

Transparency Act

Borgestad ASA

June 2025



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Introduction

The Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act) came into force 1st of July 2022. According to §§2 and 3, Borgestad ASA is covered by the Act. The Transparency Act requires us to carry out due diligence assessments aimed at identifying actual and potential negative impacts on fundamental human rights and decent working conditions, pursuant to §4 letters a–f. According to §5 of the Act, these due diligence assessments must be made publicly available in an annual statement.

The statement has been prepared for Borgestad ASA, Borgestad Properties AS and Borgestad Industries AS. The main activities in these business units are found in Höganäs Borgestad, organised under Borgestad Industries AS, and Agora Bytom organised under Borgestad Properties AS. Please see Borgestad Annual report for an oversight of the company structure¹, and a summary of the activities under the headline *General information*.

The purpose of the statement is to provide the public with insight into key findings from the due diligence assessments and to explain which actions have been taken or are planned for coming years.

General information

Borgestad ASA is a Norwegian investment company headquartered at Lysaker. It operates primarily in two business areas:

1. Borgestad Industries AS

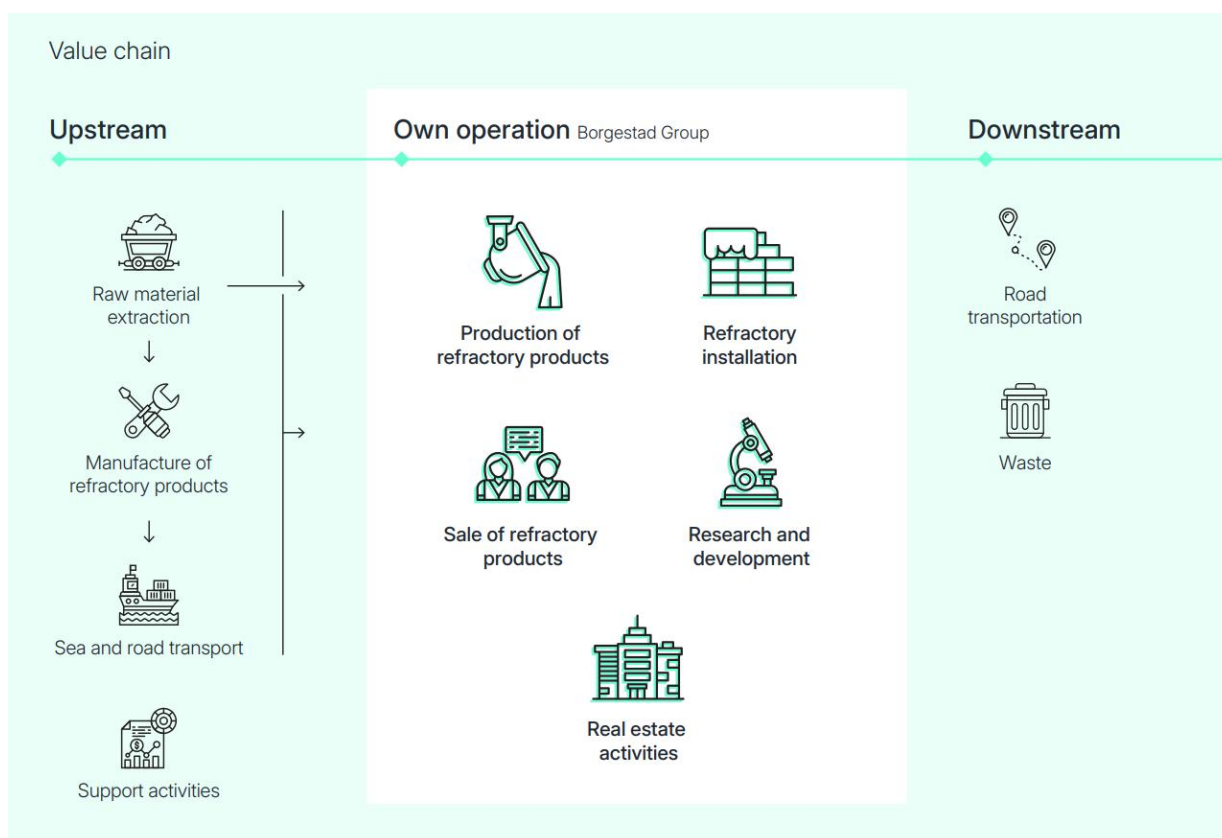
Höganäs Borgestad is a leading supplier in the Nordic refractory market, developing, manufacturing, and delivering high-quality refractory products, installation services, and turnkey solutions that are essential for high-temperature industrial processes across the Nordic countries —primarily in the steel, cement, and aluminium industries. The company focuses on enhancing energy efficiency and protecting industrial equipment, thereby improving customers' productivity and competitive advantage. The group's production facility is located in Bjuv, Sweden, and consists of several companies that together offer complete solutions within the refractory industry.

