

HUMAN RIGHTS & DECENT WORKING CONDITIONS

REPORT 2025



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SCOPE, FINDINGS AND TARGETS

1.1 Scope of the report

The Norwegian Transparency Act ("Åpenhetsloven") of 1 July 2022¹ shall promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services. Furthermore, the act shall ensure the general public access to information regarding how *enterprises address adverse impacts on fundamental human rights and decent working conditions*. The Transparency Act is based on the *OECD's Guidelines for Multinational Enterprises*². This requires organisations to conduct a due diligence assessment, which includes the following six steps:

1. Ensure accountability in policies and management systems.
2. Monitor and assess negative impacts and risks in the enterprise, supply chains, and business partners.
3. Stop, prevent, or mitigate negative impacts and risks.
4. Supervise implementation and results.
5. Engage with directly affected parties and rights holders to communicate how impacts are handled.
6. Ensure that remedies are provided or collaborate on appropriate solutions where necessary.

Borregaard actively promotes respect for human rights and decent working conditions throughout the value chain. Our ambition is to continuously improve performance in this area and to avoid any harm to people. This report accounts for Borregaard's due diligence assessments pursuant to the Transparency Act. It outlines our process for assessing whether there are any actual or potential adverse impacts on human rights or decent working conditions within our operations, supply chain, or other business relationships. Furthermore, the report accounts for how we follow up on any potential negative impact. It covers Borregaard's global operations including all subsidiaries, the supply chain, and business partners.

Human rights are understood as the internationally recognised human rights that are enshrined in the *Universal Declaration of Human Rights*³ and in the *International Labour Organization's declaration on Fundamental Principles and Rights at Work*⁴. Decent working conditions mean work that safeguards fundamental human rights and health, safety, and environment in the workplace, and that provides a living wage.

1.2 Findings and overall targets

We have not identified any breaches of human rights or violations of decent working conditions in our own operations or among our business partners. No significant actual or potential negative social impacts have been identified in the supply chain. However, we operate and have business partners and suppliers in some higher-risk countries and, consequently, our operations and our value chain show potential exposure to such risks.

Our targets for 2025 include zero violations of human rights, to secure compliance with laws, and regulations related to decent working conditions in our business, and to work actively to promote the same standards with our business partners and suppliers.

We will continue to monitor the risks and implement measures as more specifically described in this report in our own business, with our business partners, and in the supply chain.

¹ Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act) - Lovdata

² https://www.oecd.org/en/publications/oecd-guidelines-for-multinational-enterprises-on-responsible-business-conduct_81f92357-en.html

³ Universal Declaration of Human Rights | United Nations

⁴ https://www.ilo.org/sites/default/files/2024-04/ILO_1998_Declaration_EN.pdf

2. OVERVIEW

2.1 Borregaard's business

Borregaard is a multinational enterprise (MNE) and a leading global supplier of sustainable products and solutions within selected niches of biochemicals, biomaterials, and fine chemicals. The Group operates one of the world's most advanced biorefineries, with high value added achieved through the full utilisation of the wood raw material base. Borregaard's strong innovation capabilities contribute to the continuous specialisation of existing operations, as well as the development of new products and applications.

Our operations: Borregaard's headquarters, corporate research and development centre, and largest production unit are located in Norway. Additional production units are located in the United States (Wisconsin and Florida), the United Kingdom, Germany, and the Czech Republic. Our sales offices are located in our key markets, primarily in OECD countries, as well as in China, Singapore, Brazil, and India. In India and the US, Borregaard also operates research and development laboratories. As of 31 December 2025, Borregaard employed 1177 full-time employees (FTEs) in plants and sales offices in 13 countries.

Supply chain: Borregaard's supply chain includes suppliers of goods, services, and other input factors to produce Borregaard's products, as well as other suppliers of goods or services to Borregaard.

Business partners: Borregaard defines its business partners as collaboration partners outside the supply chain who provide services to Borregaard. This typically includes Borregaard's agents and distributors selling Borregaard's products in areas where we do not have sufficient own sale force.

Borregaard supplies its products mainly to large industrial companies based in Europe (45%), the Americas (29%), Asia (25%) and other regions (1%) to sectors such as food production, infrastructure, transportation, housing, health care, and other markets. The vast majority of products are sold through our own sales force operating from sales offices in Europe, Asia, and the Americas. All new customers are subject to a "Know Your Customer" process.

