

DIVERSITY AT BORREGAARD

REPORT ON WORK ON DIVERSITY, EQUALITY AND INCLUSION (INCLUDING EQUAL PAY REPORT 2025)

2025



INTRODUCTION

Diversity, equality, inclusion and the absence of discrimination are important to Borregaard. These matters are integrated in the company's core values, code of conduct and policies, and are addressed in our sustainability reporting.

Additionally, Norwegian legislation requires more detailed reviews of the company's work to safeguard diversity and equality and to prevent discrimination. This report and its enclosures provide an account of the associated work.

Equality, Diversity and Inclusion at Borregaard

Matters relating to equality, diversity and non-discrimination are firmly embedded in Borregaard's culture and values, as outlined in ["The Borregaard Way"](#). These principles are further detailed in our [Code of Conduct](#) and other governing documents. For Borregaard, this means acting responsibly towards stakeholders, exercising corporate responsibility with integrity, and building credibility through transparent, honest and predictable actions. We are committed to respecting individuals and cultures while upholding both personal integrity and the company's standards.

An inclusive culture is the foundation for diversity. We aim to strengthen our working environment through guidelines and practices that foster a culture embracing varied backgrounds and skills. Our commitment is anchored in a dedicated [Human Rights Policy](#) and reinforced by our adherence to the UN Global Compact principles on employee rights.

We prioritise continuous improvement by setting clear goals and KPIs, monitoring progress, and reporting regularly. Every employee shares responsibility for creating an inclusive workplace that reflects our core value: "Respect for Others". Diversity and inclusion are integrated into key HR processes, including employer branding, recruitment, competence development, career progression, promotion, compensation and employee engagement. Our annual Diversity & Inclusion report highlights focus areas such as discrimination risk assessments and barriers to equality and inclusion.

We are committed to preventing discrimination and increasing diversity across our workforce. We believe diversity across culture, competence, gender, religion, ethnicity, social background, functional ability, sexual orientation, marital status, age and political opinion creates a healthy, productive environment that drives motivation and reduces sick leave. It also strengthens our competitiveness as both an employer and a supplier. Diversity brings valuable perspectives to internal discussions and decision-making, improving the quality of outcomes.

Leadership plays a critical role in fostering inclusion. Leaders must demonstrate open-minded, collaborative behaviour aligned with The Borregaard Way, ensuring every individual feels respected, supported and valued. Managers carry a key responsibility to provide equal opportunities for skill

development, competence building and career growth, and to actively enable the potential that diversity offers.

All Borregaard companies are expected to work systematically to promote diversity and prevent discrimination. We strive to create a culture where personal differences are respected and valued, and where equal opportunities are upheld particularly in recruitment, compensation, development and competence building.

BORREGAARD HAS DEFINED THE FOLLOWING LONG-TERM FOCUS AREAS RELATED TO EQUALITY AND DIVERSITY:

- Identify any risks of discrimination or other obstacles to equality and diversity within the company through global employee surveys, as well as local health and working environment surveys.
- Identify possible arenas to clarify and communicate our efforts within equality and diversity.
- Attract and recruit diverse employees at all levels of the company.
- Develop managers from different backgrounds at all levels.

1 FACTS RELATING TO DIVERSITY AT BORREGAARD

Borregaard has surveyed a number of factors from recent years that form the basis for statistics and background data for this area. The figures apply to the group as a whole. However, the company in Sarpsborg, Norway (Borregaard AS) is by far the largest unit in Borregaard, thus the figures for this company are stated in parentheses.

1.1 TEMPORARY EMPLOYMENT, PARENTAL LEAVE, (IN) VOLUNTARY PART-TIME

We have mapped gender distribution related to temporary employment, parental leave, actual part-time and involuntary part-time.

Gender balance		Temporary employees		Actual part-time		Involuntary part-time	
Women	Men	Women	Men	Women	Men	Women	Men
330 (228)	898 (664)	13 (13)	22 (22)	17 (7)	7 (6)	0	0

TEMPORARY EMPLOYMENT

Borregaard strives to employ permanent positions, but certain conditions may require temporary employment. Some of the most common reasons are coverage for maternity leave, long-term sick leave or temporary project work. At the end of 2025, there were 35 temporary employees, all based in Norway.

