



## **Norwegian Ministry of Climate and Environment concludes in favour of Elkem in EU ETS free emission allowances allocation complaint**

Oslo, Norway – 9 July 2025

**Elkem ASA has been informed that the Norwegian Ministry of Climate and Environment (KLD) has concluded that Norwegian silicon, ferrosilicon and manganese producers were unequally treated compared to European Union producers in the allocation of free emission allowances under the EU Emissions Trading System (EU ETS) by the Norwegian authorities for the period 2021-2025. The case has been sent to the Norwegian Environment Agency (Miljødirektoratet) to be processed anew.**

The Norwegian Environment Agency will re-evaluate the case to ensure that the allowance allocation process is based on the same interpretation of the EU regulations as that being applied by other EU countries.

Under the EU ETS, industrial installations considered to be at significant risk of carbon leakage receive free allowances to support their competitiveness. Carbon leakage refers to the situation that may occur if, for reasons of costs related to climate policies, businesses were to transfer production to other countries with lower emission constraints. This could lead to an increase in their total emissions. For the period 2021-2025, certain industrial installations in Norway, including Elkem's five silicon products plants, were allocated free emission allowances at approximately 72 percent of the historical emissions, while EU counterparties received approximately 94 percent.

"Elkem's complaint highlights the disparities in allowance allocations that have affected the competitiveness of Norwegian metal companies compared to their counterparts in other EU countries. The support from the Norwegian Ministry of Climate and Environment underscores the importance of fair and equitable treatment in the allocation of allowances, which is crucial for maintaining a level playing field in the industry," says Inge A. Grubben-Strømnes, SVP Elkem Silicon Products.

Based on Elkem's understanding, the letter from the Norwegian Ministry of Climate and Environment implies that Elkem will receive approximately 1.3 million additional free emission allowances for the period 2021-2025.

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This release contains inside information related to Elkem ASA pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to Section 5-12 the

Norwegian Securities Trading Act. This release is issued by Odd-Geir Lyngstad, VP Finance and Investor Relations, Elkem ASA. Date and time of publication: 08:00 CEST, 09.07.2025.

### **About Elkem**

Elkem is one of the world's leading providers of advanced silicon-based materials shaping a better and more sustainable future. The company develops silicones, silicon products and carbon solutions by combining natural raw materials, renewable energy and human ingenuity. Elkem helps its customers create and improve essential innovations like electric mobility, digital communications, health and personal care as well as smarter and more sustainable cities. With a strong track record since 1904, its global team of more than 7,200 people has a joint commitment to stakeholders: Delivering your potential. In 2024, Elkem achieved an operating income of NOK 33 billion. Elkem has been awarded top score of A on Forests and Water Security, and B on Climate Change from CDP. Elkem is listed on the Oslo Stock Exchange (ticker: ELK), where the company is also included in the ESG Index. [www.elkem.com](http://www.elkem.com)