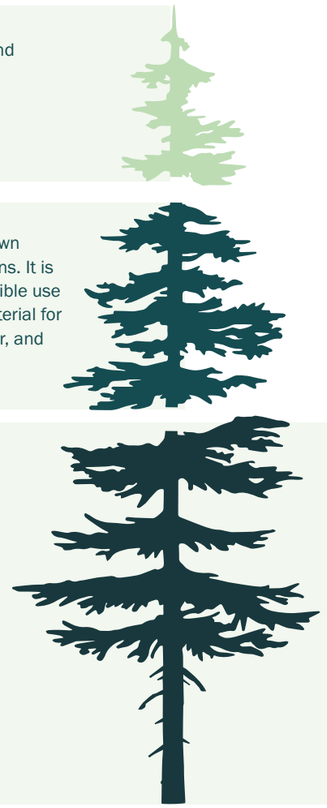
The branches and tops of the tree are used as biofuels and thereby help replace fossil fuels. There is significant potential in this part of the tree as a raw material for bioenergy, but some must also be left in the forest to provide a habitat for various insects, plants, and fungi.

Pulpwood

Pulpwood is the part of the tree that is not suitable for sawn timber, for example due to poor quality or small dimensions. It is therefore sold to companies that can make the best possible use of it. In the processing industry, this can serve as raw material for the production of everything from hygiene products, paper, and cardboard to clothing, cosmetics, food, and animal feed.

Saw timber

Saw timber is the part of the tree suitable for use as raw material in sawmills. The sawmill is the starting point of an industrial value chain, where timber is processed into long-lasting wood products. Typically, just over half of a log is turned into timber. The remainder — bark and fibre materials — is used to produce bioenergy, chipboard, cardboard, paper, and more. In this way, the tree is utilised to its full potential.



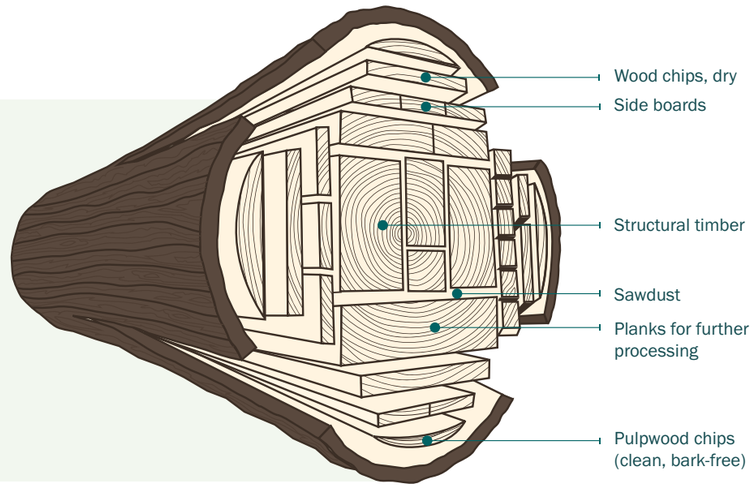
Stumps and roots

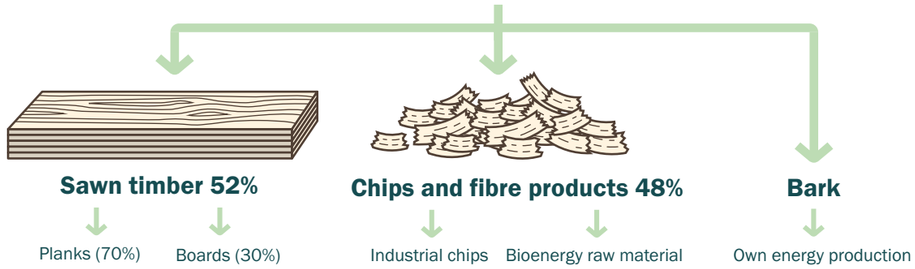
The stumps and roots are mostly left behind in the forest after felling. There, they provide a habitat for numerous insects and fungi, often for several decades. They also help increase the load-bearing capacity of the soil and bind it together.

Moelven's business is based on processing a renewable natural resource, which comes with responsibility. By using timber from sustainable forestry, utilising the different parts of the tree for their most suitable purposes, and ensuring that residual materials are used to produce pellets, cardboard and paper, chipboard, and biofuel, the forest's resources are fully utilised. Sustainable forestry also means replanting new trees after final harvesting. This ensures that future generations can continue to harvest renewable raw materials from the forest.

Substitution effects

Wood-based products have many applications and can often replace products based on fossil fuels or products where the production process results in high emissions of fossil CO_2 . This provides a basis for environmental substitution effects. One where emissions of fossil CO_2 are replaced with biogenic CO_2 that is part of the natural carbon cycle. For example, in the production of bioenergy. Another is when wood is used as a building material and acts as a carbon store throughout the lifespan of the building. Examples of this include load-bearing structures, where glulam can be used instead of steel or concrete structures. Chipboard or veneer panels of various types can replace cement or plasterboard, and wood fibre insulation can replace insulation made from other materials. All materials have properties that make them good first choices under certain conditions. However, it is unrealistic, impractical and unsustainable to use wood for everything; we need to use material combinations that utilise the best properties of the materials. Nevertheless, through good resource management, responsible production and use of wood throughout its lifetime, we can manage to realise much of its substitution potential, and this can help reduce greenhouse gas emissions and keep CO_2 out of the atmosphere.





Do you know the difference between planks and boards?

Planks and boards have different properties. Planks are mainly made from heartwood, which is formed at the centre of the tree trunk and consists of dead cells. Heartwood is typically heavier, harder and more durable. It is therefore well suited as a material for durable buildings and load-bearing structures. Boards are mainly made from sapwood, which is formed at the end of the trunk and was still carrying water and nutrients to the tree when it was felled. Sapwood is often lighter and softer, as well as more prone to rot due to the voids in the cell structure that were used to conduct water and nutrients. It is therefore well suited for impregnation and interior products.

Moelven Byggmodul AB
"The Green Construction Company"

Moelven Byggmodul AB continues to invest in environmental projects - 25 employees were certified as Nordic Swan Ecolabelling coordinators for construction projects according to Nordic Ecolabelling generation 4 in 2024.

The requirements for the Nordic Swan Ecolabel have recently been updated in version 4. The difference between versions 3 and 4 lies mainly in stricter requirements and an increased focus on sustainability. Nordic Swan Ecolabelling version 4 sets higher requirements for climate impact, resource efficiency and circular economy. Requirements for design and construction practices that promote reuse and recycling of materials, reduction of construction waste, etc. are important areas in line with the EU's overall goal of a sustainable future with low carbon emissions.

To remain a reliable partner in environmental projects, Moelven Byggmodul AB has chosen to invest in a company-specific training programme in Nordic Ecolabelling ver. 4. Participants included 25 employees from different parts of the company, such as business development, purchasing and contracting.

Moelven Byggmodul AB is constantly reviewing its standardised product range, and new for 2024 is to go one step further than the Nordic Swan Ecolabel's requirements for sustainably certified wood. After 1 April 2024, 100% of frame and joist timber will always be PEFC certified, as will most of the other wood materials used.

Moelven Byggmodul AS
Housing for Ukraine

Four homeless families in Ukraine are getting new homes, donated by Moelven Byggmodul AS and its partners. A four-family house, consisting of eight modules with a high degree of pre-completion, is manufactured indoors in Moelven Byggmodul AS's factory in Moelv.

The house is being build according to Norwegian technical standards and donated as a pilot project under the "Housing for Ukraine" initiative. The modules are transported to the site in the town of Borodyanka, an hour outside Kyiv. In spring 2025, they will be lifted into place and assembled into a four-family house within just a few days.

By gathering insight and experience from this delivery, Moelven Byggmodul AS aims to supply Ukraine with Norwegian-produced quality wooden modules.

– "This pilot project is necessary to test the value chain end to end - before we scale up to deliver homes on a large scale. The goal is to create a sustainable business model while making a meaningful contribution to Ukraine's redevelopment," says Frode Henning Killi, CEO of Moelven Byggmodul. The modules are constructed from wood, and come with a high degree of completion, including complete bathrooms, kitchen fittings and technical systems. There is minimal waste at the construction site in Borodyanka. Construction waste from the module production is already taken care of and sorted at source in a safe and responsible manner at the factory in Moelv.

Facts about "Housing for Ukraine"»

An initiative created by Moelven Byggmodul AS and their strategic partner Itera ASA. The aim of "Housing for Ukraine" is to address the critical need for housing and the long-term reconstruction of Ukrainian society.

The programme takes a holistic approach to a sustainable housing programme in Ukraine - all the way from letters of intent with Ukrainian financial institutions to the erection of new homes using modular buildings from Moelven Byggmodul AS.

Illustration of a four-family house supplied by Moelven Byggmodul AS. The choice of materials for the houses donated to Ukraine may differ slightly.

Eco-conscious design

Where and why is it important?

Moelven's products have a low climate footprint compared to many competing materials. Products can have a climate impact during production, use and disposal. It is therefore important to assess the entire life cycle of the product.

Certification and traceability are important both as part of quality assurance routines and to provide our customers with sufficient information to make sustainable product and material choices.

The building and construction industry accounts for approximately 40 per cent of global energy use and a similar share of greenhouse gas emissions. Customers and consumers are increasingly concerned about the environmental and climate impact of the products they buy. As the increased use of wood as a material in durable structures contributes to long-term storage of the biogenic carbon in the wood, Moelven can help to make a difference by producing and developing long-lasting products and services that meet market demand.

Policy and approach

Product approvals, certifications and documentation enable customers and consumers to make informed choices and compare different products and materials. In addition to meeting regulatory requirements, Moelven places great emphasis on ensuring that all products have certifications and documentation that meet legal and market requirements and needs. Such documentation also plays a cruical role in efforts to reduce the products' environmental footprint.

Moelven is subject to various national and EU regulations. The most important EU directives that apply to Moelven's products are the "Construction Products Regulation" (CPR), which deals with various CE certifications, "Registration, Evaluation, Authorisation and Restriction of Chemicals" (REACH) and "Biocidal Products Regulations" (BPR).

In the forestry and timber industry, the PEFC and FSC® raw material certification schemes are key certifications that document that the wood material comes from responsible forestry. Chain-of-Custody certifications require traceability throughout the value chain. Read more about these certification schemes on page 60.

Moelven also places great emphasis on documenting the properties of wood as a building material. When wood is used as a building material in permanent structures, the carbon storage is transferred from the forest into the building. Carbon storage lasts as long as the building is standing, and perhaps even longer if the wood products used in the building can be recycled and reused.

Moelven therefore works continuously to reduce its own climate and environmental footprint. Product development and design can make a valuable contribution here. This may involve increasing the service life of the products, improving opportunities for reuse and recycling, better resource utilisation of forestry raw materials, etc.

Industrial construction can significantly streamline construction processes. Through industrial production in controlled environments, it is possible to achieve a lower climate footprint per square metre of finished building than with traditional construction methods. In a controlled environment, it is also easier to ensure quality, better resource utilisation, good waste management, etc. Moelven has concepts for both module-based buildings and building interiors that are largely manufactured in the factory and assembled on site.

Evaluation of results

A large and growing proportion of Moelven's products and materials are certified under various certification schemes.

Loop Wall, which is part of Moelven Modus AS's standard range, is a patented prefabricated wall system designed for reuse. The wall has a wooden core and is developed and manufactured at Moelven's factory in Jessheim. Loop Wall is easy to handle and quick to assemble and reassemble, making it ideal for office buildings.

AMBITIONS

- Our activities, products and value chain will make a difference in the effort to stop climate change.
- Moelven shall ensure environmental assessments and certifications for our operations and products that meet the applicable legal requirements at all times, as well as commonly accepted and recognised certification schemes within the markets in which the Group operates.

RESULTS

- Moelven's spruce and pine products can be sold as certified.
- Moelven's spruce and pine products have an environmental assessment or product certification.
- Moelven's spruce and pine products are covered by EPDs.

ACTION

- Continue mapping and preparing environmental assessments and product certifications across the Group.
- Establish targets to reduce climate footprint at the product level.
- Maintain focus on interior products and the environmental and climate benefits of using wood-based products.
- All chemicals used in Moelven's products must be documented.

Tools for making climate-conscious choices

Do you want to know how the products you buy affect the environment? You can find out if the product has an EPD.

What is an EPD?

An EPD (Environmental Product Declaration) is an environmental declaration that uses objective and standardised methods to show what a product is made of and how it affects the environment throughout its life cycle. The standardised methods ensure that products within the same product category are comparable across regions and countries. This makes it possible to measure the impact of our choices and make climate-conscious decisions. This has never been more important.

We take responsibility

Moelven has worked for many years to map the climate footprint of its product range. Today, more than 50 products have completed this process and received their own verified EPDs. But why are these EPDs important and what information do they provide?

– To meet global climate goals and protect the only planet we have, we need to understand how much and what resources we use. Only then can we make conscious and responsible choices. As a manufacturer, we have a basis for targeted improvements, and customers are given the opportunity to make informed choices when selecting products. An EPD is verified by an independent third party and provides the necessary information. We realised early on both the need and the responsibility to collect this type of data about our products," says Øivind Østby-Berntsen, Environmental Manager at Moelven Wood.

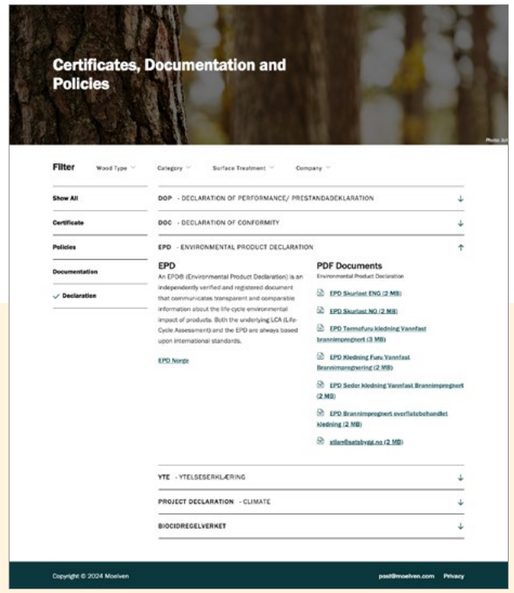
Through EPDs, we can highlight how much of various input factors, whether energy, materials or services, have been used in the various phases of production "from cradle to grave" and what climate and environmental impact this potentially has. In this way, you can, for example, calculate how much CO_2 has been emitted to produce materials for a particular building

In-house EPD generators

Moelven decided early on to use its own data in its EPDs. This meant that it was also natural to develop our own EPD generator. This makes it both faster and easier to generate declarations for new products.

– Using generic data for the various input factors, i.e. data that constitutes average values, is quite common. However, we decided early on that the figures on which our EPDs are based should contain specific data from our activities. Of course, this means some extra work, but it has definitely been worth it. Not only do we know that our figures are accurate, but it also provides a very good starting point for ongoing improvements," says Østby-Berntsen. As of today, Moelven has an EPD generator that is used within the wood processeng part of the group, including glulam.

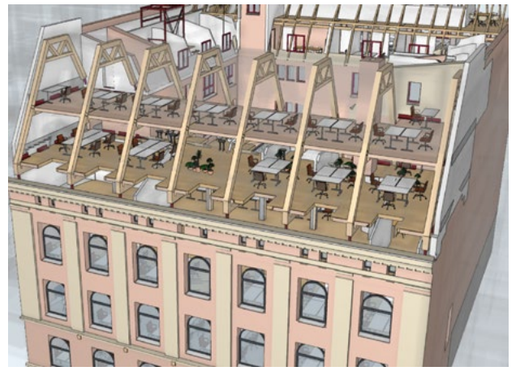
The interior design company Moelven Modus AS has its own EPD generator. These products are composed of several different types of materials, including wood, glass, plaster and metal, and this places different demands on the EPD generator than is the case in the wood processeng part of the Group. The result is nevertheless the same: The EPDs are specific to Moelven's products, they highlight the products' good climate and environmental properties, and they provide a good basis for further improvement work.



CERTIFICATIONS AND APPROVALS

Certification is important both for us at Moelven and for our customers. All of Moelven's EPDs can be found on our website.

See a complete overview of certifications and approvals here.



Project Manager at Moelven Limtre AS, Tore Olsen Haglund, emphasises glulam as a suitable material for vertical extensions due to its low weight relative to its strength. "You save both space and material by utilising existing buildings as a starting point", he says.

An almost 150-year-old building gets two new floors - in laminated timber from Moelven

Moelven Limtre AS is reaching new heights with a two-storey extension to a 19th century brick building. The structure is being built in glulam, which is well suited due to its strength and low weight.

Øvre Vollgate 11 is located in Kvadraturen in central Oslo - a stately five-storey brick building originally constructed in 1875. Now, two additional storeys are being added – using laminated timber from Moelven.

– "Although the project is not large in size, it is an important project on the way to solving major challenges," says Tore Olsen Hagelund, Project Manager at Moelven Limtre AS.

– "By building on top of an existing building, we save both space and materials. At the same time, we contribute to urban densification. Glulam is a good choice here because of its low weight," he says.

Building on what we have

– "Our philosophy is that we shouldn't demolish more than necessary", says project developer Kjetil Melfald Hafredal, who works for Perspektiv AS, which offers project management, development and delivery of sustainable building projects.

He believes it is important to take care of the existing building stock and utilise it in the best possible way.

– Climate change is pushing urbanisation, which means we need to build upwards where possible.

A view from the office

– "There will be a good view from here," says Development Director Fredrik W. Baumann of Anthon Eiendom AS. The extension, with a usable area of 300 square metres, will accommodate around 35 workstations.

– "Glulam is an environmentally friendly alternative as it is renewable and has a low climate footprint," says Baumann.

Magne Bjertnæs, a civil engineer in structural engineering at Sweco, explains that the combination of low weight and strength is crucial when building on old buildings.

– The high precision and high degree of prefabrication mean that large elements can be hoisted and assembled quickly. This is particularly important in dense urban areas where storage space is limited and access by crane can be challenging," he says.

Short-haul advantage

– "This is a unique project. In my ten years as a consulting engineer in construction, I've never worked anything this large being built on top of such an old structure", says Daniel Seides of Stabil AS enthusiastically. He believes that the use of wood will also have a positive effect on the indoor climate of the extension.

– "Wood looks beautiful, and it provides a unique atmosphere, sound and feel," he says.

Hafredal in Perspektiv agrees that glulam is a very interesting material for urban rehabilitation projects, and believes it could be relevant in many such projects in the future.