Borregaard discloses information to, and is rated by, EcoVadis, a global provider of corporate sustainability ratings. In 2025, Borregaard received a Gold rating. Borregaard also uses EcoVadis to assess our own suppliers.

OUR VALUE CHAIN CAN BE DESCRIBED AS FOLLOWS:

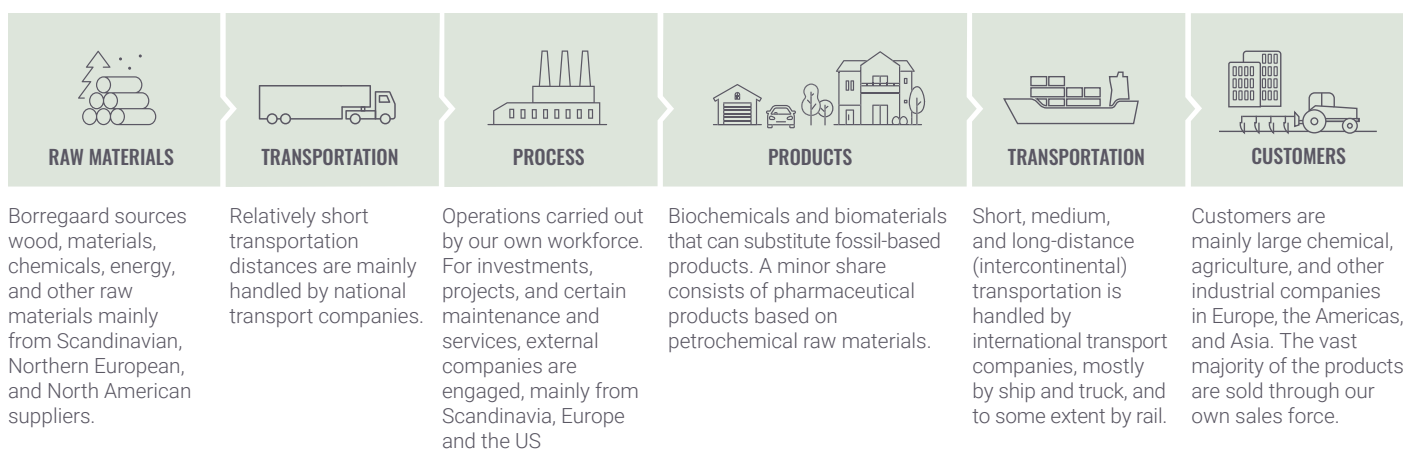


Figure 1

2.2 International standards and our policies

Borregaard is a signatory to the UN Global Compact and specifically focuses on Principles 3, 4, 5 and 6, upholding freedom of association, the right to collective bargaining, zero tolerance for forced labour, zero tolerance for child labour, and non-discrimination. The commitment to combat human and labour rights violations is also expressed in our policies and guidelines.

The [Human Rights Policy](#)⁵ describes our guiding principles for handling human and labour rights, including child labour, forced labour, and human trafficking, relevant for our daily operations. It applies to all wholly owned subsidiaries, and to joint ventures where adherence to Borregaard's group directives is agreed upon as part of the ownership contract. The principles outlined in the policy should be regarded as a minimum standard. The policy is available in English.

The [Code of Conduct](#)⁶ defines our core values and provides guidance for all employees on ethical business practices, environmental values, and human and labour rights. These values apply to all operations and employees.

The Code of Conduct explicitly prohibits the use of child labour and forced labour. The Code of Conduct is available in Norwegian, English, Chinese, Czech, German, and Portuguese.

The [Supplier Code of Conduct \(SCoC\)](#)⁷ is based on the principles of the UN Global Compact and the standards set by the International Labour Organization (ILO). We require our suppliers to comply with our SCoC or its equivalent, regardless of their country of origin.

By signing the SCoC, suppliers confirm their commitment to respecting human and labour rights, occupational health and safety, environmental protection, as well as upholding anti-corruption measures and responsible

business practices throughout the value chain.

The Supplier Code of Conduct is available in Norwegian, English, Polish, Spanish, and Chinese.