Of these, 26 were emergency substitutes on a non-guaranteed hours basis. In addition, there were 9 regular temporary employees.

PARENTAL LEAVE

In 2025, 42 employees took family-related leave. Men accounted for 64% of parental leave in the calendar year 2025 and took an average of 9 (11) weeks leave. Women accounted for 36% of parental leave and took an average of 22(22) weeks in 2025.

PART-TIME

Borregaard's starting point is to offer full-time positions, but part-time positions may be relevant, particularly in consideration of the employee's wishes. All our employees who work part-time have chosen to do so voluntarily. The most common reasons are balance between family and work life, health, or other personal circumstance.

2 RISK ASSESSMENT REGARDING DISCRIMINATION OR OTHER OBSTACLES TO EQUALITY AND DIVERSITY

The company conducts dedicated surveys and has several methods for identifying the risk of discrimination or obstacles to equality and diversity.

EXAMPLES INCLUDE:

- Employee engagement survey
- Health and working environment surveys to identify possible harassment and bullying
- Survey on the topic of human rights and whistleblowing in 2020 among 80 international employees
- Collaborations with employee representatives and trade unions (various committees)
- Whistleblowing system
- Annual pay assessment for individually paid employees (employees not covered by collective agreements)
- Equal pay assessment for all employees in Norway
- External audits
- Internal HR audits
- HR reporting of KPIs to senior management
- Annual organisational audit presented to senior management and the Board of Directors

2.1 IDENTIFIED RISKS OF DISCRIMINATION AND TO PREVENT EQUALITY

Based on our assessments, we have identified the following risk factors to follow up and report on:

- Gender distribution
- Job requirements and competence that could pose a hindrance to a diverse workplace
- Language requirements, especially for foreign applicants
- Shift schedules could pose a disadvantage to employees with young children and older employees

2.2 POSSIBLE CAUSES OF RISKS AND OBSTACLES

In the process industry there has over decades been, and still is, a substantial overrepresentation of male employees. The recruitment base for the professions that the company requires has traditionally been and is still characterised by men. The gender distribution has changed somewhat in recent years, for example among the process operators and engineers in Sarpsborg. Borregaard is actively working to equalise the imbalance through recruitment of both production related roles and apprentices. Nevertheless, it will take some time to achieve a more equal gender balance and age distribution in the company as employee turnover is low and the retirement age in the company has increased substantially in recent years (from 58 to 66 years).

Borregaard is completely dependent on access to specialised expertise. The company has a specialisation strategy, and various professions together form a unique competence base where the core competence areas include sales and marketing, production and research and development. There are requirements for documented education and experience for a number of positions such as operators, engineers and researchers. We have high requirements when it comes to the understanding of EHS procedures and communication relating to the performance of work activities at our plants. Employees must be able to communicate in such a way that there is no risk of being misunderstood by others in an operational situation. Inadequate language skills among our employees can result in misunderstandings and create serious incidents.

Most of Borregaard's plants are operating 24 hours a day, 365 days a year. This means that shift schedules, which are based on competence requirements for the various processing plants, restrict the company's opportunities for flexibility and facilitation for safety reasons.

2.3 MEASURES THAT HAVE BEEN INITIATED OR COMPLETED IN 2025

Borregaard follows a process for follow-up of our employees, called PLUS (planning and development dialogue). This includes established processes for employee appraisal dialogue, setting objectives and development plans for the employees. It is the immediate manager who is responsible for following up her/his employees and, in accordance with our personnel policy, this must take place without any form of discrimination on any basis. In 2025, 893 employees had an appraisal dialogue with their manager.

This corresponds to 88% of those who were included in the annual process. Agreements with labour unions outside Norway regulate that not all Borregaard employees can be included in the annual employee review.