– The short supply chain makes Moelven a natural partner both for this project and for future ones," he says.

With minimal disruption

The extension is designed as a model, and various parts are prefabricated at the glulam factory in Moelv before being transported to the construction site for assembly.

– This saves us cutting costs and unnecessary transport of materials that are not strictly necessary. In addition, this ensures an efficient assembly where we spend as little time as possible on the streets of Oslo. This means the least possible inconvenience for those around us," says Hagelund at Moelven.

– "My impression is that many developers now want to build in height rather than use new land. I believe we'll see more projects like this in the future, now that we've seen how easily it can be done with glulam," he says.

Transport of goods

Where and why is it important?

Moelven's operations rely heavily on the transport of materials and products, often in large volumes and weights and over long distances. This includes the transport of raw materials to our industrial plants, internal transport within the industrial areas and between the Group's units, as well as the transport of finished products to customers.

Transport is the Group's largest single source of CO_2 emissions and is a very important area both environmentally and financially. Several stakeholder groups are affected by the environmental impact of transport. Such environmental impacts can include greenhouse gas emissions, particulate matter, noise, traffic safety and so on. Efficient and environmentally conscious logistics solutions are a prerequisite for being able to offer customers fast and precise deliveries with as low a climate impact as possible.

Policy and approach

Moelven is working to reduce both environmental footprint and the risk of harm to people and property from its transport activities. The Group's various business areas require different types of transport services, which means that improvement efforts must have different focus areas. A range of internal guidelines govern the purchasing transport services, environmental requirements for the means of transport used, transport activities at Moelven's industrial sites, and safety rules for loading and unloading, etc.

A central transport group has been established to follow up transport activities across the Group. To achieve the long-term goals for CO_2 reduction, Moelven is dependent on cooperation with other players. This cooperation takes place both directly with the transport companies and through initiatives such as the Green Land Transport Programme, in which Moelven is a partner company.

Internal transport

Moelven's products and production structure require significant internal transport within Moelven's industrial areas. Forklifts of various sizes are mainly used for this. This is the largest single source of CO_2 emissions in Scope 1 for the Group. Reducing the volume of internal transport and replacing fossil-fuelled forklifts with electric ones are important improvement measures. However, electrification of internal transport on a large scale requires substantial investment in charging infrastructure and adjustment of production processes to ensure that necessary charging does not impact productivity. When procuring forklifts, electric alternatives must be investigated and considered.

Transport in domestic Scandinavian markets

Moelven buys transport services from several large transport companies, transport partnerships in Norway and truck centres in Sweden. In some cases, the Group is also a part-owner, both on the timber and finished goods side.

Through close cooperation, often as a main customer and sometimes also as a part-owner, Moelven has great influence on how the companies operate. This also includes the development towards more sustainable transport. Moelven works actively with the transport companies to set up transport routes that minimise empty mileage.

An important part of Moelven's business model is the ability to offer a broad product range with short delivery times and high delivery precision. By using modern digital technology for transport planning and coordination, this can be achieved while at the same time optimising fill rates and driving distances, and thus the environmental footprint of the transports.

Political guidelines and infrastructure development are one of the biggest challenges in the green transition for the transport sector. Moelven has not taken a position on technology, and shares the general view in the industry that all technologies are necessary in the green transition.

The lorries that transport goods for Moelven rarely follow fixed routes, which means that a poorly developed infrastructure both hinders efficient transport planning and leads to additional costs from detours to reach necessary filling stations. This is a significant obstacle to increasing the proportion of lorries using alternative fuels.

An important measure for reducing environmental impact is

Driver Leif Glorud, Woodtrans.

the use modular vehicle combinations that can carry a larger payload per trip. Calculations have shown that the number of trips can be reduced by up to 30 per cent by using modular vehicle combinations. However, one challenge with this is that the road network must be approved for the use of modular vehicle combinations, which is a challenge on some road sections within Moelven's distribution network in Norway.

Biofuels/advanced biofuels

Biofuels/advanced biofuels are currently the easiest way to reduce the climate footprint of transport. This can be utilised within existing infrastructure and vehicles can operate on either traditional diesel or advanced biofuel. Biofuel is available as a standalone fuel, HVO100, or as a blend in conventional diesel.

For a long time, Sweden was a frontrunner when it came to blending biofuels into diesel, with a minimum blend ratio of 30.5 per cent in 2023. However, from 2024, the requirement was reduced to 6.0 per cent. In Norway, the blending requirement was 29.5 per cent in 2023 and 31.5 per cent in 2024.

The blending of biofuels has a significant impact on the climate footprint of transport activities. The outcome of political decisions will therefore have a major impact on the climate footprint of Moelven's transport in the years to come.

Timber and chip transport

Timber transport is an important part of the forestry industry, which also has a considerable environmental impact. 74-tonne logging lorries that can significantly reduce the environmental impact by increasing the payload per trip and thus reducing the total number of trips. The prerequisite is that the road network is approved for the use of such vehicles.

Moelven also uses rail and sea transport to secure access to timber and sales opportunities for chip and energy products in regions without local demand. In particular, rail transport is used for the delivering biomass in Norway and Sweden. Rail transport is a cost-effective transport solution that also contributes to reducing the environmental impact of transport when conditions are right.

AMBITIONS

- Increase the use of modular vehicle combinations, rail and sea transport wherever possible.
- When purchasing new equipment for internal transport, electrical alternatives must be investigated and assessed where possible.
- Collaborate with carriers to transition to fossil-free transport.

RESULTS

- The EURO-6 emission standard has been adopted by the transport companies Moelven works with in Scandinavia.
- 2 biogas-powered lorries introduced for goods transport in Sweden.
- 1 biogas-powered lorry introduced in Norway in 2024.
- 1 electric lorry in operation in Norway and 2 in Sweden in 2024
- Increasing share of transport being carried out by modular vehicle combinations in Norway where the road network allows it.
- Increased use of rail transport with a lower climate footprint than road transport.

ACTION

- Group-wide management/collaboration group for logistics optimisation.
- Review of established KPIs, measurement methods for the transport activities focusing on both sustainability and logistics optimisation, along with development of systems for the necessary data collection.
- Continued focus on modular vehicle combinations, 74-tonne timber transports and other vehicle testing projects.
- Mapping of responsible business practices and environmental impact throughout the supply chain.
- Follow-up of the established phasing-in plan for modular vehicle combinations.

HVO 100

HVO is a renewable fuel similar to conventional diesel. HVO stands for Hydrogenated Vegetable Oil, but the term is slightly misleading because the fuel can be produced from both vegetable oils and animal fat derived from slaughterhouse waste. The raw materials are processed with hydrogen gas under high pressure and high temperature to create a synthetic diesel, HVO, which can either be blended with fossil diesel or used in its pure form, HVO100.

LIQUEFIED BIOGAS (LBG)

LBG is biogas in liquid form. Biogas is a 100 per cent renewable energy source produced through the decomposition of organic matter. Several different sources can be the basis for production, such as wastewater treatment plants, landfills and agricultural waste. To liquefy biogas, the gas is cooled to -160 °C, where the condensation of the gas increases the energy density.

GREEN LAND TRANSPORT PROGRAMME

GLP is a public-private partnership aimed at reducing emissions from heavy vehicles by 55 per cent by 2030. Initiative brings together industry players, shares knowledge and, among other things, initiates infrastructure projects for electricity, biogas or hydrogen. GLP has 72 partner companies and 24 member organisations that represent the most important players in the transport and energy sector.

Transport to export markets

Moelven has sales in more than 40 countries outside Scandinavia. To reach these markets, road transport from Moelven's industrial plants is often used. For deliveries to Europe, return capacity with foreign transport companies is generally used. While most transport is carries out by road all the way to the customer, some shipments use combined transport. This means that trailer(s) are loaded onto trains at intermodal terminals and transported by rail for part of the journey, before completing the final leg by road in the destination country. Such transport is both cost-effective and has a smaller environmental footprint. Active efforts are therefore being made to find good alternative solutions for long distances transport, with increased use of rail and/or sea transport.

Moelven is committed to social sustainability in its value chain, and pays close attention to which transport companies are used. Supply chain mapping and due diligence aimed at both working conditions and the environment are important measures in this context. Decent working conditions and the use of modern vehicles are crucial for the drivers themselves, road safety and the environment.

Evaluation of results

The EURO-6 emissions standards have been introduced by the transport companies Moelven works with in Scandinavia. The use of modular vehicle combinations is increasing where the road network allows it. Several road sections were approved for modular vehicle combinations in 2024. Testing of 74-tonne timber lorries and alternative drivetrains in collaboration with hauliers continued.

In 2024, a biogas lorry and an electric lorry were introduced for Moelven's goods transport in Norway. In Sweden, two electric lorries were introduced, used by Moelven and other partners.

Export volumes by sea to markets in Asia and the US were declined during 2024 in favour of increased exports to Europe with shorter transport distances.

Due to the conflict in the Red Sea related to the Houthi rebellion in Yemen, most of the sea freight to Asia in 2024 was rerouted around Africa instead of passing through the Suez Canal. This led to a 16 per cent increase in tonne-kilometres for sea transport to customers.

From 2023, the reporting of inbound goods transport from suppliers was expanded to include several product groups, including transport where the supplier is responsible for the freight. However, the data availability varies significantly, resulting in a high degree of estimation uncertainty. Comparative figures for 2022 were not available, and have therefore not been recalculated.

Freight by boat and rail: The climate footprint of transport is reduced by maximising the use of rail and sea freight. A fully loaded flatbed for carrying timber by boat from Gothenburg to the UK. Such a flatbed carries the equivalent of 2-3 lorry loads. It is also possible to consolidate cargo in cooperation with other operators. The timber thus takes "public transport" to a port in the UK, before being reloaded for last mile distribution to the end customer.

Transport of goods to customers (tkm*)	2024	2023	2022
Road transport	713,829,103	739,989,772	682,517,301
Rail transport	284,629,594	273,970,237	223,782,497
Sea transport	1,657,404,840	2,047,306,411	2,004,454,105

Use of modular vehicle combinations within Wood Norge	2024	2023	2022
Goods transport to customers, tonne-kilometres	89,970,349	89,498,755	85,405,948
Share of modular vehicle combinations, %	12.6 %	13.8 %	6.5 %
Share of modular vehicle combinations, tonne-kilometres	11,295,000	12,375,000	5,566,375
Calculated saved CO_2 emissions when using modular vehicle combinations ($kgCO_2e$)	225,900	247,500	111,328

Transport of timber to Moelven (tkm*)	2024	2023	2022
Road transport	307,657,692	304,051,065	348,891,515
Rail transport	10,052,773	12,281,940	32,448,766
Sea transport	35,436,996	52,508,874	35,885,335

Transport of other goods to Moelven (tkm*)	2024	2023	2022
Road transport	146,270,442	167,491,990	70,082,596
Sea transport	10,714,843	34,745,537	-

Introduction of alternative vehicles	2024	2023	2022
Diesel powered forklifts and log stackers, EURO 6	75	62	59
Diesel powered forklifts and log stackers, EURO 5	168	173	179
Biodiesel powered forklifts and log stackers, EURO 6	9	9	9
Electrical forklifts	170	171	166
Biogas HGVs operating for Moelven	3	2	1
Electric HGVs operating for Moelven	4	1	0

Managing Director of Star Transport Vegard Lundsrud, Logistics Director Moelven Wood Lasse Skinstad and Managing Director of Woodtrans Elling Sveen.

From diesel to electricity and biogas

In 2024, two new environmentally friendly heavy goods vehicles went into service for Moelven Wood Norway: an electric lorry from Star Transport and a biogas-powered lorry from Woodtrans. This marks a milestone in Moelven's sustainability efforts

Goods transport is the largest single source of the company's climate emissions and finding operationally efficient alternatives to fossil fuels is essential for success in reducing the climate footprint. Logistics Director Lasse Skinstad also emphasises the importance of phasing in zero-emission vehicles in a financially sustainable way.

Star Transport, one of Moelven's smallest haulage partners, and Woodtrans, one of the largest, have both invested in new technology. Driver Leif Glorud was sceptical about the biogas lorry, but was pleasantly surprised after test driving it. Biogas technology allows a total weight of 60 tonnes to be driven over long distances without compromising on capacity.

Moelven does not own any vehicles itself and is dependent on cooperation with carriers. To meet its sustainability goals, carriers need good framework conditions and predictability. Elling Sveen, Managing Director of Woodtrans, and Vegard Lundsrud, Managing Director of Star Transport, are both pleased to have a client that supports the use of new technology.

Electric lorries are also in use at Moelven in Sweden. The vehicles are owned and operated by LBC Logistik AB and transport pellets from Moelven Pellets AB's new pellet factory in Karlskoga to Kristinehamn. LBC Logistik AB has also invested in a solar energy system, enabling the lorries to be charged with 100 per cent fossil-free electricity.

Environmental discount at Moelven:
Eco-conscious choice for our customers

For about a year now, Moelven Wood in Norway has offered our trade customers an environmental discount as part of our commitment to sustainability. But what does this discount really mean, and how can it benefit both the environment and our customers?

What is an environmental discount?
An environmental discount is an incentive scheme that rewards customers who choose climate-friendly distribution solutions. For us, it's about reducing environmental impact and promoting responsible business practices.

How does it work?
By ordering modular vehicle combinations directly from us, our customers can receive an environmental discount. This offers several benefits:

- **Fewer lorries on the road:** By consolidating loads so that there are more goods per vehicle, we reduce the number of lorries on the roads by as much as 30%. Fewer lorries on the road means better road safety and less wear and tear on the roads.
- **Lower CO_2 emissions:** Modular vehicle combinations have a significantly lower climate footprint compared to smaller transport units.

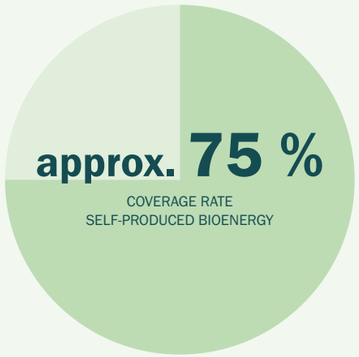
How do our customers qualify for environmental discounts
To be eligible for an environmental discount, customers must meet certain criteria:

- **Full loads of rational goods:** Customers need to order full loads of rational goods directly to a building material store.
- **Approved road network:** The road network must be approved, and the building materials store must have the capacity to receive modular vehicle combinations.
- **Booking requirements:** Customers can choose from a variety of booking combinations that we know will fill the vehicles optimally.

Good for the environment and the customer! Environmental discounts are a smart way to support environmentally conscious choices. By choosing modular vehicle combinations, our customers contribute to a better environment while gaining financial benefits.

It's a win-win situation for everyone.

Energy use in own production



- 14 %
REDUCED FOSSIL ENERGY CONSUMPTION

0.3 %
INCREASED BIOENERGY PRODUCTION

5.3 %
INCREASED ELECTRICITY CONSUMPTION

Where and why is it important?

Moelven's industrial operations require significant amounts of energy. Although around three quarters of the energy demand is met by self-produced bioenergy derived from residual raw materials from the sawmill operations, purchased electricity remains the largest single source of greenhouse gas emissions after transport. Energy consumption in our own production is therefore a major contributor to both operational costs and climate impact, and is therefore significant for Moelven and our stakeholders.

Policy and approach

Moelven works continuously to improve energy efficiency at its facilities. This includes active participation in the technological and market development of the bioenergy sector. In addition, fossil fuels will be replaced with alternative and more environmentally friendly energy sources whenever practical and economically viable.

Moelven's goal is to cover at least 95 per cent of its thermal energy need - for heating buildings and drying timber - through self-produced bioenergy. In-house production only covers thermal energy, and the Group is therefore dependent on purchased electricity for operations that require electrical power.

The woodworking divisions of the Group has the most energy-intensive industrial processes. The primary sources of energy consumptions are electric motors used in sawing and drying processes. Heat for the lumber kilns is supplied by dedicated bioenergy plants. Total energy consumption in these areas is strongly linked to production volumes. Efficiency efforts are aimed at reducing the energy use per unit produced. Since 2022, a strategic investment programme to modernise and improve the energy-efficiency of its kilns has been implemented. This involves replacing the oldest and least energy-efficient concrete kilns with new ones, which through better control and heat recovery provide lower energy consumption per unit produced. At the same time, the overall capacity is improved and enables the planned increase in production volumes. Moelven has been working actively for several years to use modern technology to optimise quality and raw material utilisation, while minimising energy consumption.

The combustion process at the bioenergy plant at Moelven Mjøsbruket AS is monitored using digital systems by Knut Ivar Tofsrud.

Since the legal requirement for energy audits was introduced in Sweden in 2014, two comprehensive audits have been conducted across all of the Group's operations in Sweden. The findings from these audits are applicable to the operations in Norway and serve as the basis for the Group's target of an annual improvement in energy efficiency of 2 per cent.

To drive effective and targeted improvement efforts, an internal project was launched in 2022 to review the Group's overall energy strategy covering procurement/production, consumption, metering and efficiency improvements across all energy categories. The work resulted in a new energy strategy that was adopted in 2023, which considers both the opportunities within in the Group's value chain and the broader energy challenges that society will face in the years to come. In 2024, efforts continued to operationalise the energy strategy, including the launch of pilot projects to test how modern technology can be used for analysis and management to more efficient consumption.

Moelven's goal is to reduce the carbon footprint of its operations in line with the national climate targets in the countries where Moelven has its production facilities. Relevant measures to achieve this often involve switching to electricity as an energy source, and in isolation will thus increase electricity consumption.

Loading of biomass at Moelven Mjøsbruket AS. The biomass mainly consists of the bark from the sawn timber, mixed with other wood chips to achieve the desired moisture content for the combustion process.

Evaluation of results

Total energy consumption increased slightly in 2024 compared to the previous year. This is mainly due to a modest increase in production volume of sawn timber, as well as several major investment projects being in the commissioning phase. The final timber kiln included in the investment programme of approximately NOK 210 million for upgrading to more energy-efficient kilns were commissioned in early 2025. The programme had not progressed far enough to produce a noticeable improvement in energy efficiency in 2024, but results are expected to become apparent during 2025.

Category – Volume (GWh)	2024	2023	2022
Total fossil energy consumption	37	43	47
Total bioenergy production in the Group (lower calorific value)	790	788	836
Lost bioenergy	73	121	122
Total energy consumption, purchased	227	217	224
Purchase of district heating	101	100	93
Total sales of bioenergy	71	67	70
Total energy consumption in the Group (GWh)	**1,010**	**960**	**1,008**
Consumed bioenergy (GWh)	747	700	737

AMBITIONS

- Annual improvement in energy efficiency > 2%.
- 95% of the need for heating of premises and drying covered by self-produced bioenergy.