2. Borgestad Properties AS

Agora Bytom is a shopping centre in Poland and represents Borgestad Group's largest investment, accounting for more than half of the group's asset value. It offers over 30,000 m² of rental space and includes 820 parking spaces. The centre has a strong market presence in the Silesian region and hosts various international and local tenants, along with amenities such as cinemas, fitness centres, and cafés.

Borgestad ASAs operations through Höganäs Borgestad and Agora Bytom is part of complex value chains. As illustrated below, the company relies on several upstream activities to perform its own operations, as well as being linked to downstream activities. For risk assessment purposes, Borgestad ASA has focused its work on the company's upstream value chain. Please find more information about this in paragraphs on *Identify and assess adverse impacts*.

¹ [Borgestad Annual-report-2024.pdf](#) (p.100)



For the purpose of sustainability reporting, including the Transparency Act, Borgestad ASA is primarily focusing on Höganäs Borgestad. The reason for this is that the company, through its due diligence process and double materiality assessment, has identified the activities relating to this part of the company as most material in terms of potential ESG-related impacts, risks and opportunities. To be true to the company's risk based approach, Borgestad ASA is therefore focusing its efforts towards mitigating risks and potential negative impacts originating from activities in Höganäs Borgestad value chain.

Revenue in the reporting year (2024)

1 141 4 MNOK

Total employees

410²

Contact person:

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

² Average number of employees

Embed responsible business conduct

Borgstad ASAs core values related to integrity, openness, innovation and commitment guides how the Company performs its activities.



Integrity

We always act responsibly and maintain high levels of ethical and legal conduct. Sustainability is the foundation in our business strategy and we are devoted to improving the quality of life for our colleagues and our community



Openness

Our approach is positive and constructive. We encourage diversity in our workplace, value the capabilities and contribution of each person



Innovation

“Setting new standards” - innovation provides us a competitive advantage. We are willing to challenge existing solutions, explore ideas and take additional responsibility to meet our colleagues and customers expectations



Commitment

We are committed to giving our best in everything we do and always strive for higher quality.

It is essential for the Group that our services are offered and delivered in a responsible manner. To ensure this, the Group have implemented systems that promote legal compliance throughout the entire organization. Our due diligence process for responsible business conduct (RBC) an integral and central part of this.

Höganäs Borgestad AS has established a *Policy for Sustainable Business Practices*, which has been approved by the Board of Directors. This policy, together with the company's *Quality Policy*, *Environmental Policy*, and the Group's overarching *Ethical Code of Conduct*, *Supplier Code of Conduct*, and *Corporate Social Responsibility framework*, provides the foundation, guidelines, and clear expectations from the Board and executive management on how work should be conducted.

Borgestad ASA's *Ethical Code of Conduct* upholds the principles of the UN's Universal Declaration of Human Rights and the ILO Convention relating to child labour, freely chosen employment, freedom of association and working time, wages, and benefits. The objective of the policy is to provide a safe, fair, and inclusive working environment free from any form of discrimination and abuse and to support company employees to develop their potential.