APPROPRIATE MEASURES THAT CONTRIBUTE TO INCREASED EQUALITY AND DIVERSITY AND TO COUNTERACT DISCRIMINATION AT THE COMPANY:

EHS

In our annual employee engagement survey, questions were, among others, asked about diversity and inclusion, bullying, discrimination and sexual harassment. The vast majority of respondents confirmed that they are not exposed to discrimination or harassment. However, any deviations or areas of concern will be followed up in the individual departments, through health and working environment surveys and the annual appraisal dialogues.

In Sarpsborg, the company has been an IA company (inclusive working life) since 2002, with a well-functioning cooperation between parties and a clearly rooted inclusive way of thinking. This takes place in the Business Committee, the Working Environment Committee and the party-composed IA Committee. There is good knowledge in the company, both when it comes to facilitation measures and public support schemes. The business in Sarpsborg carried out 55 adaptations for employees in 2025. In addition, 5 people underwent work trials in a different role to clarify residual work ability, and 3 employees have received adaptations of a more permanent nature. In 2025 4, we carried out external facilitation for 4 persons with a multicultural background who needed both professional training and language training.

In Borregaard, 21 (17) people retired in 2025. Average retirement age was 66.2 years (67.3). The company's highest retirement age in Norway is 70 years. From January 1st, 2026, the highest retirement age will be 72 years. In 2025, 126 senior dialogues were held with employees aged 60-70. The theme of these dialogues was competence development and any need for measures and adaptations so that the employee can stay in the job for as long as they wish.

RECRUITMENT

Borregaard has increased its activities to attract, recruit and retain employees in 2025. In 2025, Borregaard recruited 99 (59) new employees, of which 25 (17) were women, which corresponds to 25% (29%). This is a lower proportion of women than our target ambition of 35%. However, a significant proportion of the recruitments in Borregaard in 2025 have been for positions within production. The industry and the educational institutions we recruit from are characterised by male overrepresentation. This makes our long-term goal of increasing the proportion of female employees to a minimum of 35% quite ambitious.

The company has a systematic and structured recruitment process based on the candidate's skills and the company's needs. In our recruitment processes, we also emphasise diversity. We work towards a balanced composition of the company in terms of factors such as gender, age and cultural background.

This means that if we have equally qualified candidates, we will aim to hire the underrepresented gender or age.

COMPETENCE DEVELOPMENT

All competence development programmes, courses and workshops are carried out with a good mix of theory and practice. Most of the courses and development programmes are held at the company to create meeting places across the business areas. It is important for the company both to have good development measures within the professional competence area, but also to facilitate that the various competence areas meet and develop solutions together. Borregaard has an ambition to increase the proportion of women and international diversity in leading positions in the company and has therefore planned for an over- representation of these groups in many management and competence programmes.

In 2025, 30% of the participants in our management programmes were women.

The introduction programme is a meeting place where the new employees meet the diversity in the company. We conducted 2 introduction programmes for 39 new employees.

E-learning has become an important learning platform that provides the opportunity for increased participation, as an addition to ensuring that important information and mandatory training is carried out and documented. Examples of this are ethical guidelines and basic EHS training. Every other year, Borregaard carries out mandatory training in the understanding of our Code of Conduct, including dilemma training for all employees. In 2025, 513 employees completed an e-learning programme about our Code of Conduct.

COMPENSATION POLICY

Borregaard has competence-based compensation systems. Salary adjustments beyond the annual salary negotiations between the parties are determined through committees consisting of representatives of employees and employers.

For individually paid employees, annual assessments are made beyond the annual salary negotiations between the parties. In this process, unintentional bias is assessed based on gender, age, ethnicity etc. The company has several examples of groups or individuals receiving positive pay adjustments in this process. In 2021, the company has implemented a career and pay tool for objective pay determination and development opportunities for parts of the organisation. Norwegian legislation requires a mandatory

assessment of equal pay between women and men for employees in Norway. The results for 2025 have been presented in the attached report.

GENERAL MEASURES

Possibility to combine work and family life/caring duties/parental leave in the event of birth or adoption:

Borregaard has a life-phase policy that makes it possible for our employees in all phases of their careers to contribute with good performance and achievements. General measures that are relevant for all phases of life are welfare leave, flexible work hours and home office. We consider increased flexibility to be a benefit that makes it easier to reach a good work-life balance. Furthermore, Borregaard has guidelines which encourage a greater degree of flexibility with regard to retaining senior employees.