RESULTS

- Fossil energy consumption reduced by 14 per cent in 2024.
- Bionergy production increased by 0.3 per cent in 2024.
- Electricity consumption increased by 5.3 per cent in 2024.
- Completed investment programme for energy-efficient timber kilns.

ACTION

- Operationalisation of the Group's energy strategy, which includes procurement/production, consumption, measurement and streamlining of all energy categories.
- Implementation of several business-adapted KPIs for mapping energy use and energy efficiency at group, division, company and department level.
- Control system for active energy optimisation of industrial processes.

Production of bioenergy

Where and why is it important?

Bioenergy is energy produced from biomass from biological processes, and is therefore a renewable energy source. Emissions from bioenergy production are considered climate-neutral because the CO_2 released corresponds to what the plants have absorbed from the atmosphere through photosynthesis.

Moelven produces bioenergy in the form of heat, and utilises most of this for drying timber. Some is also sold externally as district heating, and some is used to heat our own premises. Biomass is also sold to external customers, who use it to produce bioenergy, either in the form of heat for their own industry, district heating or electricity. "Bioenergy is an important focus area that makes a positive contribution to efforts to reduce the use of fossil fuels. At the same time, value is created from chip and bark products that would otherwise go to waste. For Moelven, bioenergy is an important area because it contributes to the utilisation of all raw materials, and thus also good financial operations."

Raw material for pellet production at Moelven Pellets AB delivered from Moelven's nearby sawmills.

Policy and approach

The energy potential in the annual production of wood chip and bark products, including cellulose chips, is between 2.5 and 3.0 TWh. This represents a significant energy resource, both for own production and the opportunities for sales in an increased market for bioenergy in general.

In line with the Group's sustainability policy Moelven is committed to actively participating in the technological and market development of the bioenergy sector. At the same time, we will investigate alternative energy solutions at the facilities that use fossil fuels for heating. In the Group's long-term strategy, the goal is an annual improvement in energy efficiency of at least 2 per cent. This applies to electricity and bioenergy.

Description	2024	2023	2022
Energy content in sold biomass, including pellets (GWh, lower calorific value)	1,774	1,895	2,068
Bioenergy produced in Moelven (GWh, lower calorific value)	790	788	836
Consumed bioenergy (GWh)	747	700	737
Bioenergy bought from companies outside the Group (GWh)	101	100	93
Bioenergy sold to companies outside the Group (GWh)	71	67	70

AMBITIONS

- Boilers based on fossil fuels will be phased out whenever possible and replaced with bioenergy plants.
- Increase activity in line with strategy without increasing electricity consumption.
- Annual improvement in energy efficiency > 2%
- 95% of the need for heating of premises and drying covered by self-produced bioenergy.

RESULTS

- 1,774 GWh (lower calorific value) of energy potential in biomass and pellets sold to external bioenergy industry.
- 790 GWh of thermal bioenergy produced in our own bioenergy plants.
- 71 GWh thermal bioenergy sold to external customers
- 74% of total energy demand covered by bioenergy.

ACTION

- Improve measurement and reporting of bioenergy production and consumption.
- Ongoing mapping and preparation of a plan for rationalisation.

Evaluation of results

In 2024, Moelven consumed a total of 747 GWh of thermal bioenergy. Of this, 646 GWh was produced in our own bioenergy plants. The energy is mainly used for drying timber. Moelven also buys some bioenergy from external companies.

In 2024, this totalled 101 GWh. In these cases, the bioenergy is usually produced with biomass from Moelven, but the bioenergy plant is owned by companies outside the Group.

Visual control of the combustion process. The temperature inside the combustion chamber can reach up to 1000 degrees C.

Safeguarding natural resources

AMBITION

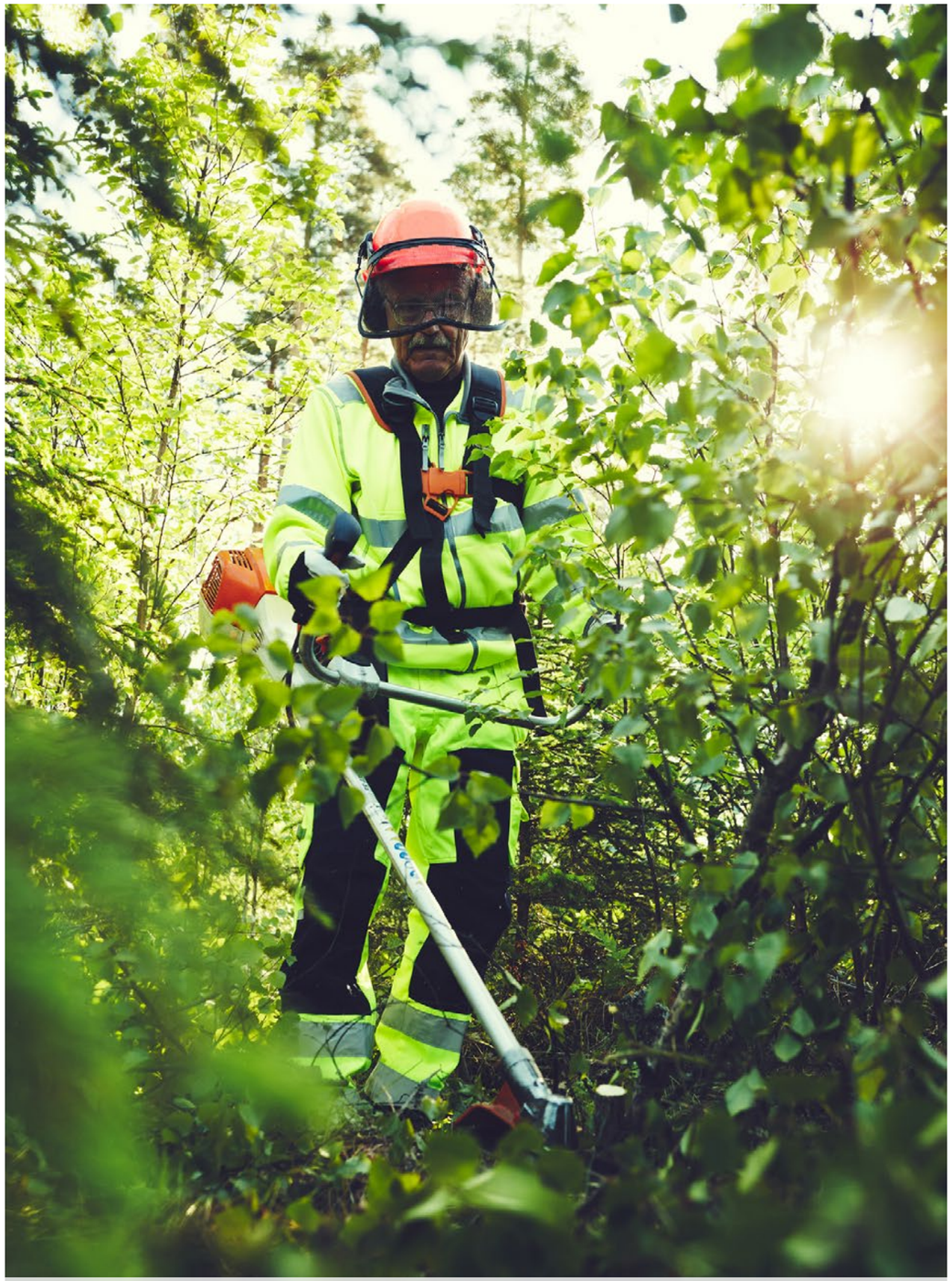
We will use renewable and sustainably managed resources and utilise them in full.

Jonas Karlsson at Moelven Skog AB.

For 125 years, Moelven's basic idea has been the same:
To use the natural resource from the forest to the fullest.

PRIORITY AREA

Safeguarding natural resources



Young forest management is an important part to ensure good production and choice in the future. It involves both leaf clearing and distance regulation. Young forest management is one of the most profitable measures a forest owner can take, as it increases the value of the forest by directing growth towards the best trees and tree species.

Certified and traceable materials

Where and why is it important?

Forests play an important role in the carbon cycle of nature by taking up CO_2 from the atmosphere and storing it into the wood and storing it as biogenic carbon. The forest is also home to a variety of species, including trees, plants, fungi, insects, birds and mammals.

Moelven is a major purchaser of timber and has both a responsibility and an opportunity to contribute to responsible forestry by imposing requirements on the supply chain. Responsible forestry contributes to the forest being managed with regard to the forest's ecological condition and carbon sink, as well as the basis for continued use of the forest. This includes protecting forests and safeguarding environmental values such as biodiversity and conditions for taking part in outdoor activities.

Policy and approach

Knowledge of the origin of the raw materials used in our production is important, both for quality considerations and as a basis for our own control procedures and improvement work. A key element in the Group's sustainability policy is that Moelven will have environmental assessments and certifications in place for its operations and products that meet current legal requirements at all times, along with meeting the requirements of recognised certification schemes within the markets that the Group operates in. Moelven aims to ensure that as much of its purchased timber as possible is certified according to recognized sustainable forestry standards (PEFC and/or FSC®). As a minimum, all timber purchased by Moelven shall be checked in accordance with applicable requirements for controlled wood set by recognised chain of custody standards

Certifications and documentation throughout the value chain

IN THE FOREST

- FSC® FM *(Forest Management)*
- PEFC FM *(Forest Management)*
- EUTR *(EU Timber Regulation)*
- UKTR *(UK Timber Regulation)*

INDUSTRY

- PEFC CoC *(Chain of Custody)*
- FSC® CoC *(Chain of Custody)*
- SBP *(Sustainable Biomass Program)*

PRODUCTS

- Sunda Hus
- CE marking
- Environmental declaration *(EPD and LCA)*
- Hea 02 *(Indoor air quality)*
- Declaration of Performance *(DOP)*
- Building Product Declaration *(BVD)*
- Construction Product Assessmend *(BVB)*
- FSC®
- PEFC
- ENplus®
- BASTA *(Chemical content)*

FINISHED BUILDINGS

- BREEAM
- Nordic swan
- Sunda Hus
- FDV *(Management, operation and maintenance)*

The regulatory and market-driven requirements and expectations for product documentation and certifications are becoming more and more complex. Moelven places great emphasis on providing good and comprehensive information about its products and operations so that our customers can feel confident about the products and services we deliver.

An EPD is one of many different forms of product documentation. The EPD provides detailed information about a product's environmental impact throughout its lifecycle, including CO_2 emissions, energy consumption and material use.

(PEFC CoC and/or FSC® CoC). PEFC and FSC® are international NGOs (non-governmental organisations) that work for responsible forestry and issue certificates to actors who meet the criteria they have defined. The organisation promotes responsible forestry through third-party certification. Common to both standards is a three-stage certification process (see illustration).

All of the companies in the Group's timber processing operations are organised and work to meet the applicable requirements for controlled wood, as well as the traceability standards of PEFC certification (Programme for the Endorsement of Forest Certification) or FSC certification (Forest Stewardship Council). Moelven currently has two multi-site certificates in the PEFC CoC and FSC® CoC schemes. These are traceability certifications that follow the value chain from timber to finished products. This is an important prerequisite to ensure that the finished products do not contain raw materials from controversial sources.

Besides the external audit required to maintain the certifications, Moelven has established an internal group responsible for internal control and internal audit within the traceability area.

In Norway, Moelven utilises the forest owners' associations as a sales channel. In Sweden, purchases are made both from private forest owners and from other companies. The company Moelven Skog AB is responsible for procurement and also performs a number of different services in forestry, including felling. In addition to being included in the traceability certification, the company therefore also has a so-called Forest Management certificate through PEFC.

Certifications as documentation for sustainable materials are becoming increasingly important both in the trade and in the project market, primarily towards the residential and commercial building segment. Various environmental certifications for buildings, such as the Nordic Swan, BREEAM and Green Building Council require the use of certified wood products.

Evaluation of results

100 per cent of all timber purchased by Moelven is checked in accordance with applicable requirements for controlled wood. In Norway, all felling is in practice PEFC CoC certified, and a portion of it is certified twice in accordance with both PEFC CoC and FSC® CoC. The customer must then choose which certification to enter into the account for the given volume. In Sweden, the principles for certified forestry are different to those in Norway. Around 70 per cent of the total forestry land is certified in accordance with PEFC or FSC® and the proportion is increasing every year. Moelven's systems for purchasing timber ensure that it comes from responsible forestry. Moelven also purchases processed wood products that are a part of Moelven's product range. The certification proportion of these products is high and Moelven continuously works to only procure certified products to the greatest possible extent. For those products that are not certified, Moelven works with a DDS system to ensure that the products come from responsible forestry.

AMBITIONS

- Moelven will use renewable and sustainably managed resources and utilise them in full.
- Moelven shall use certified raw materials from sustainable forestry. As a minimum, all timber purchased by Moelven shall be checked in accordance with applicable requirements for controlled wood, established in recognised Chain-of-custody standards (PEFC CoC and/or FSC® CoC).
- Moelven shall have environmental assessments and certifications for its operations and products that meet current legal requirements at all time, along with meeting the requirements of recognised certification schemes within the markets that the Group operates.

RESULTS

- 100% of the timber is checked in accordance with the applicable requirements for controlled wood and a high proportion is PEFC certified or FSC® certified.
- PEFC CoC multisite and FSC CoC multisite certificates renewed in 2023.

ACTION

- Increase the proportion of certified timber from Swedish forests to our Swedish sawmills. Continue checks and increase the proportion of certified retail products.
- Finalise systems and procedures for EUDR compliance from 2026.

CERTIFICATION IN THREE STAGES

Forestry
Forestry is certified in accordance with PEFC sustainable forest management and/or FSC®Forest Management.

Sustainable forestry
The foresty is compliant with the certification standards.

Purchased timber
are controlled and certified.

Certified volumes in and out are handled using either the credit account model, the percentage method or physical separation.

Supply chain
CoC-certification ensures treceability through one or more process steps.

Certified products
are documented to our customers on the invoice and delivery note. Moelven processes raw materials into products as a certified link in the value chain.

Consumer
Customers and end users can apply the certification in marketing or in connection with environmental certification of buildings.

The customer and the end user
receives a valid assurance the origin of the products.

FORESTRY CERTIFICATION | TRACEABILITY CERTIFICATION - CHAIN OF CUSTODY | TRADEMARK LICENSES

In the certification, Moelven operates as a link in the value chain, and the company is thus responsible for ensuring traceability.

Since traceability thorughout the production is not feasible at an individual level, Moelven practises the mass balance principle (credit account) to ensure that all products sold are correctly certified. This means that no larger volume of finished goods can be sold than can be produced based on the purchased quantity of the corresponding raw material.

It is not the supplier as a whole that is certified, but it is specified product groups from the supplier. The certification is checked at invoice level per product line. Moelven's customers can find the certification status of the purchased products on the delivery note and invoice.

EUDR

What is EUDR?

The EUDR is an EU regulation that aims to reduce global deforestation and forest degradation. The regulation requires that certain raw materials and products that are often linked to deforestation must fulfil specific requirements for traceability and due diligence processes in order to be traded within the EU or exported from the EU.

Raw materials covered by the EUDR are soya, oil palm, coffee, cocoa, rubber, cattle (meat) and wood. These raw materials are the start of the value chain, and products originating in these raw material categories are also covered by the regulation.

Moelven's work with EUDR

Moelven has been working on adapting to the EUDR since autumn 2023. The work was intensified in the autumn of 2024 through a working group set up by Group Management. The working group's mandate was to identify and implement routines and technical solutions to ensure that Moelven could comply with EUDR from the turn of the year 2024/2025. This was the original date of entry into force before agreement was reached within the EU in December 2024 to postpone implementation until the turn of the year 2025/2026.

The starting point for the work was mapping physical flows of goods and associated data flows and IT systems. There has been some uncertainty about how the regulation should be practised. Robust solutions have therefore been chosen that enable adaptations to change in requirements from the EU or authorities.

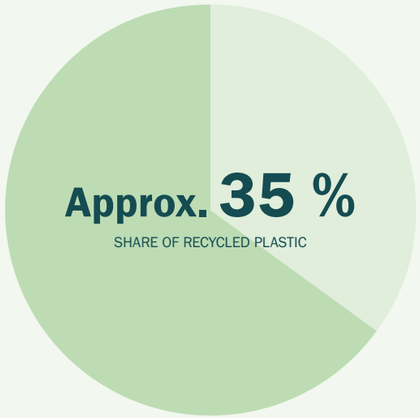
During the first half of 2025, Moelven will contact its suppliers to enquire about the status of their EUDR preparations and whether they can provide an EUDR reference for goods covered by the regulation. In order for goods produced before the turn of the year to be traded within the EU after the EUDR has been introduced, it will be necessary to start exchanging EUDR references well before the turn of the year. If the EUDR reference cannot be obtained and sent with the goods, must the geo-reference all the way back to the raw material outlet be documented and accompany the delivery.

EUDR stands for EU Deforestation Regulation and replaces the EU Timber Regulation, EUTR. When the regulation comes into full force from the end of December 2025, there will be new requirements for traceability and due diligence processes in the value chains of a number of raw materials and products, including wood. Photo: Jesper Anhede

EUDR WEBSIDE

Moelven has set up its own website, www.moelven.com/sustainability/EUDR, , where information about Moelven's work on implementing and complying with the EUDR is published on an ongoing basis.

Resource-efficient design and packaging



1,536
TONNES OF PLASTIC CONSUMED

405
TONNES OF PLASTIC RECOVERED

Where and why is it important?

Moelven's impact on the environment occurs both by actual production and downstream in the value chain through customers' and end users' use and handling of products and packaging. Through resource-efficient design and industrialised production in controlled environments, the use of materials is optimised in combination with optimal waste management - both in the production companies, at the construction sites and during the usage phase.

For practical reasons, many products must be stored or transported outdoors and are thus exposed to the weather and wind. The correct packaging is important in order to preserve quality, although this often presents environmental challenge in the form of waste. Plastic has many good properties as a packaging material. At the same time, long degradation time mean that plastic that goes astray in nature creates problems for flora and fauna and the incineration of plastic results in CO_2 emissions. The use of recycled materials and enabling recycling in the value chain is therefore of great importance.

Moelven Wood's product "Heftig Null Hull", is an exterior cladding without visible fastening. Heftig is Moelven's solution for customers who want a premium product with a solid and durable finish. The cladding is delivered with a finished surface treatment, has a long service life and can be reused, as the fastening is not visible. The picture shows Leif Myrvoll Snilsberg, Moelven Wood AS.