The Ethical Code of Conduct also reflects that suppliers shall have high integrity and ethical conduct in all aspects of its business. This includes identifying, preventing, mitigating, and accounting for adverse environmental, human rights and governance impacts in own operations. Borgestad ASA expects the same commitment from suppliers. Any minerals supplied to Borgestad shall not directly or indirectly contribute to conflicts or human rights violations, and suppliers shall ensure that products supplied to Borgestad to not contain minerals originating from Conflict Affected and High-Risk Areas (CAHRAs) that directly or indirectly finance or benefit armed groups and cause or foster human rights abuses.

The Company has also developed a *procedure for complying with the Norwegian Transparency Act*, which outlines how to implement and follow up on actions in response to identified or potential adverse impacts within the business. This procedure details how Höganäs Borgestad AS should manage such impacts and who holds internal responsibility for following up on corrective measures.

In 2024 Borgestad ASA have uncovered the need to further develop the RBC, in example the need to update policies and process descriptions to ensure best practise and implementation across investments, operating companies and value chain is identified.

Identify and assess adverse impacts

Borgestad ASAs ambition is to perform due diligence in line with OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. This is continuous work performed throughout the whole year, and as a supplement to the Company's due diligence process, Borgestad ASA has performed a double materiality assessment during 2024 and the beginning of 2025. Through a four-step process the Company has developed a broader understanding of its operations by identifying sustainability related impacts, risks and opportunities across its value chain. The Group has assessed and validated these topics to make a prioritized list for follow-up actions going forward.

For the purpose of identifying actual and potential negative impacts on fundamental human rights and decent working conditions, the company has had an explicit focus on how activities affects employees, value chain workers and local communities. Insights from the double materiality assessment has informed Borgestad ASA's due diligence process and confirmed the notion that many of the impacts and risks relate to the Group's upstream value chain.

Own operations

Although the most salient risks for human rights violations and comprised working conditions are assessed to be located in the upstream value chain, the Group acknowledges that there are risks related to the Group's own workforce as well. For 2024 Borgestad ASA has identified risks relating to worker rights and HSE, being especially found heightened risk in Höganäs Borgestad AS.

Amongst the identified risks, Borgestad ASA acknowledges that insufficient trade union representation, interference with union activities and inadequate collective bargaining pose a risk of weakened employee rights. This can potentially limit protection in negotiations, reduce effective representation and negatively impact compensation and benefits for the company's employees.

Additionally, inadequate HSE procedures combined with hard physical labour may lead to serious accidents and injuries, as well as long-term negative health effects for workers. For 2024, the Group has collected data from its operations in Norway and Sweden, which accounts for the majority of its employees. A total of eight work-related injuries with absence, accounting for 3,5 injuries per 100 employees, were recorded in 2024. No work-related fatalities were recorded.

Upstream supply chain

Borgestad ASA's value chain includes mining and extraction of raw materials such as bauxite, andalusite and chamotte, manufacturing of refractory traded goods, road and sea transportation, support functions such as maintenance, cleaning and IT, refractory production, installations and repairs, real estate activities and waste management. Through its due diligence process, the Group has identified potential negative impacts on value chain workers, especially related to vulnerable groups like migrant workers, women, young workers and minorities. With regards to mining operations, there is an identified risk of worker's rights potentially being violated through harassment, child labour and forced labour. This is particularly relevant in small-scale mining areas with high poverty and weaker law enforcement. Additionally, the Group has identified the risk of informal employment and restricted unionisation undermining workers' rights by creating job insecurity, increasing the risk of exploitation and limiting workers' ability to engage in collective bargaining or social dialogue. Lastly, if there are inadequate clean water access in remote mining production areas, this can cause health issues for workers and locals.

Cease, prevent or mitigate adverse impacts

Borgestad ASA has implemented and planned for several actions to follow up and mitigate identified risks. The company distinguishes between actions relating to Borgestad ASA's own workforce, and actions aimed at reducing risks in the broader value chain.