Borregaard AS pays full salary beyond 6G (*G is the basic amount in the National Insurance scheme, NOK 130,160 as of 31.12.2025*) in case of sick leave and parental leave. We also cover full pay for fathers' parental leave for two weeks in connection with childbirth.

Promotion and development:

Decisions about development, internal mobility and promotions are based on objective criteria such as competence, experience and general performance. At the same time, our goal is to establish a more balanced workforce when it comes to diversity. In some cases, this may involve emphasising gender, age or geographical preferences to balance and optimise the composition of a group, department or unit.

Work against harassment, sexual harassment and discrimination:

Borregaard has its own compliance function and notification routines for negative incidents, including harassment in various forms. Incidents can be reported anonymously through our official notification channel "mittvarsel". All employees have access to this portal in various languages.

3 MEASURES PLANNED IN 2026

COMPETENCE:

Borregaard will continue to strengthen competence development initiatives that support our specialisation strategy. A key focus will be on enhancing sales capabilities, with the vast majority of our salesforce participating in the "Challenger" Sales Academy to reinforce the distinctive "Borregaard Way" of selling. In addition, we will renew our Code of Conduct training programme, incorporating practical scenarios and ethical dilemmas to ensure employees are well-prepared to navigate complex situations with integrity.

RECRUITMENT:

Committed and competent employees are important for further developing Borregaard and our strategy. The labour market has been challenging for companies recruiting operators, engineers and certain specialist functions in areas such as innovation and digitalisation. Therefore, Borregaard will increase attractiveness activities (employer branding) during 2026. We will continue to assess how our job advertisements appear with regard to promoting diversity.

We will continuously evaluate the measures described above as a basis for continuous improvement work. Employee surveys will also be carried out, providing feedback and contributions to the evaluations. Correspondingly, the benchmark studies and process will provide important information for the evaluation and review of pay conditions.

REFERENCES

[Act on Gender Equality and Prohibition of Discrimination - LAW-2017-06-16-51](#)

Human Rights Policy: [Human Rights Policy January 1, 2026 \(borregaard.com\)](#)

Code of Conduct [Code of conduct - Borregaard](#)

The Borregaard Way [The Borregaard Way - Borregaard](#)

Arbinn, NHO: <https://arbinn.nho.no/forretningsdrift/diskriminering/aktivitetsplikt-og-redegjorelsesplikten-arp/>

Buudir, guidance for equality work (veiledning for hvordan man skal jobbe med likestilling) https://www.buudir.no/fagstotte/produkter/aktivitets_og_redegjorelsesplikt_for_arbeidsgivere/

ATTACHMENT

PAY REPORT BORREGAARD AS 2025



INTRODUCTION

This report describes wage conditions by gender at Borregaard's Norwegian operations located in Sarpsborg (Borregaard AS) for 2025. The report provides information on the actual conditions with regard to gender equality in Borregaard AS in line with the activity and reporting obligation stated in the Gender Equality and the Discrimination Act (LAW - 2017 - 06-16-51) §§ 26, 26a, 26b and 26c. The report is an appendix to the "Diversity and Inclusion report" on the company's website under ["sustainability documentation"](#).

Every other year, the company is obliged to survey pay conditions by gender. The salary mapping aims to identify salary differences between women and men at different levels and functions in the organisation. The mapping in this report includes employees of Borregaard AS and contains information on salary and benefits that the company provides.

The fixed salary ratio between women and men at Borregaard Norway is 103% (women: NOK 852 100/ men: NOK 826 800). Fixed salary is defined as basic salary plus fixed supplements (e.g. shift supplement, fixed on-call compensation). The Group Executive Management (10 people) is included in this comparison.