Policy and approach

A key objective for Moelven is to achieve optimal raw material utilisation where the value of the raw material is safeguarded in the best possible way, both in terms of raw material utilisation and value of the products created. The requirements and design of the end products from various processes must also be adapted to the industrial structure, so that production can be as efficient as possible. Packaging and distribution are a natural part of the industry. Unnecessary packaging should be avoided while maintaining the requirements for protection of the products during transport and storage.

Moelven's module concept and system interiors are examples of resource-efficient design. Through serial production with good planning, resource usage is rationalised and waste quantities are reduced, while also making waste management easier. At the construction site, both time consumption and waste volumes are significantly reduced. In addition, the concept provides excellent opportunities for recycling and reuse.

In the Group's timber processing operation, exact cutting contributes to reduced waste quantities for customers. Offcuts that arise in production can be handled efficiently as part of the industrial process and be included as input goods in bioenergy production or other fibre-consuming industry.

In connection with internal transport of goods, every effort is made to ensure that the conditions allow transport to take place without the need for packaging. This contributes both to reducing the amount of waste and costs. At its own production sites, Moelven can also employ a waste management system that ensures the highest possible degree of recycling and reuse. On the other hand, Moelven has little control over the packaging used for products that are distributed to the market. It is therefore important to use as little and as environmentally friendly packaging as possible. The products manufactured in the timber processing industry must in most cases be packed with some form of weather protection. As a rule, direct deliveries from manufacturer to customer with no intermediate storage where the products may be exposed to precipitation, dirt or sunlight are not practical. In order to preserve quality and thus value, packaging is used that fulfils specific requirements for waterproofing, UV protection and tear resistance. The cover plastic that Moelven uses on sawn timber and construction wood is based on 50 per cent consumer recycled plastic. This plastic meets the strict requirements for packaging and is 100 per cent recyclable.

Evaluation of results

The plastic consumption has not changed significantly in 2024 compared to 2023. There are several different projects ongoing both to reduce the need for packaging and to assess alternative materials such as cardboard. However, these have not progressed far enough for any conclusions to be drawn about how plastic consumption will be affected.

"I'm here to protect your Timber products, wood be nice to do it again. Please recycle me."

Uses 50 percent recycled plastic

In collaboration with Swedish Trioworld, Moelven was one of the first players in the industry to switch to plastic packaging made from 50 per cent consumer recycled plastic. This has resulted in a more circular solution, significantly reducing the CO_2 footprint from the packaging. The new plastic is 100 per cent recyclable.

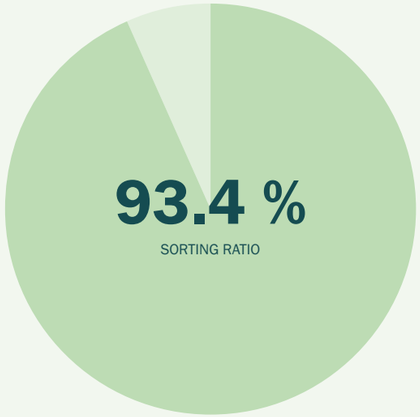
Plastic consumption (tonnes)	2024	2023	2022
Plastic packaging	377	476	534
Recycled plastic packaging	1,084	1,044	1,269
Bioplastic packaging	75	53	0
Polyurethane	0	1	4
Total plastic consumed	**1,536**	**1,574**	**1,807**
Plastic recovered	405	440	418
Cardboard packaging	85	109	130

AMBITIONS
- Product development with a view to reducing climate footprint and resource consumption.
- Raw material utilisation must be optimised, and the re-use and recycling of residual raw materials must be enabled as far as possible.
- Actively strive to minimise the use of plastic and find alternative materials.
- A share of at least 30% recycled plastic.

RESULTS
- 1,536 tonnes of plastic consumed.
- Approxiamtely 35 per cent share of recycled plastic.
- 405 tonnes of plastic recycled.

ACTION
- Development of resource-efficient products and production methods.
- Systematically identify opportunities for waste reduction and alternative packaging materials.
- Collaborate with the value chain on solutions that can reduce packaging consumption.

Waste management



13,697
TONNES OF WASTE IN TOTAL

1,332
TONNES OF HAZARDOUS WASTE

405
TONNES OF WASTE SORTED AS PLASTIC

Waste management	2024	2023	2022
Hazardous waste	1,332	984	725
Other waste	12,365	13,480	15,384
Total volume of waste	**13,697**	**14,464**	**16,109**
Waste sorted as normal wood	3,825	3,706	4,466
Waste sorted as impregnated wood	405	440	418
Waste sorted as plastic	1,012	1,251	1,052
Waste sorted as metal	1,143	1,176	1,204
Waste sorted as plaster	93	0	0
Other waste sorted locally	4,986	5,578	7,143
Mixed industrial waste (not sorted locally)	901	1,329	1,133
Total volume of waste	**13,697**	**14,464**	**16,109**
Sorting rate	93.4,%	90.8,%	92.9,%

Where and why is it important?

Industry, building and construction operations generate large parallell material flows that can be reused, recycled, upcycled or used for energy recovery if they are processed and sorted correctly. Residual raw materials from the Group's timber processing operations, such as chips and fibre products, are resources for which processes have been established to ensure optimal utilisation. Fractions originating from the packaging of purchased goods, auxiliary materials, worn-out tools, equipment, etcetera must be managed in collaboration with external parties.

By sorting as much as possible and facilitating reuse and recycling, Moelven helps create a more sustainable and circular material cycle. A low quantity of waste and a high degree of sorting could be indications of efficient production and reduction of negative environmental impact, which in turn affect the Group's costs and profitability.

Policy and approach

Moelven's sustainability policy includes guidelines and objectives both with regard to measures to prevent waste from occurring and the waste management itself.

- Moelven shall design and develop products that focus on resource optimisation and assess the need for and environmental impact of packaging.
- Moelven shall work actively to reduce waste and has a long-term target of achieving a sorting ratio of a minimum of 90 per cent.
- Moelven shall work actively to minimise the use of plastic and find good and sustainable alternatives.

Complying with all of the laws and regulations that apply to the Group it is a fundamental prerequisite for all operations in Moelven. The sustainability policy, which was last approved by the Group's Board of Directors in January 2025, includes activities and actions that go further than required by the legislation.

The different sites within the Moelven Group are responsible for their own waste management, which has previously performed in collaboration with local waste management companies. Emphasis has been placed on entering into agreements with as few actors as possible to facilitate close cooperation to achieve the most environmentally friendly waste management possible for the entire Group. With joint waste management actors, greater transfer value between the companies and better opportunities for identifying circular solutions internally within the Group is achieved.

Module based environmental station at Moelven Byggmodul AB. Waste management is not just about large volume fractions from industry. Facilitating easy sorting of smaller fractions from office buildings and other areas provides a highly visible signalling effect and enables all employees to actively participate in the work on order and tidiness.

Several of Moelven's locations apply LEAN production methods, which are based on continuous improvement and reduction of waste in the organisation. Unsorted waste is a form of waste and should be kept to a minimum.

Evaluation of results

Good waste management with precise sorting into as many fractions as possible is important both for safety reasons and as a prerequisite for the development towards a more circular economy. The total amount of waste decreased in 2024. This is due to both reduced activity at individual sites and variations as a result of investment activity. Investment activity was high in both 2023 and 2024, but waste from demolition accounted for a larger proportion in 2023. The Group has a target to achieve a sorting ratio of at least 90 per cent and in 2024 the sorting ratio was 93.4 per cent.

AMBITIONS
- Work actively on waste reduction and waste management in accordance with the waste pyramid priorities.
- Sorting and recycling waste to the extent technically possible.

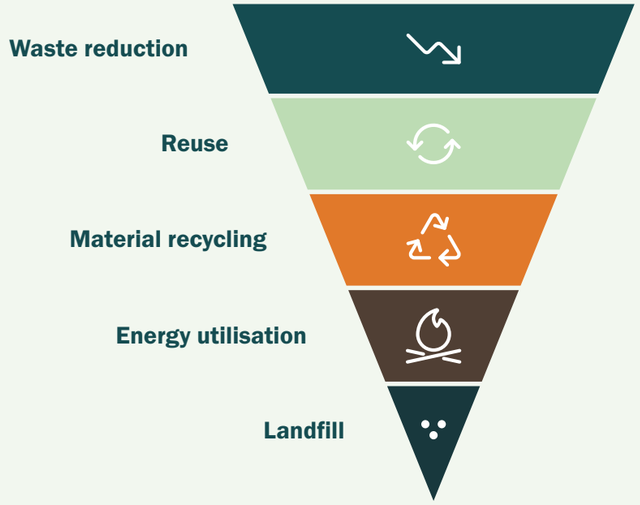
RESULTS
- 13,697 tonnes of waste in total.
- 1,332 tonnes of hazardous waste.
- 405 tonnes of waste sorted as plastic.
- 93.4 per cent sorting ratio.

ACTION
- Continue waste mapping and follow-up KPIs including the calculation of CO_2 emissions from waste.
- Strengthen coordination of waste management further across the entire Group.
- Collaboration in the value chain to reduce the amount of waste and emissions from waste using solutions such as material recycling rather than incineration.
- Continue working to increase the sorting ratio to more than 90 per cent for all companies.

WASTE STATION

The waste station at Moelven Limtre AS is strategically located on the site, well signposted and designed in a way that eases the sorting of waste fractions. By facilitating easy access for forklifts, wheel loaders and other vehicles, it ensures efficient and proper waste management, even for larger fractions. Such established waste stations, where containers are grouped together, make internal logistics more efficient and contribute to greater control over the filling rate of each container. In this way, we also avoid unnecessary transport related to collection and emptying.

Moelven Limtre AS has made continuous efforts to improve and maintain its sorting ratio, which in recent years has been 90 per cent and higher.



THE WASTE PYRAMID

The waste pyramid illustrates priorities in waste management and is anchored in the EU Waste Frameword Directive. The highest prioritised solution is at the top, and the least preferred management is at the bottom. In this context, waste is defined as any substance or object that is discarded or intended to be discarded. Therefore, for Moelven nothing that comes from the timber log is defined as waste. Anything that does not become timber load is residual raw material that is utilised in other ways.

The top part, waste reduction, is in practice not waste management, as it deals with substances and objects before they become waste. Waste reduction involves maintaining, caring for and extending the life of the products you already have, to reduce the amount of waste generated.

Preparing for reuse involves checking, cleaning or repairing products that have become waste so that they can be used again without further processing. What distinguishes preparation for reuse from remanufacturing is that the product has now become waste in the sense of the waste definition.

Material recycling is the processing of waste into new materials through physical or chemical treatment. For example, wood is turned into chips that are used to make particle board.

Energy utilisation means that the waste is incinerated to generate energy. This applies to waste that cannot be reused or recycled, often residual waste and contaminated wood.

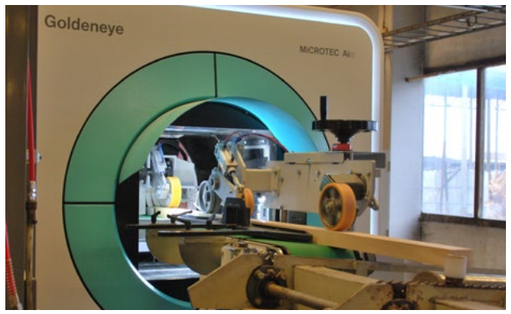
Waste that cannot be reused, recycled or utilised for energy is sent to landfill. For Moelven, ash from bioenergy sites is the most common fraction for landfill.

Resource optimisation

Where and why is it important?

Moelven is a resource-intensive industrial company. For example, the industrial timber processing part of the Group has an annual raw material requirement of approximately 4.5 million cubic metres of saw timber. There is therefore huge potential in resource efficiency and optimisation, even with small minor in production.

Moelven continuously work to optimise the use of resources and on ensuring that no raw materials go to waste. This is an important topic for Moelven, since it particularly affects profitability. The forest is a renewable resource, which means that it must be managed in a sustainable manner. The forest both absorbs and stores CO_2, and it provides a habitat for large parts of the species diversity relying on the ecosystems to be in balance. For both climate and environment, it is therefore important that we avoid wasting one of our most valuable natural resources.



The MICROTEC Goldeneye is the latest investment for Moelven Profil AS. The Goldeneye scanner has 18 different cameras that look for defects in the raw material and decide how the plank should be cut based on the specifications entered into the system. Goldeneye is highly reliable with an excellent ability to detect cracks, twigs, pitch pockets, blue wood and other defects. Workpieces meeting specifications are cut, finger-jointed and turned into wood components for window production, while the residual raw material ends up as bioenergy raw material.

Policy and approach

Moelven is concerned with resource optimisation throughout the value chain. This applies to both the utilisation ratios for material consumption and to process efficiency. Optimisation must start at the time of felling in the forest by ensuring that the felling machines cut the timber into lengths that correspond largely to the length criteria for the products that will later be made from the log.

At the sawmills, the timber logs are analysed to ensure the optimum extraction of materials. The saw is set to ensure that what is put in as a whole log comes out divided into planks, sideboards, chips and fibre products. This results in the highest value utilisation of the raw material. To achieve this, each timber log is analysed with respect to things like size, tapering, twisting and knots. At the most advanced sites, both external 3D scanning and X-ray scanning are used for this. The technology enables full traceability throughout the entire processing chain, from timber log to finished sawn timber.

The use of camera sorting helps to improve resource utilisation. Timber is sorted and, if necessary, cut using a process controlled by a computer that visually assesses each individual piece via the cameras. Experience shows that these systems result in a significantly lower proportion of cuts and layouts than manual sorting.

There are major improvement and development opportunities in advanced data analytics and in leveraging real-time updated operational information. Data analysis is based on historical measurements and results provides a basis for planning improvements. Real-time updated operational information provides process control opportunities that have not previously been available. One of Moelven's priority areas is to visualise real-time production data to the operators involved, giving them the opportunity to improve work processes directly.

The system, which is currently being rolled out, links data from several different systems, including HSE, and allows users themselves to decide how to compile and present the information. This is important as the need for information is varies in different parts of the operation.

AMBITIONS

- We shall utilise the raw material optimally.

RESULTS

- A technical system platform for systematic improvement work and process control has been established.
- Saw yield below target level.

ACTION

- Ensure organisational maturity for digitalisation work methods for digital industrial process control.
- Roll out the technical system platform and work methods for systematic improvement work where the organisational foundation is in place.
- Follow up relevant KPIs for optimising the use of residual raw materials.

HOW A SAWMILL WORKS

Join us on the sustainable journey from seed to finished wood product.
Read more and watch the video.

Evaluation of results

Resource optimisation through saw extraction from the timber log is not only based on maximising the saw yield. An important principle for Moelven is to utilise the entire timber log and maximise the full value of the raw material. Regardless of how the extraction is done, all residual raw material, including chips and bark, must be used internally or sold.

In 2024, saw yield was slightly lower than the target level. One of the main reasons for this is that new investments related to the sawing lines have not been fully utilised.

New technology and skilled employees ensure efficient resource utilisation at Moelven Edanesågen AB

The brand new timber sorting line has up to 3 times the capacity of its predecessor, as well as X-ray scanning and a 3D measuring frame

"This means that we are even better at sawing the timber into what it is best suited for. In this way, we reduce fibre waste and make full use of our natural resources," says Lars-Erik Klas, CEO of Moelven Edanesågen AB.

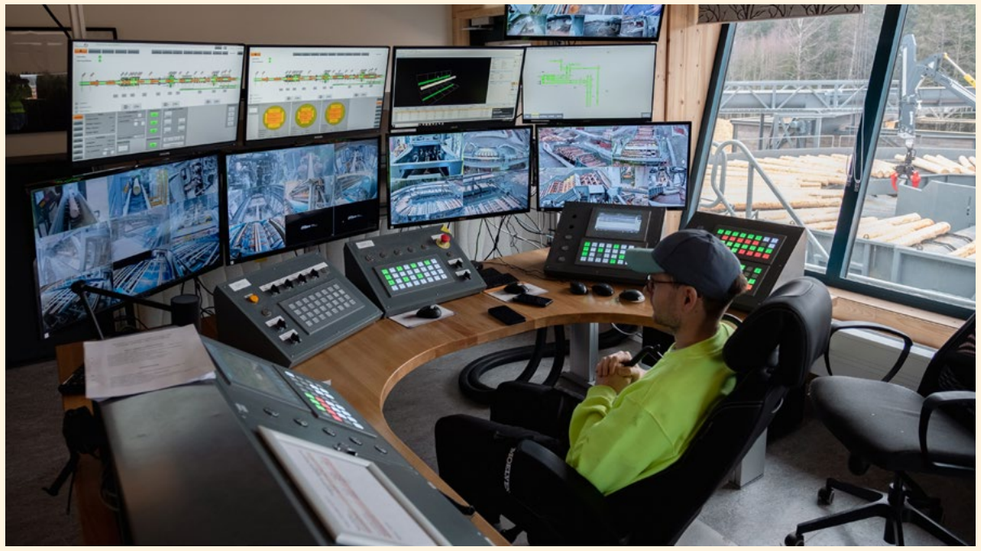
The site is built in the same way as the timber sorting line at Moelven Våler AS and Moelven Soknabruket AS. This is no coincidence.

A collaborative project has been initiated in the Group with the aim to utilise shared expertise to further increase the value of the new investments and utilise X-ray technology and sort the raw material earlier in the production flow.

The new high-tech sawing line with associated optimisation software provides much better conditions for increasing the raw material yield - here we see concrete improvements in the entire production flow with increased resource utilisation.

In the premises where the new sawing line is installed, the air is also recycled, which reduces the total energy requirement.

Out on the timber site, the timber irrigation system has been updated with a climate-controlled management system, which is both energy efficient and better for the environment.



Water consumption

2,163,818 m³
WATER CONSUMPTION 2024

1 904 938 m³
SURFACE WATER CONSUMED

217,416
MUNICIPAL WATER CONSUMED

41,464
GROUNDWATER CONSUMED

Where and why is it important?

Water is a scarce resource in many countries and therefore an important part of our environmental custodianship. In Norway, we are fortunate and nature provides large amounts of water, but we also use large amounts, which places pressure on the water supply. Rising water shortages worldwide mean that there is a focus on water consumption, including in Norway.