The [Anti-corruption policy/manual](#)⁸ explains and elaborates the content and implications of Borregaard's policy on anti-corruption. In accordance with well-established principles, as described in our Code of Conduct, Borregaard has a strong commitment to operate in accordance with sound business principles and to comply with all applicable laws and regulations. Borregaard specifically does not permit or tolerate engagement in any form of corruption. The anti-corruption manual is available in English.

The [Policy for environment, climate, health, and safety engagement](#)⁹ is rooted in our business model, corporate culture, and values. The aim of this policy is to enhance commitment, awareness, and continuous improvement in these areas, and to define the company's specific procedures and practices. A strong EHS and climate performance will strengthen the company and contribute to long-term sustainability. This policy is available in Norwegian and English.

2.3 Responsibility

Borregaard's Board of Directors has overall responsibility for the management of the company and has clear objectives, strategies, and risk profiles for the company's business activities, integrating financial, social, and environmental considerations. The Board of Directors approves Borregaard's Code of Conduct, which anchors the more detailed policies referred to above.

The Group Executive Management is responsible for the governance, management, and monitoring of the Group's environmental, social and governance objectives, targets, and performance. This includes assessing and mitigating risks related to adverse impacts on human rights and decent working conditions related to Borregaard's

⁵ [Human Rights Policy](#)

⁶ [Borregaard's Code of Conduct](#)

⁷ [Supplier Code of Conduct](#)

⁸ [Anti-corruption manual](#)

⁹ [General guidelines for environment climate health and safety engagement](#)

operations and value chain, ensuring compliance with relevant regulations, including the Transparency Act.

The Group Executive Management also approves the Human Rights Policy.

Borregaard is committed to upholding high standards of ethics, anti-corruption, and corporate responsibility, integrating these principles into the foundation of our decision-making processes. The work is organised through two key governance bodies: the Sustainability Board and the Compliance Board. The Sustainability Board addresses and monitors key sustainability topics, reporting directly to the CEO. It is chaired by the SVP of Public Affairs and Sustainability.

The Compliance Board consists of SVP of Public Affairs and Sustainability (Chair), General Counsel, Vice President Finance and Chief Risk Officer. This Board plays a pivotal role in supporting the management of Group companies by raising awareness of compliance matters, reporting on its activity and findings, and contributing to improvements. The Compliance Board summarises its work in an annual report, with both internal and external versions, which is approved by the Board of Directors.

Borregaard has established a whistleblowing system which includes a dedicated, third-party-operated channel and which is accessible to both employees and external parties. This system provides a secure platform for reporting concerns, incidents, breaches, or suspected violations of the Code of Conduct, as well as other internal policies or laws and regulations.

A designated Notification Group comprising of representatives from HR and Legal, is responsible for ensuring the timely and effective management of all reports. Whistleblowing cases that result in serious or significant violations of the Code of Conduct are systematically documented and reported to the Compliance Board and to the Board of Directors.

Responsibility for overseeing compliance with the Transparency Act rests with the SVP of Procurement and Strategic Sourcing. A cross-functional working group, consisting of employees from HR, Legal, Procurement, and the Business units, carries out the due diligence

process. This includes assessing whether there are any actual or potential adverse impacts on human rights and decent working conditions that Borregaard has caused or contributed to, or that are directly linked to our operations, products, or services via the supply chain or business partners.

The working group addresses any adverse impacts and tracks the outcomes of any corrective actions taken. Additionally, the group documents the due diligence in the annually published Human Rights and Decent Working Conditions Report. This report is submitted to the Compliance Board, and the final version is approved by the Board of Directors.

The report is available for the general public on our [website](#). The general public can also request information regarding our compliance with the Transparency Act through the dedicated email account apenhet@borregaard.com, which is managed by designated employees to ensure adequate and timely responses.

2.4 Materiality assessment

Borregaard's double materiality assessment identifies the company's material topics. This assessment documents the approach, decisions, assumptions, and subjective judgements made, as well as sources analysed and evidence gathered. Various stakeholders, including customers, employees, business partners, suppliers, and organisations, are involved in evaluating the impact on human rights and decent working conditions for employees, workers in the value chain, local communities, and end-users.

Key areas related to human rights and decent working conditions include upholding freedom of association, the right to collective bargaining, and ensuring zero tolerance for discrimination (equality, discrimination, sexual harassment), forced labour, and child labour.