BORREGAARD'S WAGE POLICY

Borregaard's wage policy shall ensure that we are an attractive employer that stimulates employees to work for the best of the business, as well as access to employees with the necessary competence and skills at all times. The policy contributes to:

- Ensuring that employees' salaries reflect competence, job responsibilities, tasks and authority.
- Recruit and retain qualified employees.
- Develop employee competence.
- Achieve business goals.
- Promote gender equality, i.e. ensure that there are no pay differences on the basis of gender, age or ethnicity.

WAGE NEGOTIATIONS IN BORREGAARD

In Borregaard, salaries are negotiated annually between the company and the unions. The result is applied to all employees, even for those who are not organised in a union.

Local wage negotiations are initiated by the company convening the unions for a review of the basis for local wage negotiations. These are determined based on significant matters for the company: economy, productivity, future prospects and competitiveness in international markets.

WAGE NEGOTIATIONS WITH UNIONS

Borregaard has seven unions. Four of these are part of LO and included in the "Fellesoverenskomsten for Treforedling" (The collective agreement for wood processing) and wage negotiations consists of both central and local negotiations.

Three associations (NITO, TEKNA and Lederne) do not negotiate centrally on wages and only have the local right to bargain.

In addition to the annual wage negotiations, wage assessments and adjustments can be made throughout the year in committees with representatives of management, HR and labour union representatives.

For individually paid employees, separate assessments are made annually related to market conditions and a systematic assessment of inequalities in relation to gender, age and ethnicity. This assessment is discussed with the union representatives.

EMPLOYEES ON REGULATORY PAY

In consultation with union representatives, Borregaard has established a pay system that is based on a number of factors related to different categories and roles of employees. Competence, responsibility and complexity are among the factors that are included in the salary placement. The salary system is structured as shown below:

DISTRIBUTION OF WOMEN AND MEN AT DIFFERENT JOB LEVELS (GROUP), AS WELL AS PAY DIFFERENCES BETWEEN THE GENDERS:

In this salary mapping, we have looked at the differences between genders on basic salary and total compensation. Total compensation includes all taxable income (salary, bonus and benefits in kind), with the exception of long-term incentives/share options.

COMPOSITION OF JOB GROUPS

Bufdir's (The Norwegian Directorate for Children, Youth and Family Affairs) guide was used to create occupational groups of employees who do equal work and work of equal value. Employees are assessed according to the following criteria, each criterion with a scale from 1-5:

- Responsibility in the role
- Formal qualifications
- Personnel responsibility
- Complexity in the role

The criteria responsibility and complexity in the role were weighted twice in relation to formal competence and personnel responsibility. Employees were then placed in groups of positions that have equal or nearly equal scores and were consequently placed in groups 1-8. The composition has been discussed with representatives from our trade unions. Below is a detailed description, as well as examples of which job categories are placed in each individual "group".

Group 1

In this group, management roles are at the top levels of the company. To avoid the groups being too small to present the findings, the company's corporate management is grouped together with group 1. The company's CEO is not included as he is the only one at the top level. For a detailed overview of the various elements in the compensation package for the company's Executive Management, we refer to the report on "salary and remuneration for senior management".

The leadership roles in group 1 have the ultimate responsibility for the company's strategic direction, delivery and results. Examples of roles in this group (in addition to the company's group management) are directors of the company's various business areas and support functions/staffs.

Group 2

This group includes leaders at the next level. The company's top expert roles are also included here. Leadership roles in this group are senior managers who, like group 1, must contribute to the company's strategic direction, delivery and results. Group 2 typically includes the top roles within sales/marketing, research/development and IT/digitalisation.

Group 3

The management roles in this group report to, and receive guidance and supervision, from a manager in group 1 or 2. Management roles and expert roles in this group are responsible for delivering in line with the strategic direction set by the company's senior management. Typical leadership roles in this group are middle managers who are responsible for their team and must ensure the implementation of the company's strategic direction within their area/team. Expert roles in this group have in-depth knowledge and experience in their specialist area, but also an understanding of the entire company's context.

Group 4

Roles in this group will typically be junior managers who report to a manager in group 2 or 3. They are responsible for prioritisation and delivery within their area. Expert roles are roles that have in-depth knowledge and experience in their area of expertise.

