



BORGESTAD ASA

***Transparency act for sustainable business practice
Statement for the reporting year 2023***

Key information about the company and the supply chain;

Name of the company:

Borgestad ASA

Head office address:

Gunnar Knudsensvei 144, 3712 Skien

Description of the company's structure and operations:

Borgestad ASA is an investment company, listed on the Oslo Stock Exchange. The Group includes the Agora Bytom shopping center in Bytom, Poland, as well as the Höganäs Borgestad group which operates within refractory production and installation. See detailed group structure at www.borgestad.no

Agora Bytom

Agora Bytom shopping center in Poland is the largest investment of the Group, accounting for over half of the balance sheet. The shopping center comprises a gross area of 52,000 sqm and more than 30,000 sqm of designated rental area. Agora Bytom also owns a parking garage with 820 parking spaces that is conveniently connected to the center. Agora Bytom is centrally located in the Silesian region of Poland and holds a strong market position in its primary catchment area. Agora offers spaces to a wide range of tenants, including large international chains and important Polish brands, eight cinema halls, a fitness center, and a rich selection of cafes.

Höganäs Borgestad

Höganäs Borgestad is a manufacturer and supplier of refractory quality products, installations, systems, and solutions that are essential for industrial high-temperature processes exceeding 1,200°C in various industries such as steel, cement, and aluminum. Refractory materials are bricks or monolithic produced in many different quality and shapes depending on their intended use. Refractory materials are primarily used to protect production industries and contribute to energy efficiency.

Total revenue and other income for the reporting year (NOK)

1 141 417 000

Average number of employees:

373

Is the business covered by the Transparency Act?

Yes

Contact person for the report:

Pål Feen Larsen, pal.feen.larsen@borgestad.no

1. Anchoring sustainability in the business

The Borgestad Group has established a policy to promote sustainable business practices. This policy together with the group's quality policy, environmental policy and overall Code of Conduct, in addition to the CSR form the basis and guidelines, as well as a clear expectation from the board and senior management on how the Group carry out the work tasks. How our work is integrated into the business is documented in minutes and the group's overall meeting schedules. The internal organizational chart clearly outlines the distribution of responsibilities within the organization.

Borgestad ASA works to have a sustainable business practice that respects people, society and the environment. This policy document, including principles for sustainable business practices, forms the basis for the group's sustainability work. Borgestad considers sustainable business practices to be a prerequisite for sustainable development, which means that today's generation should fulfil their needs without compromising the ability of future generations to meet theirs. The UN's sustainability goals constitute the world's collective action plan for sustainable development and serve as a crucial foundation. Due diligence assessments are a risk-based approach to respect and look after people, society and the environment in our own business and throughout the supply chain. Borgestad expects our suppliers and partners to follow the same approach.

2. Mapping the business' impact on people, society and the environment

Borgestad has developed an overall risk assessment of its activities. Based on this, work is carried out where significant risk areas are prioritized for more thorough mapping and handling. Mapping is a continuous process where the group is constantly acquiring additional information and the prioritized risk area is changed accordingly. Understanding how the business contributes to negative impact on people, society and the environment is essential for determining the appropriate responses and measures to address these issues effectively. The risk assessment is carried out based on purchase volume, and prioritization of risk is based on severity, scope and possibility of damage reversal.

3. Stop, prevent or reduce negative impact

Stop, prevent or reduce is about effectively managing survey findings. The business's most significant negative impact on people, society and the environment has the highest priority. This does not mean that other risks are unimportant or that they are not handled accordingly. Understanding the business's involvement is crucial for taking the right measures. Actual negative impact/damage that the business causes or contributes to has to be stopped, prevented and reduced. Businesses that are directly associated with negative impact must use their influence to get business partners (e.g. suppliers) to stop, prevent and reduce. This involves developing and implementing plans and routines to manage risk, and may require changes to own policies and management systems. Businesses' successful handling of negative impacts on people, society and the environment is a decisive contribution to the UN's sustainability goals.