We emphasise the importance of environment, health, and safety (EHS) issues in our organisation, which are described in detail in our annual report. The risk level for our production sites related to EHS is assessed as low and, therefore, is not included in the subsequent risk assessment.

3 DUE DILIGENCE ASSESSMENT

3.1 The risk process in Borregaard

The Borregaard risks management process, grounded in ISO 31000 provides a framework for identifying, assessing, and prioritising risks throughout the value chain. This generic approach is well suited for handling a wide range of risk management objectives and can be adapted to specific case analyses when necessary. It serves as the foundation for the due diligence assessment detailed in this report.



Figure 2

3.2 Specific indexes and tools

We used the *Democracy Index*¹⁰, developed by The Economist and published by The United Nations, as the basis for risk assessments of our own business operations and business partners. Borregaard regards this as a robust basis for evaluating country-level risk related to human rights and decent working conditions, as it covers a broader range of countries compared to alternative sources. Other sources, such as Transparency International, Global Slavery Index, Freedom House, EIRIS, Heidelberg Conflict Barometer, and the Human Development Index, have also been used and evaluated, and we have observed a significant overlap in how high-risk countries are defined. Based on the Democracy Index, countries are categorised according to their score on protection of human rights. Countries with score below 6.0 are classified as high risk (red), scores of 6.1 - 8.0 (yellow) indicate medium risk, and countries with a score of 8.1 or higher (green) are classified as low risk.

We use two EcoVadis modules when assessing our suppliers, EcoVadis IQ and EcoVadis Ratings. These assessments cover all suppliers, including the suppliers that provide goods and services directly related to Borregaard's production of biochemicals, biomaterials and fine chemicals, as well as the suppliers of goods and services that fall outside the core value chain.

Through EcoVadis IQ, we conduct a risk assessment across our supplier base, identifying risk distribution per topic: Labour & Human Rights, Ethics and Sustainable procurement and an Overall risk distribution. The risk distribution is based on the supplier's inherent sustainability risk intelligence from the EcoVadis platform and our own procurement data. As changes in supplier spend, classification, areas of operation and other supplier information can lead to a change in risk profile, updating supplier data in EcoVadis IQ is crucial. We have implemented a process where the supplier information, spend and criticality is updated every 12 months. The EcoVadis IQ assessment is conducted annually. EcoVadis IQ scans the supply base over time.

The second module, EcoVadis Ratings, provides a comprehensive assessment of a company and its sustainability performance in the four areas defined above. Companies disclose information on the EcoVadis platform by responding to a detailed questionnaire covering policies, practices, and documented evidence. EcoVadis performs an independent expert analysis and assigns a rating based on a thorough assessment of the provided information. Each company is rated on material issues, taking into account size, location, and industry.

¹⁰ [Democracy Index 2023 | Economist Intelligence Unit](#)

3.3 Own operations

3.3.1 Scope

Subject to our assessment in this section is the entire Borregaard Group, including all subsidiaries. This means that, in addition to the headquarters in Norway, all production units and sales offices outside Norway are included in the assessment..

Borregaard has six production sites (Norway, Germany, the UK, the Czech Republic and two in the US) that manufacture biochemicals and biomaterials that can substitute fossil-based products. A minor share consists of pharmaceutical products based on petrochemical raw materials.

3.3.2 Risk assessment

Several processes are in place to get an overview of the activities across all subsidiaries and thereby minimise risk. Activities related to diversity, equality and non-discrimination are described in detail in our publicly available reports. Regular meetings are conducted with employee representatives and trade unions.

Our labour and human rights management system covers all Borregaard sites. Today, 87% of the total workforce across all locations is represented in joint management and employee health and safety committees. In recent years, 100% of all operational sites have been subject to reviews, including human rights reviews or human rights impact assessments. Borregaard conducts a global employee engagement survey which covers topics related to diversity, harassment, and working conditions. The survey is distributed annually among all Borregaard employees and confirms that the vast majority of our colleagues are not exposed to discrimination of any kind. Any deviations or areas of concern are followed up within the departments in a separate health and work environment survey and in the annual appraisal dialogues.