At Moelven, the majority of water consumption is linked to the irrigation of timber. The timber is irrigated during the summer season to ensure quality. Without irrigation, the timber is more exposed to drying out, as well as insect and fungal damage. The run-off water from the timber contains substances that have been washed out of the bark and the wood. These substances can be useful for low-nutrient water but are often considered an inconvenience and a contaminant. Historically, sawmills have usually been constructed near rivers and lakes, which could be used both as a transport route and as an energy source. Today, Moelven's sawmills are still located close to watercourses, and have good access to water for irrigation without putting pressure on the public water supply. For Moelven, it is therefore runoff and consideration for the water level in the watercourse during periods of drought constitute the main reasons why this is an important focus area

Policy and approach

Moelven shall:

- Actively work to reduce their local environmental impact by focusing on continuous improvement.
- Not be responsbile for any violation of the Pollution Control Act or similar legislation.

Moelven is subject to requirements from the authorities for regular monitoring and measurement of chemical substances in irrigation runoff. To operate within the constraints of applicable laws and permits, Moelven continuously follows up on this.

Moelven measures its own water consumption, and since 2021, the Group has established Group reporting to be able to follow up on this are even better.

Evaluation of results

Moelven introduced Group reporting on water consumption from 2021. The total water consumption for the Group in 2024 was 2,163,818 cubic metres, a reduction of approximately 20% from the previous year. Since the reporting procedures in this area are relatively new, the figures are still characterised by greater uncertainty than in areas with more established procedures. The water largely comprises surface water from lakes and rivers. Groundwater constitutes approximately 2 per cent and around 20 per cent is municipal water. Bore water and municipal water are mainly used for industrial processes with stricter requirements for water quality than can be achieved by taking water directly from local watercourses. This applies primarily to the drying process, where water is applied to the surface of the wood being dried in order to control of the process. In addition, water from the municipal network is also used for drinking water and other non-industrial processes. Several of Moelven's production sites have automated climate-controlled irrigation. Climate-controlled timber irrigation allows us to use the right water quantity for the climate conditions at all times. This means that irrigation is switched off, for example, if it rains or at night when the humidity is high. This leads to lower water consumption, which contributes to less runoff and washout of various substances from the timber, as well as reduced energy consumption used for the water pumps.

Photo: BlackBoxGuild

Large quantities, small load

Keeping timber moist is important to maintain the quality and durability of the timber. Irrigation helps to prevent cracking and insect infestation, and it helps to maintain the wood's flexibility and strength, which is important for further processing and use. Large quantities of water are used for this. The water used is mainly surface water taken from a nearby water source, usually a river or lake. The public water supply is therefore not loaded, and the water used quickly flows back to the ground. However, the runoff water from the timber contains natural substances that have been washed out of the bark and wood. It is therefore crucial that general environmental regulations and local regulations are followed.

Water consumption	2024	2023	2022
Water consumption - Surface water (rivers and lakes) [m³]	1,904,938	2,666,785	1,668,531
Water consumption - Groundwater [m³]	41,464	30,964	24,969
Water consumption - Mains water [m³]	217,416	259,841	524,485
Total volume of water consumed (1,000 m³)	**2,163,818**	**2,957,590**	**2,217,985**

AMBITIONS

- Monitor our own water consumption and the water consumption in the local environment.
- Acquire knowledge of the correlations between Moelven's operations and the water cycle in the local area.
- Acquire knowledge about where and how water is used in our operations.
- Determine targets relating to our own water management.

RESULTS

- 2,163,818 m³ water consumed in 2024 compared to 2,714,234 the previous year.

MEASURES

- Monitoring water consumption at all production sites.
- Establishing targets for reducing water consumption.
- Evaluation of different water risks at production sites.
- Installation of climate-controlled timber irrigation.

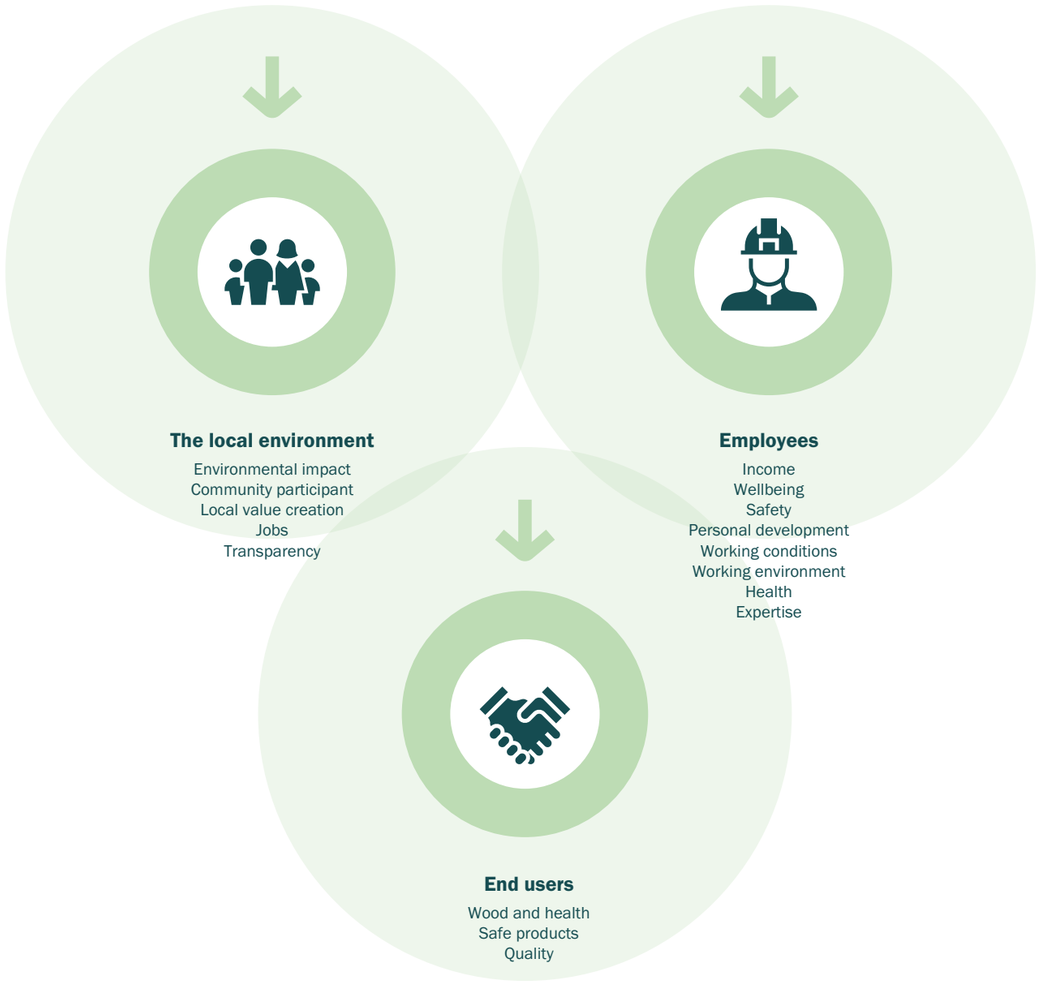
People in focus

AMBITION

We shall be an attractive and safe workplace.

PRIORITY AREA

People in focus



CEO Frode Henning Killi of Moelven Byggmodul AS in conversation with Prime Minister Jonas Gahr Støre. The Prime Minister received information about how the company has halved sickness absence and about the "Housing for Ukraine" project.
Read more about this project on page 41.

Health, environment and safety

Moelven invests in its employees

In recent years, we have worked actively with employee participation and leadership at Moelven. This, combined with intensified systematic work in the HSE area, is the cornerstone for ensuring that all employees return home in one piece. Systematic HSE work creates an improved working environment by ensuring that employees have safe and secure working conditions. Leaders and decision-makers are given more information and knowledge about the work environment and the possible risks, enabling them to make more informed decisions. The focus on employees and leadership contributes to increased job satisfaction, well-being and motivation. Among other things, the results are apparent though lower absence due to illness and increased productivity.

Systematic HSE work is an ongoing work and Moelven will continue to give this top priority going forward. Our people are most important.

Policy and approach

Moelven's overall objective is zero injuries. On the way there, we have established some milestones within four focus areas: LTI1 rate, TRI rate, number of registered incidents and absence due to illness.

The prioritised action plan "HSE towards 2023" brought Moelven a big step forward in the systematic improvement work. The action plan was largely finalised in 2023. At the same time, a new action plan was being developed: "HSE towards 2025". This has been with us through the years up to and including 2024, and a new plan for further HSE initiatives has been drawn up.

Work with fire prevention measures is always central, and this received increased attention in 2024. Moelven is in an industry where fire must be regarded as a real risk. Unfortunately, fires that are allowed to develop can quickly become devastating fires. Improving fire prevention work through both technical and organisational measures will therefore to be central to the programme going forward.

Moelven has chosen to introduce Industrial Safety at all of its sites in both Norway and Sweden, including those that are below the limit in the regulations. In this way, the sites have gained increased breadth of expertise in response and clear requirements for exercises. The Industrial Safety concept will continue to be followed up in the future in order to further develop expertise and in this way build a preparedness and mindset that will protect personnel and assets.

We are also increasing our efforts and focus on improvement efforts and skills development. These are key areas to strengthen and will bring positive changes in our HSE culture.

Reporting hazardous conditions, conversations about serious incidents that have occurred and actions to create a safer working day are areas in which each and every one of our 3,199 employees contributes. The work on active employee participation and active leadership is a major contributor to ensure belonging and the confidence to speak up and care for one's colleagues.

Presence

As mentioned, presence is an important area for Moelven - we want to ensure that we are present at work. After several years of increased absenteeism rates and numbers, improvement efforts will be a major focus area going forward with measures such as:

- Health promotion actions to prevent absence due to illness
- Close follow-up in case of illness
- Tools to facilitate work

The goal is to reduce absence due to illness in the years ahead. Moelven is continuing the good health insurance for its employees, which helps ensure that anyone who needs it can access treatment and return to work more quickly.

We recognise those employees who have made an extra contribution to a good working environment, good safety or health in the workplace by naming HSE heroes. Suggestions for candidates come from all parts of the Group and are one of the ways we take to shine a light on the minor and major actions taken in everyday life.

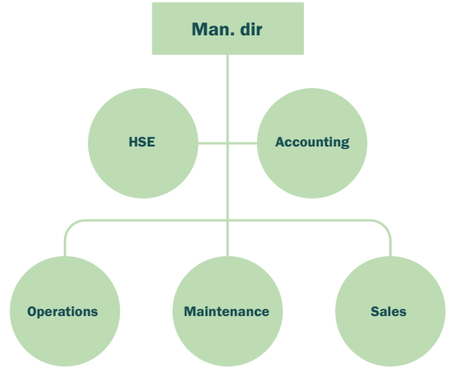
Systematic improvement work

Systematic HSE work is an important element in Moelven's operations. Explicit requirements and guidelines, both generally and at each individual company, are part of this. In our common management system for HSE, quality and the external environment, Landax, leaders can find support for their systematic improvement efforts. Guidelines, requirements and policies in the HSE area are gathered here. In addition, the system is used for work on risk management, irregularities and improvement work.

Moelven strengthens employee knowledge through courses and information on our shared knowledge platform Workplace. Here we focus on sharing knowledge about challenges and good practice across the companies.

HSE is a natural part of the operation in all areas of the Moelven Group. It is the first item on the agenda at the Board meetings, departmental meetings in the companies and in Group Management meetings. In the Safety Committee and Technical Forum for HSE, we work with relevant guidelines and group-wide HSE issues. Moelven participates in various HSE forums together with other industry players in Norway and Sweden. At the same time, we also draw inspiration for our HSE work from other industries. In this way, we share experiences with others and the work to ensure safe and good working environment becomes a joint effort across companies and industries.

The Safety Committee consists of the Group Management, HSE Manager and employee representatives.



The Safety Committee | 5-6 meetings annually

HSE roles at company level | Yearly conference

Krystyna Krzyżanowska was named an HSE hero in April 2024 for her efforts to maintain order and tidiness in the raw material sorting department at Moelven Granvin AS. This has reduced the risk of fire, increased operational safety and reduced the risk of tripping. In addition, she is a very good humourist who contributes to a good atmosphere.

Photo: The nomination was celebrated with a joint lunch and cake. The award was presented by Ørjan Kalsaas, CEO of Moelven Granvin AS.

Jonas Andre Rynning Hansen was named HSE Hero in December 2024 for his commitment to improvement and ability to challenge established ways of working. He is a driving force for order and system and has established a 5S system on tool boards in the planing mill.

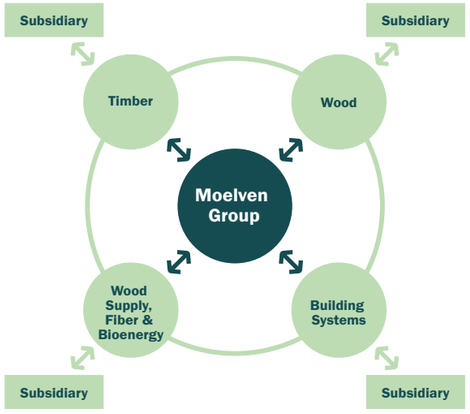
Photo: On behalf of the jury, both gift vouchers and diplomas were presented by Sven Egil Holmsen during a general meeting at Langmoen.

HSE roles

The HSE roles established and formalised at the companies have a dedicated responsibility to work on securing and safeguarding the work. Nevertheless, it is a shared responsibility among all Moelven employees to contribute to the success of our HSE work. We have taken this responsibility through our active leadership and active employee participation.

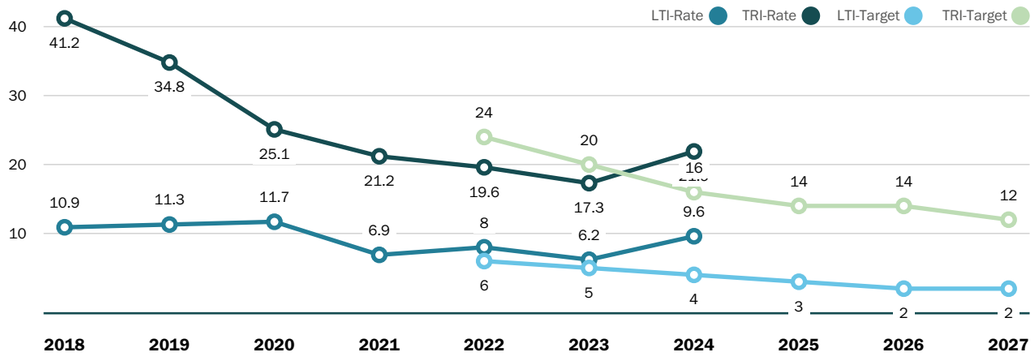
Risk assessments

Risk assessments are the foundation of a safe and secure working environment and set out the premises for need for training, routines, work processes and various safety actions. Strengthened work on risk assessment and risk reduction has therefore been prioritised for a long time. Risks have been mapped and assessed in all departments, with the involvement of employees and safety representatives. The risks are documented and assessed in Landax and actions to reduce or eliminate risk are implemented. This commitment to risk reduction has been clarified through requirements for action plans and new, repeated assessments to ensure that the chosen actions have had the desired effect. All risk assessments classified as red have been reviewed by the individual company board for accountability and prioritisation of actions. The work on risk management is a continuous work that aims to create a safer everyday life for our employees, step by step.



The HSE Technical Forum consists of representatives from all divisions and the HSE Manager. They have weekly coordination meetings and quarterly meetings

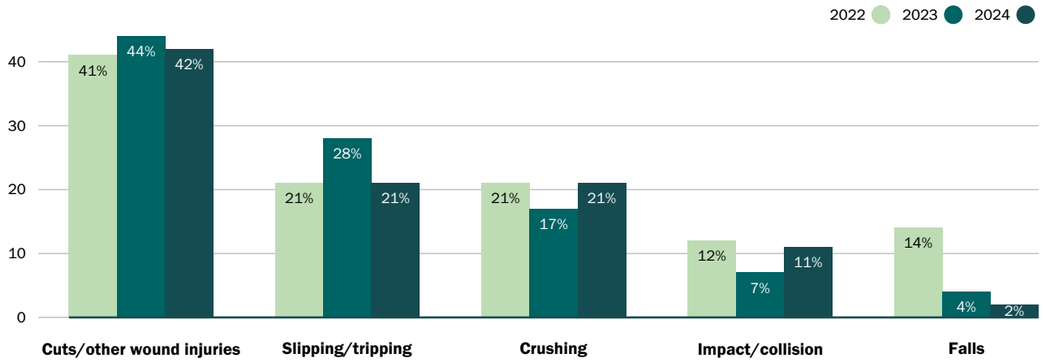
Development in number of injuries, 2018-2024



LTI rate - Lost-time injuries per million hours worked. LTI rate in 2024 was 9.6. The target was <4.

TRI rate - Injuries with and without absence per million hours worked. TRI value in 2024 was 21.9. The target was <16.

Cause of injury 2021-2024



HSE course

Employees in Moelven are given basic knowledge about HSE through in-house courses. The courses are customised to individual roles and set the standard for how we should operate at Moelven. The courses were rolled out in the autumn of 2022 and are taken annually by all employees. This helps to increase knowledge about HSE in general.

Learning through internal audits

In recent years, Moelven's internal auditors have audited several HSE topics such as guidelines, technical equipment and HSE routines. This is part of the continuous improvement work. Internal audits contribute to a better overview of the operations processes and control mechanisms, leading to greater confidence that rules and policies are adhered to. In addition, audits can help to uncover inefficiencies or weaknesses in the operations processes, which companies can then use in their improvement work.

The findings from the audits are also used as input to Moelven's overall improvement work. Good practice and suggestions for solutions are shared across the companies.

Investigation of incidents

Learning across companies and between employees is an important part of ensuring that all employees come home in one piece. Moelven investigates incidents as a tool to examine safety barriers and root causes of serious incidents. Investigation results in a report assessing barriers and proposals for improvement actions for the company in question. We also prepare learning sheets where the incident and preventive measures are described.

The learning sheets are intended to create knowledge about incidents, awareness of risk in one's daily work and specific actions the individual can take to prevent similar incidents from happening at their own site.

The investigation of incidents and preparation of learning sheets is an established methodology for highlighting risks and learning from incidents across the Group.

The companies themselves conduct root cause analyses for all injuries and other circumstances with a high potential for harm. The purpose of root cause analyses is to identify the underlying cause and provide a better basis for addressing the actual cause of an incident.

Evaluation of results

Injury statistics

At Moelven, one injury is always one injury too many. We have a zero vision, and our goal is for everyone to come home in one piece from every working day at Moelven.