4. Monitoring of implementation and results

Monitoring of implementation and results is about measuring the impact of the system and quality of our own work at each stage of the due diligence assessments. This process indicates the quality of the business's due diligence assessments. The business must have systems and routines in place to be able to capture and critically assess its own conclusions, priorities and measures that have been taken as part of due diligence assessments. For example: Is mapping and prioritization of the most negative impact done in a professionally sound and credible way, and which reflects the actual conditions? Do the measures to stop, prevent and/or reduce the company's negative impact/damage work as intended? Is damage restored where relevant? This may apply to measures taken by the business itself and carried out by or in collaboration with others.

Borgestad works to have systems and routines in place to evaluate its own measures and priorities. We use the experience we gain to evaluate whether the measures we implement work as intended. The knowledge we acquire through our due diligence work is applied to enhance processes and outcomes in the future.

Borgestad Group has structured the Group's due diligence assessment and approach in accordance to risk and proportionality. In practice, this means that the Group has prioritized the most significant suppliers to the Group and those suppliers having the highest risk of negative consequences.

In the course of our due diligence assessment, no adverse findings have been identified, but Borgestad acknowledges that there is a risk of negative consequences as parts of the raw materials used in our own and partner-operated refractory production come from mining operations in, among other places, Guyana, China and other areas in southern Asia. Both Borgestad and the rest of the refractory industry are dependent on this supply chain, a market controlled by a few players. Within certain raw materials in particular, there are few alternatives that the industry can choose from. Extraction of such raw materials takes place through mining operations in countries which can typically be associated with risks of human rights violations, child labor, health/safety challenges and negative environmental impacts. Borgestad recognizes this as an important topic for our business and industry, and will continue the work with the due diligence assessments with the aim of obtaining further documentation and improving operations from our suppliers and partners. Borgestad is a member of PRE, the European Refractories Producers Federation, and through representation in this forum, we will enhance focus on this complexity.

5. Communication of how negative impact/damage has been handled

The prerequisite for good external communication in the work linked to businesses' due diligence assessments for sustainable business practices, is that it is based on concrete activities and tangible results. Businesses must communicate publicly about relevant management documents related to due diligence assessments, for example policies, guidelines, processes and activities related to identifying and managing the company's actual and potential negative impact on people, society and the environment. The communication should include how the risk has been identified and handled, as well as the effects achieved by the measures/activities. Pursuant to Section 4 of the Transparency Act, businesses that are subject to this regulation are required to annually publish a report of their due diligence assessments.

Notifications from employees, suppliers and external stakeholders are reported to the general manager and followed up professionally with the relevant parties involved with a response deadline of three weeks. Information about internal policy is communicated on the company's website and forms the basis for which standards are worked towards within the overall concept of sustainability vis-à-vis customers and external stakeholders.

Inquiries from external stakeholders are reported to the general manager and followed up with a reply deadline of three weeks. Email: post@borgestad.no

6. Restoration where this is required

When a business identifies that it has caused or contributed to harm to individuals or society, it addresses the issue by ensuring remediation or collaborating on recovery efforts.

Restoration may involve financial compensation or other forms of reparations, a public apology, or that the damage is rectified in some other way. It also involves providing access to grievance mechanisms for workers and local communities, ensuring their concerns are heard and addressed.

Our policy is to address any deviations with negative consequences for individuals, society, or the environment by collaborating with the relevant partner or supplier to assess the incident's scope and identify recovery opportunities. Notifications of such deviations or negative events can be made through customer service, internal shop stewards, or directly to the general manager

Borgestad, June 19, 2024

Glen Rødland

Chair

Jacob Møller

Board member

Wenche Kjølås

Board member

Helene Steen

Board member

Jan Erik Sivertsen

Board member

Pål Feen Larsen

CEO

Det report is signed electronically