Borregaard has identified one company office located in a high-risk country according to the Democracy Index: China. In this region, the risk of breaches related to minimum living wages, discrimination, corruption,

and similar issues is considered higher than at other Borregaard locations. In 2025, we carried out external wage benchmarking for our local office in China. The results confirmed that our employees are compensated fairly and in line with relevant local standards.

3.1.3 Measures implemented and further follow up

Borregaard has several measures and follow-up procedures in place. All new employees receive an introduction to our Code of Conduct as part of the onboarding process. In addition, all new employees are required to complete a mandatory e-learning concerning our Code of Conduct, which includes details about human and labour rights, child labour, forced labour, and human trafficking.

In 2025, following the due diligence review of our own operations, we conducted an HR audit of our legal entity in Singapore to assess and mitigate potential compliance risks in our operations in Southeast Asia. The audit did not identify any non compliance related to working conditions.

We conduct an annual organisational review of systematic leadership, competence evaluation, and succession planning. During this review, managers are required to evaluate diversity within their teams and to conduct succession planning with focus on gender balance, age distribution, and diversity in general.

A summary of findings and actions are presented to the Executive Management Group and the Board of Directors.

Pursuant to our annual Diversity and equality report, we increased our focus in 2025 on measures to avoid any form of discrimination. This included all obstacles to equality and diversity. We extended the use of a career and pay tool to support objective pay determination and development opportunities for parts of the organisation.

We have KPIs related to diversity and inclusion, and results and progress for 2025 are measured and reported in our annual diversity and equality report.

To continue minimising risks and safeguarding human rights and decent working conditions, we will continue ongoing communication and training with our offices. Furthermore, we continue working with ethics, anti-corruption, and corporate responsibility as an integrated part of our business operations.

3.4 Suppliers

3.4.1 Scope

This section assesses Borregaard’s supply chain, as defined in Section 2.1, which includes both direct and indirect suppliers. Borregaard uses a broader definition of supply chain than the Transparency Act.

In 2025, Borregaard sourced from 2500 suppliers from 43 different countries. 73% of spend (cost of purchased goods and services) originated from Norway, Sweden, and Germany and 99% from Europe, Canada and the US. 78% of spend relates to the biorefinery in Norway.

To determine the respective supplier’s importance and identify those with the largest impact, we classify our suppliers into strategic, bottleneck, leverage, or non-critical, and categorise them according to what they supply.

3.4.2 Risk assessment

As part of monitoring and assessing negative impacts and risks in our supply chain we conducted the annual update of the EcoVadis IQ. The assessment covered all suppliers classified as strategic, non-critical, leverage, and bottleneck (1697 in total), from 158 industries and 34 countries. They have been assessed for social impacts, and the suppliers that pose a risk with respect to labour and human rights in our supply chain were identified. From our EcoVadis IQ dashboard, showing our risk profile related to Labour & Human Rights

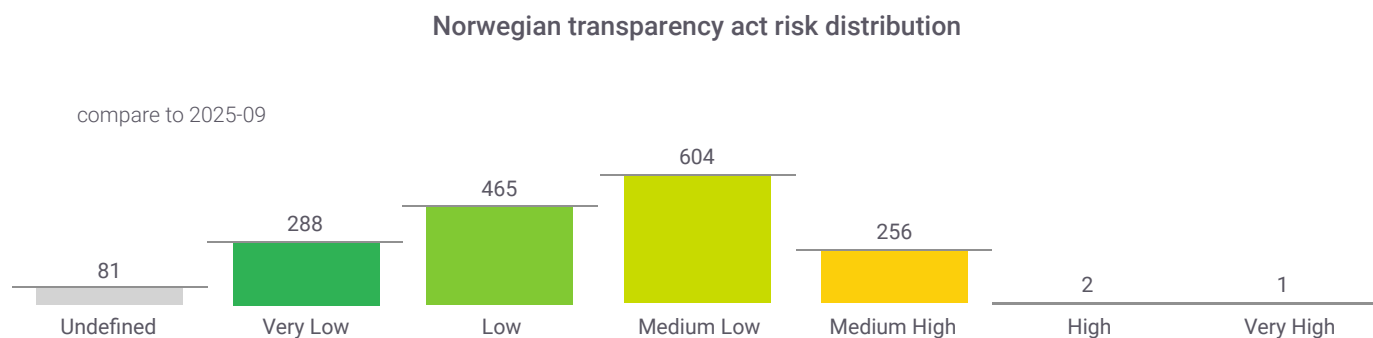


Figure 3

From our EcoVadis IQ dashboard, showing our risk profile related to Labour & Human Rights in a map:



Figure 4

Further, we have assessed our suppliers using EcoVadis Ratings. Following our supplier engagement activities in 2025, the number of strategic suppliers disclosing on EcoVadis Ratings increased from 35 to 38, and in 2025 71% of our strategic suppliers disclosed on the EcoVadis Ratings platform.