Own operations and workforce actions

To mitigate the above-mentioned risks Borgestad ASA's management, administration and workers in cooperation with trade unions and regulatory authorities have implemented structured accident prevention processes. At Höganäs Borgestad, safety rounds and internal courses are held throughout the year, and employees are responsible for following safety regulations and minimising the risk of injuries to themselves and their colleagues. Any risks identified must be reported. Höganäs Borgestad also operates in an industry where physical overload and subsequent wear-and-tear injuries are a risk. In the event of injuries, employees receive follow-up with a doctor, physiotherapy, and rest. The responsible manager follows up with the employees in accordance with standards and requirements from the relevant authority.

To strengthen its commitment to health, safety, and a positive work environment, Borgestad ASA has in 2025 hired an HR Manager as a global resource for the group, preferably based in Sweden. This position will oversee Health, Safety, and Environment (HSE) issues, management training, foster a strong workplace culture across all locations, and improve internal communication. By focusing on employee well-being and organizational cohesion, this role will play a pivotal part in ensuring a healthy and productive work environment for all team members.

Supply chain actions

Through Höganäs Borgestad, Borgestad ASA operates in a sector dependent on raw materials extracted from mines that e.g. can be located in Guyana, China and other areas in southern Asia, it is exposed to several human rights risks throughout its value chain. The company, and the rest of the refractory industry, are dependent on this supply chain and a market dominated by few actors. For certain raw materials in particular, the industry has limited alternatives to choose from. Therefore, it is a key priority for Borgestad ASA to uphold the continuous work of obtaining additional documentation from suppliers and partners to ensure that informed decisions are made with regards to responsible purchasing practices.

The Company's suppliers are familiar with Borgestad ASA's ethical guidelines and are required to act in accordance with them, including ensuring compliance within their production, procurement and deliveries. To address this, Borgestad ASA has developed a supplier specification that, in addition to other requirements, includes principles for sustainable business practices based on UN and ILO conventions. To be approved as a supplier, the supplier specification and its associated requirements must be signed, and the supplier must consent to audits by Borgestad or a third-party at our discretion. If self-reporting, lack of self-reporting, or other indicators suggest non-compliance, these will be followed up through inquiries to the supplier. Depending on the severity and risk, such deviations may lead to the initiation of an improvement project to drive change in collaboration with the supplier and other actors in the supply chain.

In line with the Company's commitment to uphold the highest standards of ethical conduct and integrity across operations and supply chains, Borgestad ASA encourages open communication regarding compliance with the Supplier Code of Conduct and the Ethical Code of Conduct. Borgestad has a channel for raising concerns through Höganäs Borgestad's independent whistleblower channel that is available for workers in the value chain on the Company web page.

Going forward, Borgestad ASA has decided to strengthen the work on due diligence through a holistic approach integrating investigations and findings into other internal functions. The Company will continue its risk-based approach to map out the most salient risks across the value chain and seek to establish tailored actions to address risks in the upstream value chain.

Track implementation and results

Borgestad ASA strives to systematically evaluate implemented actions. The Company have established a 2027 target of investigating whether the Company's high-risk suppliers have systems in place to follow up the principles according to the Supplier Code of Conduct. The target will structure upcoming initiatives and help keep track of the aimed progress.

To further ensure supply chain transparency for own operations, Borgestad reports to the sustainability reporting Company Ecovadis and was awarded a silver rating in 2023. The scoring for 2024 was not ready when this report was written.

Communicate how impacts are addressed

Borgestad ASA seeks good communication with its business partners, suppliers and society at a whole. The statement in accordance with the Transparency Act is publicly available in the annual report and on the Company website. Borgestad ASA's policies are accessible to all employees via the information screens, the Quality Management System and the intranet. In addition, the Group's Code of Conduct, CSR, certifications and Eco-Lighthouse report are publicly available on the website.

As, part of the development of our due diligence process the Company will consider how to involve relevant stakeholders, included stakeholders affected directly or indirectly from our business operations.

Lysaker, June 19, 2025
Board of Directors, Borgestad ASA

Glen Ole Rødland
Chairman

Helen Bryde Steen
Board Member

Jacob Andreas Møller
Board Member

Wenche Kjøllås
Board Member

Jan Erik Sivertsen
Board Member

Pål Feen Larsen
CEO

This document is electronically signed.