Group 5

This group includes roles that are characterised by routine tasks, but which also require a certain level of knowledge and experience in their area. There may also be roles in development that are still acquiring knowledge at a higher level.

Group 6

Group 6 are the highest levels of executing roles in our operating organisation. These are, for example, roles with extended responsibility and expertise in their area. Other roles in group 6 are typically administrative roles with routine and concrete tasks.

Group 7

Roles in this group are executing roles in our operating organisation. Typical tasks in these roles are governed by guidelines and procedures.

Group 8

Roles in this group are executing roles in our operating organisation. The tasks are governed by guidelines and procedures, with close follow-up and guidance from the manager.

	Number of women	Number of men	Women's average salary in % of men's salary	Women's average compensation in % of men's compensation
Group 1	11	18	80%	77%
Group 2	17	40	87%	78%
Group 3	22	53	93%	89%
Group 4	70	97	96%	89%
Group 5	21	26	99%	87%
Group 6	59	284	105%	90%
Group 7	8	77	100%	100%
Group 8	6	48	100%	99%

ASSESSMENT

It is mainly groups 1 and 2 that have significant pay differences. The main drivers of the pay differences within basic pay and total compensation in group 1 and group 2, is that there is a greater proportion of men in the top job categories.

In group 1, where there is the largest average difference between women and men, the Executive Management (with a higher salary level) is included. The difference here is due to, among other things, that there is a greater proportion of men (70%) in the Executive Management. As Executive Management itself is a highly paid group, this will automatically raise the average among men in general in this group.

In group 2, where there is the second largest average difference between women and men, leadership roles within IT, digitisation and sales/marketing are included. These are roles that, in terms of the market, have a higher salary level compared to other roles. Since there are most men in this group, this is the main reason for the difference. There has been increased recruitment for these roles in the last couple of years. In addition, there are greater variations in the type of bonus scheme in this group, as it includes both staff and sales personnel.

There are smaller differences between the genders in groups 3 and 4. We see the same reasons for the differences in these two groups as mentioned for groups 1 and 2. In addition, men in this group have roles that provide additional benefits beyond the basic salary, such as on-call duties and overtime, which leads to an increased difference between the genders in total compensation. In groups 5-8, there are no pay differences between women and men when it comes to basic pay. In terms of total compensation, there

are small differences due to the fact that more men are included in the company's on-call duties, which consequently gives increased supplements and overtime pay.

MEASURES

Based on the over-representation of men, generally in the company and in the top groups, it is consequently mostly men who have roles with the highest responsibility and complexity, which leads to pay differences between the genders. An important measure for the company that also will reduce pay differences is to contribute to a more even gender distribution at all job levels and to ensure that opportunities and career choices are equal for everyone.

This salary mapping has contributed to important insight to further include in mapping and working with the causes of pay differences between the genders. The result of the survey will be an important factor for assessment at the next individual salary assessment.

OVERALL ASSESSMENT

In general, on the basis of the analysis discussed in this report, there is no reason to believe that there is unequal pay based on gender. Overall, the company has a relatively equal average salary for women and men (women's salary is somewhat higher, 103% of men's salary). However, there is a different gender distribution in different job categories, which contributes to the fact that some groups may have different average salaries between the genders.

The results in this report relating to employees on individual pay will be followed up when annual individual pay assessments are made by HR and the immediate manager. Any deviations will be followed up and discussed with the union representatives. In addition, any deviations in the various groups will be considered in new recruitments and internal mobility.

The results in this report relating to employees on regulatory pay will be presented to Borregaard's assessment committee. The committee has a mandate to follow up any deviations, initiate measures or make salary adjustments.

SOURCES

Act on Gender Equality and Prohibition of Discrimination - LAW-2017-06-16-51

Arbinn, NHO aktivitets- og redegjørelsesplikt (ARP)

Buudir, guidance on how to work with gender equality

INTERNAL SYSTEMS

CatalystOne - HR system

SAP Zalaris - Payroll system

KornFerry Hay

Job descriptions

The annual salary agreement with labour union

Laboratory agreement

Borregaard's leadership handbook

Borregaard's personnel handbook