By the end of 2025, a total of 238 suppliers were disclosing information and were rated on the platform. In addition, 38 companies were in the process of renewing

their scores. 218 suppliers have been assessed more than once, and 76% improved their score.

The EcoVadis Ratings scoring scale includes five sustainability performance levels: Outstanding (score 85-100); Advanced (score 65-84); Good (score 45-64); Partial (score 25-44); and Insufficient (score 0-24).

By the end of 2025, our suppliers had the following overall score distribution:

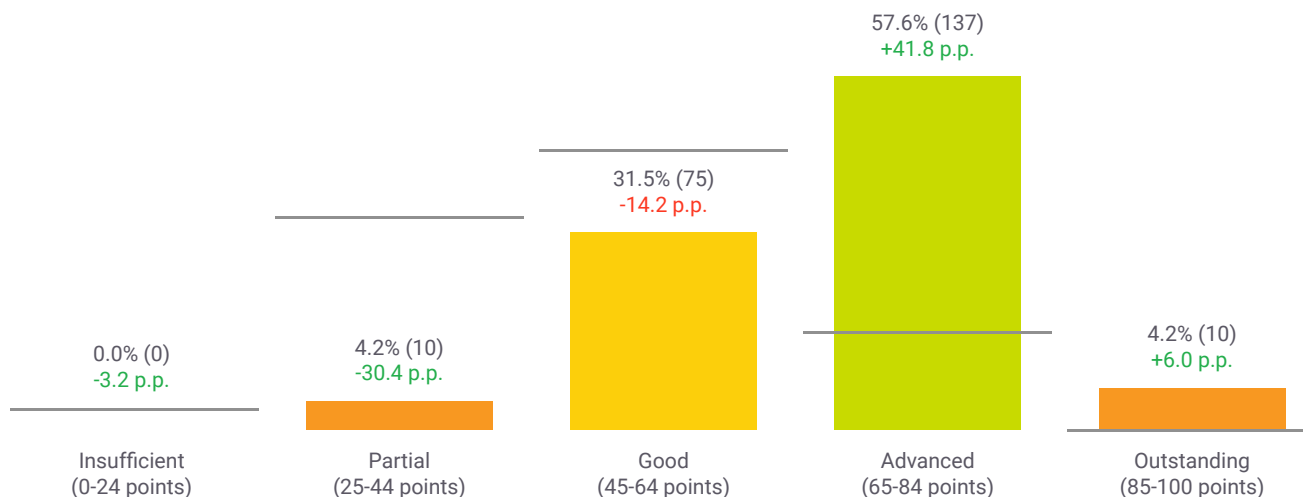


Figure 5

In our Supplier Code of Conduct we require the suppliers to confirm that they comply with the “Ten Principles” of the UN Global Compact and the standards given by the International Labour Organization (ILO), and to communicate the requirements to their own suppliers and business partners. We monitor the number of suppliers that have signed the Supplier Code of Conduct. In 2025, 100% of new suppliers and 84% of all suppliers, non-critical suppliers excluded, have signed the Supplier Code of Conduct or an equivalent code.

3.4.3 Measures implemented and further follow up

We prioritise measures where the risk of negative impact is highest, starting with suppliers with “very high” and “high” risk. One supplier was identified as “very high risk” in terms of labour and human rights. This supplier is classified as non-critical, has low spend, and mitigating measures are currently ongoing.

In 2025, we did not consider it necessary to terminate relationships with suppliers due to issues regarding labour and human rights. In line with the OECD guidelines and UN’s sustainability goals we will encourage and work with the suppliers to act in accordance with human rights and decent working conditions, rather than immediately terminating relationships with higher-risk suppliers. Should any negative impacts be identified in the form of human rights violations or poor working conditions related to the supply chain, appropriate measures will be implemented, with the aim of ending or mitigating the negative impact. These measures will be followed up through surveys, assessments, and anonymous grievance mechanisms.