In recent years, Moelven has taken major steps forward to ensure a safe and good working environment for its employees. The actions implemented to prevent adverse incidents have been numerous in recent years. Increased focus through knowledge, systematic improvement work and clear requirements have yielded results.

Unfortunately, the number of incidents is higher than our targets. In 2023, the target was to reach LTI <5, while the result was 6.2. For 2024, LTI ended at 9.6, while the target was 4. For TRI, the figures are 17.3 versus 20 for 2023 and 21.9 versus 16 for 2024. This means that we have seen a general increase in the number of reported injuries compared to previous years and that the proportion of these that have led to

absence has also increased. We are working continuously to identify the root causes of this negative change and several actions have been implemented throughout 2024 to reduce the injury rate. We see that rolling LTI rates have improved at the end of 2024 compared to the beginning of the year.

Reporting frequency
In order to reduce the number of injuries, it is crucial that we do something about the hazardous conditions and near accidents that are reported. A high reporting frequency is evidence of risks employees uncover during everyday work. An increase in the reporting of near accidents and hazardous conditions is therefore linked to a reduction in the number of injuries. It is thus important that we motivate reporting and ensure feedback to the reporter. This is done through management courses, training in the use of Landax and structured meeting points in the departments.

Reporting hazardous conditions and near accidents is an important area for Moelven and we have targets for the number of reports. In 2023, the target was 1.2 reports per employee/year. In 2023, Moelven employees submitted 1.3 reports per employee/year.

The target for 2024 was 1.2, and with a result of 1.0, we are unfortunately below the target we have set.

All incidents and hazardous conditions are registered in our common reporting system. Causes, actions and responsibilities are documented and provide a good overview of the types of injuries, severity and possible causes. In 2024, most of our injuries were cuts and wounds caused by various types of small tools. Based on this, we have initiated several targeted actions to make everyday work safer. Analysis of trends in our reporting system allows us to take action in the areas where we see the greatest potential for injury and/or the greatest injury frequency. Our reporting system provides us with a good overview of trends, who is affected, possible causes and injury categories.

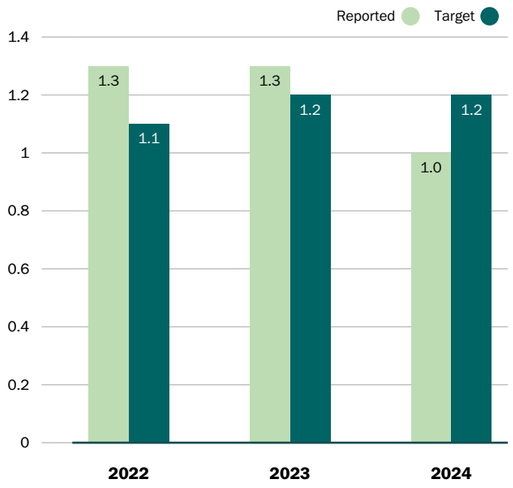
Absence due to illness

Absence due to illness in 2024 was 6.3 per cent, of which 3.2 per cent was long-term absence.

In the work with HSE towards 2025, presence is a focus area where Moelven is working to increase presence. In this regard, we have prepared a toolbox that will help leaders. Absence due to illness is followed up in management meetings, where the focus is on presence and organisational opportunities. We are in the process of introducing a new HR system, where follow-up routines for employees on with absence due to illness will be reviewed and updated in each individual company. Otherwise, each company has worked on presence, opportunities for organisation and courses in mental health. We have also chosen to focus on developing our leaders so that they are better trained to follow up their employees. In 2024, several dozen leaders completed courses in leadership development. The work to reduce absence due to illness is an ongoing effort and will remain in strong focus going forward.

In 2024, an employee survey was conducted at all of Moelven's companies, and actions are being worked on at both the companies and Group level. The results of the survey for the Group show an improvement in several areas.

Reporting frequency per employee



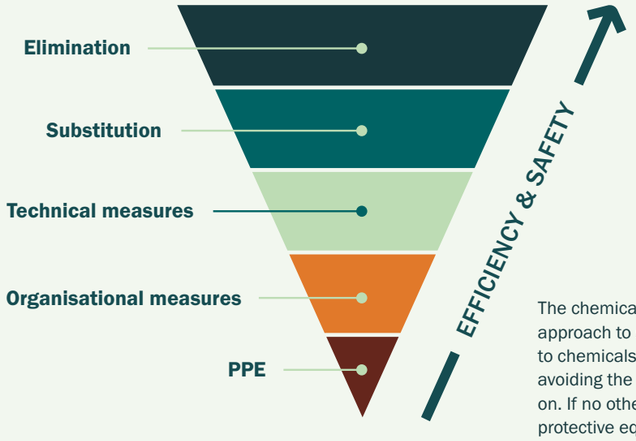
	2021 Realised	2022 Realised	2023 Realised	2024 Realised	2025 Target	2026 Target
LTI rate	6.9	8.0	6.0	9.6	< 4	< 3
TRI rate	21.1	19.6	17.3	21.9	< 16	< 14
Number of registered incidents	2.2	1.3	1.3	1.0	> 1.2	> 1.2
Absence due to illness	5.7 %	6.7 %	6.8 %	6.3 %	< 4.0 %	< 4.0 %

An increase in the reporting of near-accidents and hazardous conditions is linked to a reduction in the number of injuries. It is therefore important that we motivate reporting and ensure feedback to the reporter.

Odd Arne Danielsen, HSE Manager Moelven Industrier ASA

Louise Karlsson
Project manager at Moelven Töreboda AB.

Chemical use



The chemical pyramid provides a structured approach to safety and improvement work related to chemicals. The greatest potential lies in avoiding the use of harmful chemicals - elimination. If no other actions eliminate the risk, personal protective equipment is the last option.

Where and why is it important?

Moelven uses chemicals in its production to increase the lifespan of certain products and materials, to increase the degree of refinement and to simplify further processing and maintenance of the products. Other chemicals, such as lubricants, are used to ensure that machines and equipment function optimally with the least possible wear and tear. Some of the chemicals Moelven uses may have a negative impact on health and the environment through direct contact in the production phase. When handled correctly in accordance with completed risk assessments and applicable instructions for handling, they should not pose any danger. If the products containing chemicals, such as adhesives, impregnation or surface treatment, are used correctly, there should also be no risk associated with the use phase.

This is an important topic for Moelven, since the chemicals can primarily pose a risk if handled incorrectly in the production phase. It is also a topic that many customers and consumers are concerned about. It is therefore important for Moelven to provide open and clear information about the use of these chemicals in order to help ensure the correct use of the products, as well as to gain the trust among end users.

Policy and approach

There are a number of laws and regulations relating to the use of chemicals, whether it concerns handling during the production process or the properties of the finished products. The main EU directives applicable to Moelven's products are:

- CPR - "Construction Products Regulations".
- REACH - "Registration, Evaluation, Authorisation and Restriction of Chemicals" (REACH).
- BPR - "Biocidal Products Regulations".
- CLP - "Classification, Labelling and Packaging"

In both Norway and Sweden, legislation requires companies using chemicals to assess the need for the chemicals used and whether it is possible to replace them with less hazardous substances. In addition, there are several regulations on labelling, storage, etcetra. Moelven continuously works to ensure that relevant regulatory requirements are incorporated into current procedures and that all products Moelven manufactures comply with the requirements of directives, legislation and regulations. The handling of chemicals in the production processes is included as an item in safety rounds, risk reviews and HSE audits at the sites. In addition to regulatory and safety considerations, Moelven has its own objectives regarding to development and improvement work. These are aimed at the following main areas:

- **CLP labelling and safety documentation of all chemicals used.**
- **Competence -**
  Continuous competence development is necessary to ensure that Moelven is not only able to handle and use chemicals correctly, but also to make the right choices with regard to which chemicals are used now and in the future.
- **Prioritising environmentally friendly chemicals**
  When available, environmentally friendly alternatives should be prioritised.
- **Product development**
  During development and innovation environmentally friendly alternatives must be actively sought and investigated.

Evaluation of results

The chemicals and treatment products covered by the sustainability reporting have been selected based on consumption, potential health impact and the stakeholder and materiality analysis. The changes in the amount consumed from 2022 to 2024 are due to variations in production volumes and utilisation rates.

Cu-impregnated products

Cu impregnation contains copper (Cu), an element that occurs naturally in the soil. Copper is a vital trace element for humans, higher animals and many plants. It is copper in contact with oxygen and moisture that gives pressure-impregnated materials their characteristic green colour. In the form of soluble salts, even small quantities of copper acts as a poison to lower organisms such as algae, fungi and bacteria, which means it gives the materials excellent resistance to rot.

Small quantities of the copper salts in pressure-impregnated wood will leach out during use. This will bind to the upper soil layer, where the structure is and will remain there, which makes them largely inaccessible to plants, animals and humans. Surface treatment with a terrace stain or oil will reduce such leaching out.

To ensure human safety in constructions, durability and the environment, Moelven is committed to ensure the proper use of wood in the right place. In this way, this allow the chemicals that are used constantly to be minimised.

Waste Cu-impregnated wood must be delivered to an authorised collection points for treated wood, for example the municipality's environmental station.

AMBITIONS

- Moelven will prioritise health and environmentally friendly chemicals where possible.
- Employees shall not handle chemicals without adequate training and information on safe handling and the procedures applicable in the event of accidents.
- Training in chemical handling must be documented in writing.
- Moelven shall work actively to find environmentally friendly substitutes for substances that can have a negative impact on people and the environment.
- Moelven shall work actively to eliminate products and substances containing CMR substances both in production and trade products.

RESULTS

- The main groups of chemicals are mapped and covered by reporting procedures.
- A chemicals index can be found anywhere that chemicals are handled.

ACTION

- Continuous competence development in terms of both HSE and product/process development.
- Continuous efforts to minimise use and investigate alternatives.
- Continuously quality-assure and, if necessary, update the products' O&M and HSE documentation, and ensure that employees are aware of where these are available.
- Risk assessments for chemical handling and implementation of corrective actions when needed.
- Regular measurements and risk assessments to prevent and mitigate possible negative impacts on people and the environment.
- Continue the work of mapping chemicals in production processes and products.
- Continue the work of following up the internal audits within chemical management.

	2024	2023	2022
Impregnation liquid CU **Impregnation liquid (heavy metal free)** **Area of application:** *Provides resistance to moisture, rot and fungus attacks and increases a product's service life.* **Potential health impacts:** *Moelvens Cu-impregnerte produkter inneholder grunnstoffet kobber (Cu). Utover dette inneholder produktene ikke tungmetaller. I form av løselige salter virker kobber allerede i små mengder som en gift på lavere organismer som alger, sopp og bakterier, noe som gir materialene den meget gode motstandsdyktigheten mot råte. Moelven leverer også noe limtre basert på TMF-impregnerte materialer. Impregneringsvæsken inneholder ikke tungmetaller og består av organisk nedbrytbare antifungicider – soppdrepere. Det er ikke påvist negative helsekonsekvenser ved riktig bruk av de trykkimpregnerte produktene som leveres av Moelven.*	955,503 17,550	842,414 19,000	1,176,288 18,850
Fire impregnation **Area of application:** *Moelven's unique Fireguard impregnation provides resistance and passive protection against fire and is used for both interior and exterior products.* **Potential health impacts:** *The product has been shown to be an environmentally friendly impregnation agent, it meets the requirements of the EU Construction Products Directive and waste can be handled as ordinary treated wood. No hazardous chemicals are emitted during use or in the event of fire.*	200,000	200,000	200,000
Royal impregnation **Area of application:** *Royal impregnated wood is wood that has been treated with a combination of pressure impregnation using water-soluble agents and an oil treatment during which the wood is boiled in oil. This contributes to highquality materials with limited maintenance requirements and a long service life.* **Potential health impacts:** *The "royal treatment" involves drying Cu-impregnated products, and then 'boiling' them in coloured linseed oil. It may therefore contain copper. No adverse impacts on health have been identified in connection with correct use of linseed oil and pressure-impregnated products.*	82,021	62,731	48,433
Paint, primer and stain **Area of application:** *Paint, primer and stain are aesthetically pleasing, provide resistance to moisture, rot and fungus attacks and increase a product's service life.* **Potential health impacts:** *Industrial application of paint, primer and stain is performed more efficiently and in a safer environment compared to painting after installation. This reduces the risk of impact on health, while also ensuring that the handling of spills and waste can be done more effectively.*	972,933	1,190,886	1,233,165
Glue **Area of application:** *Adhesives are used to bind materials in many products, for example glulam. Moelven mainly uses MUF (melamine-urea-formaldehyde) and some PRF (phenol-resorcinol-formaldehyde) in glulam. All glulam is labelled based on the type of glue used.* **Potential health impacts:** *Moelven generally uses glues produced from oil that does not originate from fossil sources and thus has a low environmental impact. Glulam has no health impacts for the user when used properly.*	5,437,709	6,404,249	7,648,269
Lubricating Oil **Lubricating oil – biodegradable** **Area of application:** *A variety of lubricants are used at the production facilities. The most important categories are chain oil, lubricant for saw bands, and saw blades.* **Potential health impacts:** *The lubricants used in production remain only minimally, if at all, in the finished product, and therefore pose no risk during use or waste handling.*	589,124 82,637	541,927 70,524	562,899 71,456
Osmo **Area of application:** *Osmo is a wood treatment product based on natural oil and waxes. The oil penetrates the wood and protects it from within. The wax creates an elastic, microporous surface that protects the wood from external impacts, and the wood thus retains its natural appearance and is protected.* **Potential health impacts:** *There are no known potential health impacts from using Osmo. It consists of sunflower, soya, lentil and thistle oil and is approved for use in contact with food.*	4,090	3,983	5,088

Research on environmentally friendly impregnation at Moelven sawmill:

- Bearing fruit, literally

At Moelven's sawmill in Østerdalen, research is being conducted into the world's most environmentally friendly impregnation method. Researchers are now testing a new type of wood protection using citric acid and sorbitol. Moelven is a project partner and involved in the testing.

A volume product - not a luxury product

- This is bearing fruit," smiles Erik Larnøy, researcher at NIBIO and co-owner of CIOL AS, explaining that both citric acid and sorbitol are found naturally in many fruits, berries and vegetables.

- Everything we use is completely natural, both in production and in the finished product. Other similar products cost a lot, and our goal is for this to be a volume product - not a luxury product.

Larnøy has a dream of actively contributing to finding sustainable and environmentally friendly solutions.

- It is an incredibly good feeling. And I really appreciate that Moelven has the same attitude," he says.

New life in an old site

The researcher has set up his lab in the old impregnation site at Moelven Østerdalsbruket. The site's employees are also contributing to the research project.

- "The people at the site have been incredibly helpful. I come up with problems and they come up with solutions," says Larnøy.

The employees at the Østerdalsbruket production site contribute with welding, tinkering and maintenance. In addition, the sawmill sells and delivers wood products to the project.

- "We are a proud partner in an exciting project that is both innovative and sustainable," smiles Bjørn Vegard Øiungen, CEO of Moelven Østerdalsbruket AS.

The CIOL® impregnation is being tested on both terrace

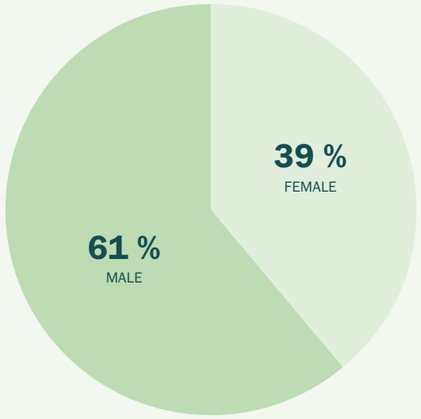
Erik Larnøy.

tables and cladding. If all goes according to plan, this will be ready for the general public within a couple of years.

- "The project is still at an early stage, but we are working closely with CIOL AS and are hopeful about this product. What I do know is that products with CIOL impregnation are in line with Moelven's values and fit well into our portfolio," says Øiungen.

Diversity and gender equality in Moelven

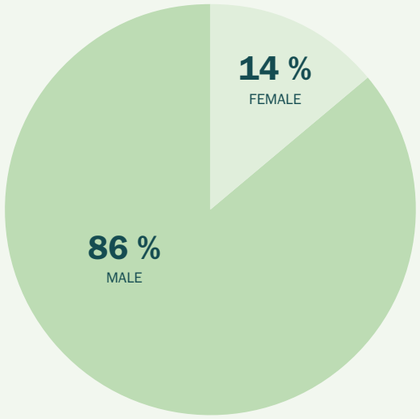
MOELVEN INDUSTRIER ASA



82

TOTAL NUMBER OF EMPLOYEES

THE GROUP



3,459

TOTAL NUMBER OF EMPLOYEES

At Moelven, we work to build a culture that promotes diversity through inclusion, with an extra focus on equality.

One of the objectives for our future development is to increase the proportion of women in management positions. To achieve this target, we must look beyond the most obvious - the recruitment process itself - and consider how we can ensure that our industry is attractive to women with the right competence. The proportion of women in the Moelven Group is 14 per cent. However, in the 2024 cohort of trainees, as many as 65 per cent are women.

- "We work actively to be an attractive workplace for the entire population. It is incredibly exciting that so many women want to be trainees with us. It indicates that we have succeeded in something," says HR Director Yngve Andreassen.

In accordance with Moelven's Code of Conduct, we shall have an inclusive work culture and actively work to ensure a good working environment characterised by equality and diversity. Our culture and the anchoring of this work are essential to our success. Moelven do not accept any form of harassment or discrimination based on gender, race, religion, age, disability, sexual orientation, political conviction, national or ethnic origin or other factors. This has been the approach at Moelven for several years and guidelines and internal control procedures have been established to ensure compliance.

One of action we have implemented is to introduce a requirement for an anonymous employee survey to be conducted in all Group companies every year. We have also introduced whistleblowing procedures that enable all employees to report breaches of laws, regulations or internal Group guidelines, as well as other reprehensible matters, anonymously. The employee survey was conducted for the fourth time at all sites in the Group in autumn 2024.

The employee survey is part of the Group's HR strategy and strengthens the mapping of misconduct and employees' opportunities to speak up if they are subject to harassment. Data from the survey is analysed and forms an important basis for risk assessments and planning of continued work to ensure equality and anti-discrimination.

Legislation in Norway and Sweden requires companies of a certain size to conduct salary surveys focusing on salary differences between genders for equal work. These surveys are conducted for the sites covered by the regulations and are published in the companies' annual reports. The tables on the next page show the results of the survey conducted in 2024 for the Group's parent company, Moelven Industrier ASA.

Gender representation in the company	Female			Male			Total		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
Members of the Board of Directors	2	2	2	5	5	5	7	7	7
Employees	32	29	31	50	49	44	82	78	75
Temporary employees	3	2	3	3	2	6	6	4	9
Part-time employees	2	2	2	3	4	4	5	6	6
Percentage	39.0 %	37.2 %	41.3 %	61.0 %	62.8 %	58.7 %	100 %	100 %	100 %
Absence due to illness	9.96 %	3.05 %	3.13 %	1.48 %	1.78 %	0.79 %	4.8 %	2.8 %	3.8 %
Absence due to children's illness (days)	4	18	5	14	11	18	18	29	23
Parental leave (days)	179	203	246	227	308	87	406	511	333

Women's pay as a proportion of men's pay (by role level)	2024	2023	2022
1 - Group Executive Board	1)	1)	1)
2 - CEO staff/support	2)	2)	2)
3 - Middle managers with HR responsibility	2)	2)	2)
4 - Middle managers with professional responsibility	109 %	105 %	92 %
5 - Salaried employees	91 %	89 %	2)
6 - Operations	98 %	96 %	2)
7 - Trainees/apprentices	100 %	107 %	106 %

1) Ref. the Group's annual report note 26.3
2) Information is not disclosed for privacy reasons

The salary differences revealed by the survey are consistent with what must be expected considering differences in professional fields and education levels within each role category.

Percentage of women by role level	2024	2023	2022
1 - Group Executive Board	33 %	33 %	33 %
2 - CEO staff/support	0 %	0 %	0 %
3 - Middle managers with HR responsibility	33 %	33 %	20 %
4 - Middle managers with professional responsibility	38 %	35 %	48 %
5 - Salaried employees	53 %	62 %	50 %
6 - Operations	38 %	33 %	80 %
7 - Trainees/apprentices	50 %	50 %	29 %

Training in difficult conversations as part of Moelven's basic leadership module.
Actor Christian Magdu (right) challenges Eystein Sandvik, regional manager at Moelven Modus AS.

You need to train to be a good leader

Throughout 2023 and 2024, many leaders at Moelven have participated in important training in their leadership role through our basic leadership module. Through three two-day sessions, work in learning groups and the involvement of own employees in development, the basic module has a Scope of 80-100 hours for the participants.

When we meet, it is to train - because the time we have together is valuable. To acheive an effect from the actions, learning groups are organised in all modules for work and training between sessions, and our own leaders and employees are integrated as part of the development. At the last session, we bring in actors to practise difficult conversations and meeting situations. You need to train to become a good leader.

The leadership development programme follows some important principles. All content is owned by Moelven, although external partners have contributed supplementary expertise in development and capacity in implementation.

The leader's superior follows a separate module where the focus is on how to assist the leader in setting relevant goals and how to follow up along the way. Focus is on coaching leadership and how to challenge and support by asking forceful questions.

Almost 300 leaders have participated in the Leadership Communication module. This is a digital module based on podcast episodes, meetings with learning partners and digital training meetings. Leaders and professional advisers who train their communication skills are impotant for active employee participation where access to information and open conversations are good.

The goal of leadership in Moelven is to activate our employees. Moelven's active employee participation is about how everyone takes responsibility, contributes with commitment and develops themselves and the company.

Active employee participation is how we at Moelven bring our values to life. The values are lived in all the small and big choices each and every Moelven employee makes every day. In Moelven, it is the people who make the difference. That is why we practice active leadership that can activate our employees participation.

65% of trainees are women

Moelven has been working for some time to look beyond the obvious - the recruitment process itself - when it comes to raising the proportion of women in the Group and thinking about how to make our industry attractive to women with the right competence.

In the 2024 cohort of Moelven's trainees, it is therefore delightful to see that 65 per cent of the 17 trainees are women. In addition, the 24 trainees have a wide range of educational backgrounds, which contributes to variation in diversity through backgrounds, culture, assessment and interpretation.

– The proportion of women we have today is a result of history. The proportion we will have in the future is the result of the choices we make. It is incredibly exciting that so many women want to be trainees with us. It indicates that we have succeeded in something

Yngve Andreassen, HR Director

Collaborative partner to SOS Children's Villages

Moelven has collaborated with SOS Children's Villages since 2021 and has been a Nordic partner.

For the past 4 years, Moelven has collaborated with SOS Children's Villages in Norway and Sweden, supporting them with NOK 500,000 annually. We also donated an extra NOK 1 million to SOS Children's Villages when the war in Ukraine started in 2022.

- SOS Children's Villages looks after the weakest groups in society. It is very meaningful to contribute to their important work - in everything from conflict areas to developing sustainable communities around the world," says Magne Vikøren, Communications Director at Moelven.

Moelven has previously supported Save the Children for a 5-year period, and from 2025 the 4-year partnership with SOS Children's Villages will end.

- There are challenging times in our industry. Our charitable efforts must come from a profit, and therefore we must prioritise differently for 2025. Our goal is to resume a major collaboration with a non-profitable organisation again as soon as possible," says Vikøren.

Local values

AMBITION

We will contribute to local value creation.

Moelven Valåsen AB.

8 DECENT WORK AND ECONOMIC GROWTH

PRIORITY AREA

Local values

Continuous improvements and collaborations with the local community to reduce Moelven's local environmental footprint.

Safe and secure jobs and the payment of taxes and fees contribute to the welfare society.

Reliable, transparent and ethical development and operation of Moelven's activities contributes to economic growth with ripple effects in the local community.

Moelven is a significant contributor to many of the local communities where the Group operates. How the Group's operations are run and developed has direct ripple effects in the local community, in the form of jobs, municipal revenues and employment for other businesses. At the same time, Moelven is dependent on good relations with the local community in order to attract the right people so that the Group can develop and grow with the opportunities. Photo: Johan Alp

Inga Helene Simensen and Anette Mostuen Wiken, Moelven Byggmodul AS.

A reliable partner

Where and why is it important?

"We deliver" is one of our core values. By this, we refer to that Moelven is reliable, and we keep our promises. In order to be able to live up to our mission - Moelven harvests raw materials from the forest and creates products and solutions that the world needs - we rely on the outside world's trust in us as a responsible and reliable actor in society and business. We build trust through cooperation and transparent communication with everyone around us. This also forms the basis for both our sustainability work and our communication about how we affect the outside world.

Moelven considers ethical business operations, anti-corruption work and compliance with competition legislation to be important parts of the work to achieve long-term sustainable development. This minimises the risk of ending up in a situation that have a negative impact on our reputation or finances.

Policy and approach

The Group's Board of Directors has considered and approved policies within the following areas as relevant to this topic:

- Code of Conduct including routines for whistleblowing
- Compliance with competition legislation
- Sustainability

Anti-corruption and ethics are a key components of Moelven's corporate strategy. A good and reliable reputation is essential for our business operations and shall ensure credibility towards our customers, suppliers, lenders and other stakeholders. It shall also help to ensure that we are perceived as an attractive employer.

Moelven distances itself from all forms of corruption and improper actions that impede free competition and market balance. In the Group's business operations, a healthy, ethical and moral profile shall always be maintained in relation to employees, customers, suppliers and other business associates. This means, among other things, that employees must neither accept nor offer bribes or other benefits for business or personal gain.

The Code of Conduct, the Code of Conduct for Suppliers, and Moelven's attitude towards competition law have been communicated to company executives, the sales and marketing organisation and finance managers in physical meetings and have also been communicated among other employees.

Another important area that must be safeguarded in order for us to be a reliable partner is the processing of personal data. All stakeholders shall be confident that Moelven processes personal data in a responsible and secure manner. Moelven therefore has internal policies and routines relating to privacy to ensure compliance with the requirements of the GDPR requirements (General Data Protection Regulation). These are reviewed annually in accordance with applicable regulations.

In the Group's operations, there shall be no discrimination based on gender, ethnic origin, language, sexual orientation, religion or philosophy. Job descriptions, area of responsibility, expertise and work effort form the basis for determining salaries, promotion and recruitment. Moelven shall also adapt conditions for people with reduced functional abilities.

Moelven has policies and routines for whistleblowing on matters worthy of criticism. Moelven wants to make it clear to all employees that the Group has a corporate culture based on transparency. There shall be acceptance for raising concerns and unacceptable conditions, and they shall be discussed and resolved. The policies also provide the right to anonymity, and the routines describes how to report if the whistleblower wishes to remain anonymous.

Evaluation of results

No need has been identified to implement special actions to ensure compliance with the legislation and Moelven's own policies, beyond established procedures and the ongoing work on Active Employee Participation and Active Leadership. Cases reported through Moelven's employee survey or the Group's whistleblowing channel are dealt with in accordance with established procedures and policies.

CODE OF CONDUCT

Moelven's Code of Conduct can be found by scanning the QR code, or by visiting our website: www.moelven.no/etikk

CODE OF CONDUCT FOR SUPPLIERS

Moelven's Code of Conduct for Suppliers can be found by scanning the QR code, or by visiting our website: www.moelven.no/etikkforleverandorer

AMBITIONS

- Compliance with the UN Declaration of Human Rights and Moelven's Code of Conduct throughout the entire value chain.
- No instances of discrimination or abusive treatment of employees.
- No instances of corruption or price fixing.

RESULTS

- No reported violations of the UN Declaration of Human Rights and Moelven's Code of Conduct.
- Cases reported through Moelven's employee survey or the Group's whistleblowing channel are processed in accordance with established procedures and policies.

ACTION

- Continuous monitoring of compliance with the Group's Anti-Corruption Policy and Code of Conduct.
- Regular delivery of training programmes in competition law.
- Implementation of checks of the supply chain's compliance with the UN Declaration of Human Rights and Moelven's Code of Conduct.

Human rights:

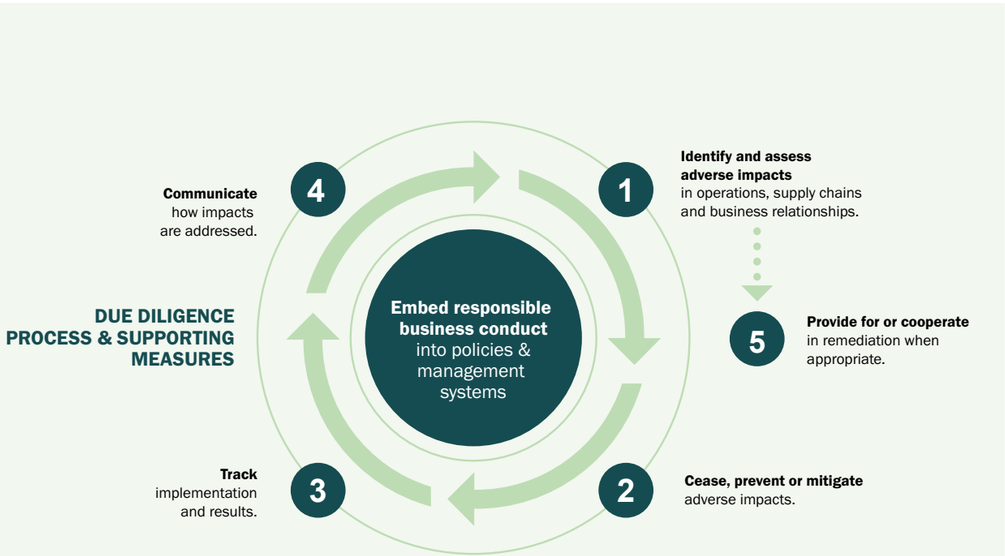
The Transparency Act and responsible business operations in the supply chain

Moelven's core values and Code of Conduct

The Transparency Act, which entered into force in Norway on 1 July 2022, requires businesses to identify risks of breaches of fundamental human rights and decent working conditions in their supply chains. Moelven does not accept conditions at suppliers' or customers' operations that involve such breaches or other unethical conditions. Moelven bases its work for accountability and transparency in the supply chain on the OECD's Due Diligence Guidance for Responsible Business Conduct.

Centrally, routines and tools are provided to compliance the requirements of the Transparency Act also for those suppliers who are not already covered by existing control routines.

Project manager at Moelven Limtre AS, Tore Olsen Hagelund, and product manager at Moelven Wood Prosjekt AS, Winfried Schaal.



THE TRANSPARENCY ACT

Moelven's statements in accordance with the Transparency Act can be found by scanning the QR code, or by visiting our website:
www.moelven.no/apenhetsloven

GDPR

Moelven has shared procedures concerning the processing of personal data. The procedures apply to all employees and others who perform work or services for Moelven. Anyone who is employed or handles personal data at Moelven has an individual responsibility and obligation to ensure that the information is processed in accordance with applicable procedures and regulations.

The regulations are relatively comprehensive, so guides have been prepared for selected areas. Data protection officers have also been appointed at Group, divisional and company level, as well as a Group-level expert privacy group.

More information is available by scanning the QR code.

WHISTLEBLOWING

The main rule at Moelven is to raise issues that are considered worthy of criticism with regard to the person concerned. If this is unsuccessful, or if for some other reason believe that the issues need to be raised with someone who can do something about the situation, the Group's whistleblowing procedure should be followed.

You are always entitled to notify the authorities, although in most cases it is desirable to raise the issue internally first. Any concerns can also be raised directly with the Group's varsling@moelven.com, via e-mail to varsling@moelven.com, via whistleblowing.moelven.com or by scanning the QR code.

Local environment

Where and why is it important?

Moelven has just under 30 incineration plants that produce thermal bioenergy, both for its own industrial production and for resale to external customers. Energy produced by burning bark and chips is defined as conditionally renewable energy, because it is part of a far more short-term carbon cycle than energy from fossil energy sources. Moelven covers more than three quarters of the energy needs of its industrial operations using self-produced, renewable energy. This, in combination with the natural binding of carbon in the products, is the main reason for both the Group's efficient utilisation of raw materials and the climate benefits of using wood as a construction material. Bioenergy production nevertheless has an impact on the local environment, including emissions of particulate matter, NOx and CO_2.

Moelven also affects the local environment through, for example goods transport to and from our production sites, and noise from the sites. In addition, significant amounts of water are used for irrigation to prevent the timber from drying out and being damaged during storage. The water for irrigation is largely taken from adjacent watercourses. Both water consumption and runoff have an impact on the environment and are subject to local regulations.

Policy and approach

Moelven affects the local environment through operations such as energy production in incineration plants, transport, waste management and water consumption. Moelven shall, according to our sustainability policy:

- Be a natural part of the local community and contribute to economic value creation.
- Work actively to reduce their local environmental impact through focus on continuous improvement.
- Not have any breach of the Pollution Control Act or similar legislation.

Evaluation of results

Moelven's bioenergy plants vary in size from 1 MW to 15 MW, with an average of approximately 7.8 MW. These incineration plants mainly use residual raw materials such as bark and various chip fractions from the timber processing industry to produce bioenergy. The concentration of significant exhaust gases and dust are mapped annually. At some sites, this is done by continuous measurement, and at other sites by spot measurements taken at different times of the year. There will therefore be a natural variation in these, and an analysing of the figures as a whole is of little value. Follow-up is based on local data. High CO values may indicate that the incineration process is not optimised, and therefore any reduction is very important from both an environmental and a financial perspective.

Wood drying kiln as noise protection

With its geographical location in the centre of Torsby, Moelven Notnäs Ransby AB is part of the local community. This was taken into consideration in the construction of the new wood drying kiln, which went into operation in 2024.

- "The main purpose of the new kiln is, of course, to become more energy efficient and further improve the quality of our saw timber. But when we had the opportunity, we chose to consider a 2-1 solution when it comes to noise," says Per Bengtsson, production manager at Moelven Notnäs Ransby AB.

Instead of building noise protection against the neighbouring buildings, they chose to build the noise reduction into the drying building. In addition, an architect was brought in to make the building blend in better with its surroundings. An aesthetic impression was created that fits in with the old sea warehouse on the opposite side of Röjdälven. In addition, they have chosen to make the facade entirely of wood, which few wood drying kiln in Sweden have.

Incinerator plants	2024	2023	2022
Bioenergy plant - total installed capacity [MW]	192	179	180
Average capacity per plant (boiler 1 + boiler 2) [MW]	10	9	8
Number of boilers reported	25	26	28

AMBITIONS
- Minimise emissions of NOx, SOx and CO.

RESULTS
- No breaches of the Pollution Control Act or similar legislation in 2024 that resulted in fines.

ACTION
- Further expand the mapping of local environmental impact, as well as compliance with applicable laws, regulations and permits related to environmental impact.

Economic value creation in the local community

Where and why is it important?

Safe workplaces, a good and fair social system in health, education and welfare, and a well-functioning infrastructure in society are important to us all. In Scandinavia, we generally have a high standard of living, a high level of education and good welfare. This is the result of a community in which the private sector is an important contributor through its contribution to employment and payment of taxes and fees.

Moelven is a significant contributor in many of the local communities in which the Group operates. The way in which the Group's operations are run and developed have direct ripple effects in the local community, in the form of jobs, municipal revenues and employment for other businesses. At the same time, Moelven relies on good relations with the local community in order to attract the right people so that the Group can develop and grow with the opportunities.

Policy and approach

Moelven's operational sites consist of 34 legal entities across 40 production sites in Norway and Sweden. Most of the production companies are located in rural areas with close ties to the forest and the forest industry, where they are often important cornerstone companies. Moelven emphasises local purchases wherever possible and create local employment opportunities.

Organising companies as legal entities creates ripple effects in the local communities' economies. This takes place through value creation and the payment of taxes and fees, through the purchase of goods and services that provide an economic base for other businesses. And not least, by being a safe and predictable workplace.

Evaluation of results

A company's corporate social contribution can be estimated by using calculation keys such as turnover, cost of goods sold, labour costs, and tax and fee payments adjusted for public subsidies. In 2024, Moelven had a total value creation of NOK 2,313 million for Moelven's Norwegian operations, and NOK 2,575 million for the Swedish operations.

The basis for calculating Moelven's corporate social contribution in Norway and Sweden is accounting information from Moelven's Norwegian and Swedish companies. As the two countries have different tax systems, there is naturally some uncertainty associated with the figures. The calculation only shows the direct taxes and fees that the Group contributes. The model does not include the secondary and tertiary effects (ripple effects) that Moelven contributes and is therefore a sober estimate of the total social contribution.