Reference is also made to the provision in the Supplier Code of Conduct: “We confirm that if breaches of guidelines are uncovered through internal audits,

complaint mechanisms or external audits, the necessary measures will be taken. We are aware that Borregaard considers compliance and willingness to implement the necessary measures. Furthermore, we confirm that persistent non-compliance with the guidelines or a lack of willingness to cooperate on the necessary measures will be considered a breach of the agreement”.

An important part of stopping, preventing, and reducing negative impact/risk related to labour and human rights in the supply chain is supplier engagement, including providing information and setting firm requirements. Information and requirements to our suppliers is provided through supplier approval and sourcing documentation. In addition, information is published on our website under [“For our suppliers”¹¹](#).

In 2025, we actively used our tool for supplier collaboration, approval, and sourcing in our daily operations, which increased our insight into the supply chain, including aspects related to Labour and Human Rights.

In 2026, we will continue assessing our suppliers using EcoVadis IQ and EcoVadis Ratings. Our long-term target is that 80% of strategic suppliers disclose information and are rated on EcoVadis Ratings. We will continue monitoring the number of suppliers that have signed the Supplier Code of Conduct, with the aim that 100% of targeted suppliers have signed.

3.5 Business partners

3.5.1 Scope

The assessment outlined in this section pertains to business partners not covered by the supply chain assessment as described in Section 3.4. Since the supplier assessment includes indirect suppliers, the remaining business partners are primarily identified as agents and distributors responsible for selling our products in various countries.

3.5.2 Risk assessment

During 2025, we performed a new mapping of existing agents and distributors pursuant to the UN Democracy

Index and identified those located in “high-risk” countries consistent with assessments conducted in 2022 and 2023. Agents and distributors with sales of Borregaard products exceeding NOK 1 million were assessed more thoroughly.

Internal contract owners were engaged to support the risk assessment. For each business partner, compliance with business ethics topics, including human rights and decent working conditions, was reviewed. The assessment comprised screening for potential indicators of breaches, any red flags, and contractual provisions. Compliance with Borregaard’s code of conduct was also confirmed.

During our investigations, we did not identify any negative impacts on human rights or decent working conditions related to the assessed distributors.

3.5.3 Measures implemented and further follow up

In 2025, Borregaard established a more comprehensive process for both engaging with and following up on business partners. The process includes thorough assessment of all business partners prior to engagement, as well as a risk-based system for following up on existing business partners. The process and the policy are owned by the EVP Biopolymers, and ensure the involvement of relevant functions across the organisation. As of 2026, Borregaard will apply this strengthened process for the engagement and ongoing risk assessment of all business partners.

A detailed clause governing business ethics is included in our standard templates for agent and distribution agreements. The clause covers, among other things, Borregaard’s requirements related to human rights and decent working conditions, and references Borregaard’s

Code of Conduct. In addition, the clause authorises Borregaard to verify compliance, request necessary improvements, and ultimately terminate the agreement if compliance cannot be ensured.

¹¹ [What you need to know as a supplier](#)

4 COMMUNICATION AND INFORMATION

This report is available on the company's website, and is also referenced in our [Annual report 2025](#)¹². The report presents the status as of 31 December 2025 and is prepared in accordance with the requirements in the Transparency Act. It will be updated in 2027 to cover the 2026 reporting year and otherwise updated as required in the event of material changes to the overall risk assessments. Members of the public may request information related to the Transparency Act through a dedicated email address available on our [website](#)¹³.

Approved by Borregaard's Board of Directors.

Sarpsborg, 18 March 2026

THE BOARD OF DIRECTORS OF BORREGAARD ASA

Signed

HELGE AASEN

Chair

Signed

TERJE ANDERSEN

Signed

TOVE ANDERSEN

Signed

MARGRETHE HAUGE

Signed

JOHN ARNE ULVAN

Signed

ARUNDEL KRISTIANSEN

Signed

RAGNHILD ANKER EIDE

Signed

TOM ERIK FOSS-JACOBSEN

CEO

¹² [Annual report 2025](#)

¹³ [Human rights](#)