	Norge	Sverige	Øvrige	Konsern
Operating revenue	6,901	7,029	161	12,926
Value creation	2,542	2,048	32	4,590
Number of employees	1,615	1,569	16	3,200
Corporate tax*	2	0	2	5
Total paid Employer's National Insurance Contributions	146	265	-	410
Tax paid on wages	296	232	-	528
Public subsidies	3	18	-	21
Tax contribution	**441**	**515**	**2**	**958**

* Tax payable based on profit for the year

The total tax and fee contribution from the Moelven Group in 2024 was NOK 958 million.

AMBITIONS
- Ensure safe workplaces in the local community.

RESULTS
- Estimated tax and fee contribution of NOK 958 million in 2024.

MEASURES
- Strategic planning for robust development of a decentralised and competitive industrial structure.

Global Compact

The UN Global Compact is UN's organisation for sustainable business and the world's largest business initiative for sustainability. More than 22,000 businesses in 160 countries are members. Today local UN Global Compact networks can be found in around 70 countries on all continents, including Norway.

Since 2021, Moelven has committed to the UN Global Compact initiative for corporate social responsibility and its principles in the areas of human rights, labour force, environment and anti-corruption.

WE SUPPORT
UN GLOBAL COMPACT

Human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights and ensure that they are not complicit in human rights abuses.

Labour

2. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced and compulsory labour, the effective abolition of child labour, and the elimination of discrimination in respect of employment and occupation.

Environment

3. Businesses should support a precautionary approach to environmental challenges, take initiatives to promote greater environmental responsibility, and encourage the development and use of environmentally friendly technology.

Anticorruption

4. Businesses should work against corruption in all its forms, including extortion and bribery

CDP and EcoVadis

Moelven reports to EcoVadis and CDP. Both are international evaluation programmes that map and evaluate the status of companies in relation to various areas, in terms of social sustainability, climate and environmental impact and corporate governance.

CDP Discloser 2024

BRONZE | Top 35%
ecovadis
Sustainability Rating
APR 2024

Key figures for the last 5 years

Amounts in NOK millions	2024	2023	2022	2021	2020
THE GROUP					
Operating revenue	12,926	12,936	14,439	14872	11,665
EBITDA	188	708	2,106	3,389	1,011
Depreciation	385	324	331	351	344
Impairment	2	3	18	52	4
Operating profit	-199	381	1,756	2,986	662
Financial items	-92	-52	-3	5	-59
Result before tax	-291	329	1754	2,991	604
Total capital	9,205	7,710	7,904	8,269	5,833
Equity in per cent	45.3	58.2	59.9	55.5	49.1
Operating margin in per cent	-1.5	2.9	12.2	20.1	5.7
Investments	1,289	1,085	501	420	272
Number of employees	3,200	3,256	3,332	3,312	3,391
TIMBER					
Operating revenue	4,560	4,075	4,944	5,046	3,445
EBITDA	130	265	1,239	1,794	366
Depreciation	127	106	106	103	103
Impairment	-	-	-	-	4
Operating profit	3	159	1,132	1,691	259
Financial items	-21	16	1	-9	1
Result before tax	-18	175	1,133	1,682	260
Total capital	3,006	2,497	2,907	3,079	1,743
Operating margin in per cent	0.1	3.9	22.9	33.5	7.5
Investments	437	289	177	194	88
Number of employees	709	664	653	630	636
WOOD					
Operating revenue	4,704	4,757	5,528	6,164	4,730
EBITDA	167	197	757	1,504	482
Depreciation	145	117	112	117	111
Impairment	-	-	0	3	-
Operating profit	22	80	645	1,384	372
Financial items	-75	-16	13	-20	-19
Result before tax	-54	64	658	1,364	353
Total capital	4,168	3,908	3,392	3,866	2,802
Operating margin in per cent	0.5	1.7	11.7	22.5	7.9
Investments	556	514	234	155	130
Number of employees	1,024	1,078	1,084	1108	1,099
BUILDING SYSTEMS					
Operating revenue	2,821	3,570	3,833	3,913	3,347
EBITDA	-82	236	84	160	166
Depreciation	63	64	69	140	90
Impairment	2	3	-	49	-
Operating profit	-145	172	15	19	76
Financial items	3	8	-2	4	-5
Result before tax	-142	179	13	23	71
Total capital	1,504	1,795	1,775	1,694	1,909
Operating margin in per cent	-5.1	4.8	0.4	0.5	2.3
Investments	63	65	36	54	22
Number of employees	1,231	1,310	1,408	1,383	1,490
OTHER ACTIVITIES					
Operating revenue	7,088	5,484	4,741	4,553	3,802
EBITDA	-28	5	-31	-6	-4
Depreciation	53	40	43	41	41
Impairment	-	-	18	-	-
Operating profit	-80	-35	-93	-47	-45
Financial items	2	-60	-14	31	-36
Result before tax	-79	-95	-107	-16	-81
Investments	233	219	54	18	32
Number of employees	236	204	187	191	166

Restatements of historical data from previous reports

Chapter in the Sustainability Report 2024	Page	Original text/data in the Sustainability Report 2023	Corrections in the Sustainability Report 2024	Cause
Climate accounting	18	2023 data	2023 data	Improved data basis and corrected emission factors
Environmentally focused value creation	22-23	2022 and 2023 data	2023 data	Changed system boundary – input goods
Carbon storage and bioenergy	36	2022 and 2023 data	2023 data	Correction of 2023 data
Transport of goods	49	2023 data	2023 data	Changed system boundary and correction of 2023 data
Production of bioenergy	54	2022 and 2023 data	2023 data	Correction of 2023 data
Waste management	67	2023 data	2023 data	Changed system boundary
Water consumption	73	2023 data	2023 data	Correction of 2023 data
Diversity and gender equality in Moelven	85	2023 data	2023 data	Correction of 2023 data

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To the Board of Directors of Moelven Industrier ASA

Independent Limited Assurance Report on Moelven Industrier ASA's Climate Account 2024

Limited assurance conclusion

We have conducted a limited assurance engagement on the Climate Account ("the Report") of Moelven Industrier ASA ("the Company"), included in the ESG report as at 31 December 2024 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 Report is not prepared, in all material respects, in accordance with the Greenhouse Gas (GHG) Protocol as described in the chapter Climate Account of the Report.

Basis for conclusion

We conducted our 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 "Our 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.

Our firm applies International Standard on Quality Management (ISQM 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.

Responsibilities for the Report

The Board of Directors and the Managing Director ("Management") are responsible for the preparation of the Report, and the information and assertions included in the Report, in accordance with the Greenhouse Gas (GHG) Protocol as described in the chapter Climate Account of the Report.

Management is further responsible for

- designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of the Report that is free from material misstatement, whether due to fraud or error, and
- making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations

In reporting forward-looking information in accordance with the Greenhouse Gas (GHG) Protocol, 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 Company. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Our responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Report is free from material misstatements, 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 aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Report as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the Report 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 Report. The risk of not detecting a material misstatement resulting from fraud is higher than from 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 Report. 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 information where material misstatements are likely to arise in the Report, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Report, we:

- Obtained an understanding of the Company's reporting processes relevant to the preparation of the Report by obtaining an understanding of the Company's control environment, processes, control activities and information system relevant to the preparation of the Report, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control, and by obtaining an understanding of the Company's risk assessment process.

We performed the following procedures:

- Comparing the information presented in the Report to the relevant criteria in the GHG Protocol.
- A risk analysis, including a media search, to identify relevant sustainability issues for the entity in the reporting period.
- Inquiries of management to gain an understanding of the entity's processes for determining the material issues and methodologies in the preparation of the Report.
- Interviews with relevant staff at the corporate and business unit level responsible for providing the information in the Report.
- Reviewing relevant internal and external documentation, on a limited test basis.
- Comparing the information presented in the Report to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the Report.

Oslo, 25.03.2025
KPMG AS

Stein Erik Lund
State Authorized Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

Victor Åslund,
Moelven Skog AB.

2025

Sustainability Policy

Sustainability has been at the core of Moelven's operations, ever since Moelven Brug AS was established at Anderkvern in Moelv in 1899. We may not have used that specific term, but we have always been committed to ensuring the best possible management of vital renewable resources.

Sustainability is a fully integrated aspect of our company strategy through our values, vision, mission, human resources strategy and policies. This means that we should make choices that help create long-term value for the company, while taking social considerations, the environment and the climate into account.

It is our aim to constantly deliver more sustainable projects, products and solutions. To succeed in this goal, all of Moelven Group's employees must commit to actively taking advantage of new opportunities to create competitive jobs and ensuring a safe workplace which cares for and protects both people and the environment. Our aim is to contribute to where we meet the needs of today without harming future generations' opportunities to meet theirs.

Moelven has outlined four priority areas and one basic premise for sustainability. The latter is based on our Code of Conduct, which applies across the Group. Our four priority areas are related to five of the UN Sustainable Development Goals. Along with our Code of Conduct, this helps us to identify the most important aspects for long-term value creation at Moelven and for the world at large. This comprises the basis of our sustainability focus at Moelven.

People in focus

Ambition
We will be an attractive and safe workplace

Local values

Ambition
We will contribute to local value creation

Environment and climate action throughout the value chain

Ambition
Our activities, products and value chain will contribute to sustainable solutions and help stop climate change.

Safeguarding natural resources

Ambition
We will use renewable and sustainably managed resources, and utilise them in full

We are a reliable partner

Priority area
People in focus

Ambition
We will be an attractive and safe workplace

UN Sustainable Development Goal: 3 and 4

Relevant sub-goal
3.9 - By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.

4.4 - By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

Moelven's policy

- Moelven has a vision of zero workplace injuries, and believes that all injuries are preventable.
- All Moelven employees will participate in HSE training.
- Moelven will have active employees that take personal responsibility, develop their expertise and are committed to their day-to-day work.
- Moelven will have active managers who communicate and act in a trustworthy manner, focus on achieving results and facilitate innovation and development.

Priority area
Safeguarding natural resources

Ambition
We will use renewable and sustainably managed resources, and utilise them in full

UN Sustainable Development Goal: 12 and 15

Relevant sub-goal
12.2 - By 2030, achieve the sustainable management and efficient use of natural resources.

12.4 - By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

12.5 - By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

15.2 - By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

Moelven's policy

- Moelven will make use of all timber components, including all by-products.
- Moelven will optimise its raw material utilisation to improve resource efficiency and to maximise the value of the raw materials used.
- As a minimum, all timber purchased by Moelven should be checked in accordance with applicable requirements for controlled wood set by recognised chain of custody standards (PEFC™ CoC and/or FSC® CoC). Moelven aims to have as much of its purchased timber as possible certified in accordance with recognised standards relating to sustainable forestry (PEFC and/or FSC®). At a minimum, this should correspond to the needs that arise from the Group's sale of certified finished products.
- Moelven will not be involved, directly or indirectly, in:
  - Unlawful logging or trade of wood or forestry products. Destruction of areas with high preservation value during forestry operations.
  - Forestry involving violations of time-honoured rights or human rights.
  - Introduction of genetically modified organisms to our forestry operations.
  - Significant transformation of natural forests into plantations or non-forestry applications.
  - Violations of ILO fundamental conventions as defined in the ILO Declaration on Fundamental Principles and Rights at Work, 1998.
- Moelven shall actively work to improve the resource efficiency, longevity and circularity of its products.
- Moelven shall continuously assess the need for and the environmental consequences of chemicals, as well as the possibilities of adopting more environmentally friendly alternatives.
- Moelven shall continuously assess the need for and the environmental consequences of packaging, as well as the possibilities of adopting more environmentally friendly alternatives.
- Moelven shall actively work to reduce waste and have a minimum sorting ratio of 90% for residual waste.
- Moelven shall actively work to minimise the use of plastic and strive to find alternative and sustainable materials to plastic.

Priority area
Local values

Ambition
We will contribute to local value creation

UN Sustainable Development Goal: 8

Relevant sub-goal
8.2 - Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.

8.8 - Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Moelven's policy

- Moelven will be a natural part of the local community and contribute to local economic value creation.
- Moelven will work actively to reduce its local environmental impact by focusing on continuous improvements.
- Moelven will have an inclusive work culture and shall actively work to ensure a positive working environment that is characterised by equality and diversity. We do not accept any form of harassment or discrimination on the basis of gender, race, religion, age, disability, sexual orientation, political beliefs, national or ethnic origin or other factors.

Priority area
Environment and climate action throughout the value chain

Ambition
Our activities, products and value chain will make a difference in the effort to find sustainable solutions and stop climate change

UN Sustainable Development Goal: 12 and 13

Relevant sub-goal
12.6 - Encourage companies, especially large and trans- national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

13.3 - Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

Moelven's policy

- Moelven shall actively work to reduce its climate and environmental footprint.
- The environmental impact of the Group's logistics and transport operations shall be minimised through coordination, optimization, and synchronization of the flow of goods. Environmental considerations shall be taken into account when choosing the mode of transport, and the Group's current objectives related to environmental standards shall be considered when selecting partners.
- Moelven will actively participate in technological innovations and market-oriented developments in the bioenergy sector, as well as investigate alternative sources of energy to replace the use of fossil fuels for heating at our plants.
- Moelven will have environmental assessments and certifications in place for its operations and products that meet current legal requirements at all times, along with meeting the requirements of recognised certification schemes within the markets that the Group operates in.
- Moelven will actively engage in sustainable procurement practices in order to reduce our environmental footprint throughout the value chain.

Basic premise

We are a reliable partner

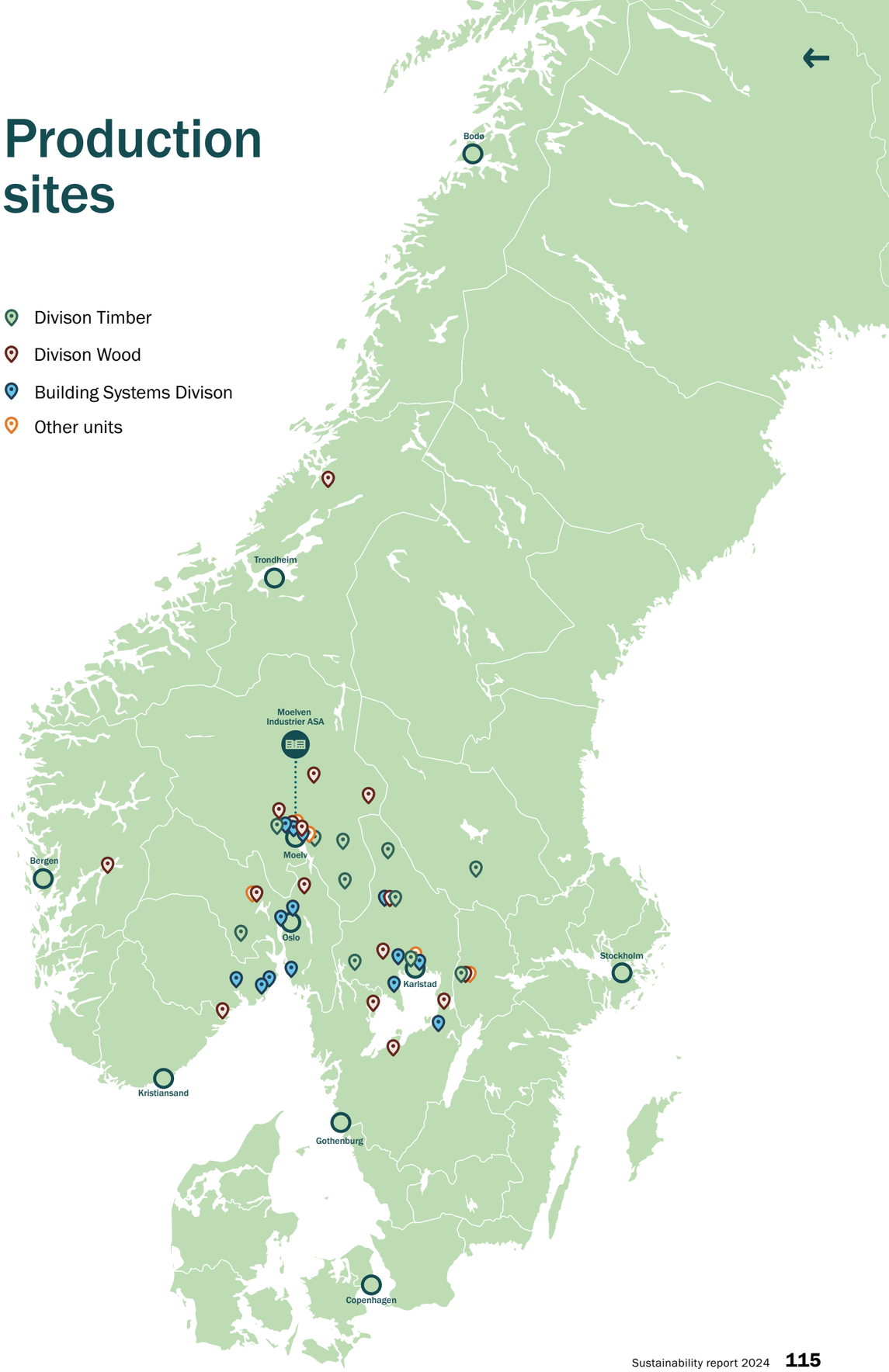
Moelven's policy

- Moelven must be a company people can trust.
- Moelven must always be aware of its stance on anti-corruption. This applies both in dealings with suppliers and customers at the corporate level, and in the individual business.
- Moelven recognises that anti-corruption efforts is an important part of the company's strategy for long-term sustainable development.
- Moelven's code of conduct applies to all of the Group's activities and must be observed by all employees and anyone else who represents the group in any way.
- Moelven will work actively to ensure that the members of the Group's supply chain comply with the UN Declaration of Human Rights and other requirements set out in the Group's code of conduct.

Moelven is committed to publishing its results and progression towards this policy in its annual sustainability report.

Production sites

- Divison Timber
- Divison Wood
- Building Systems Divison
- Other units



Moelven strives to communicate actively and transparently with the market and to provide all interested parties with equal access to financial information. www.moelven.no includes performance reporting, financial status and information on the policies Moelven is governed by.

License codes for Moelven's multisite certificates from FSC®:

FSC www.fsc.org FSC® C113012

The mark of responsible forestry

FSC www.fsc.org FSC® C115128

The mark of responsible forestry

License codes for Moelven's multisite certificates from PEFC:

PEFC PEFC/03-34-03 Promoting Sustainable Forest Management www.pefc.co.uk

PEFC PEFC/03-31-49 Promoting Sustainable Forest Management www.pefc.co.uk

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From the left Bengt Danielsson and Victor Åslund, Moelven Skog AB. Silje Owrenn, Moelven Industrier ASA.