

Borealis

Human Rights Policy Statement



CEO Statement

Respect for human rights is firmly rooted in our core values and we are committed to meeting the responsibility to respect human rights throughout our operations and value chains. Maintaining the highest standards of integrity is essential for securing and maintaining the trust of Borealis' customers, suppliers, employees, shareholders and other key stakeholders, and for protecting the group's reputation.

We expect these standards to be upheld by every Borealis employee and to all people who work at any Borealis facility around the world.

Our human rights commitment includes strict compliance with applicable national laws. Where such laws fall short of Borealis' standards, based on internationally recognized human rights, Borealis is guided by such higher standards while complying with applicable laws.

Borealis has signed the UN Global Compact and is fully committed to the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.



Thomas Gangl
CEO Borealis AG

A handwritten signature in blue ink, appearing to read "T. Gangl", written over a light blue background.

September 2023

1. Our commitment to human rights

Human rights are universal and guide our conduct in every aspect of Borealis' activities. Human rights are inalienable, and every person is inherently entitled to them. Borealis respects human rights as contained in the Universal Declaration of Human Rights and in internationally recognized treaties, including the International Labour Organization (ILO) core treaties¹. Accordingly, OMV, Borealis and Petrom (collectively "OMV Group") have signed the UN Global Compact and are fully committed to the UN Guiding Principles on Business and Human Rights as well as the OECD Guidelines for Multinational Enterprises. This commitment to human rights is embedded in each business approach and supports adherence to the UN Sustainable Development Goals (SDGs). Also as part of its Human Rights Policy Statement, Borealis is also committed to equality, regardless of any ground such as race, gender, sexual identity, age, color, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, indigenous origin, property, family status, disability, health status, including mental health, or any other status.

The primary duty for the protection of human rights lies with states. Borealis, however, has accepted the responsibility to respect and avoid infringing human rights of others in relation to all our business activities. We are committed to address adverse human rights impacts we are involved in and to take adequate measures for their prevention, mitigation and, where appropriate, remediation.

In meeting our human rights responsibilities, Borealis acts in strict compliance with applicable national law. Where national law falls short of Borealis' standards, based on international human rights law, Borealis is guided by its higher standards while complying with applicable laws.

¹1. Freedom of Association and Protection of the Right to Organise Convention No. 87

2. Right to Organise and Collective Bargaining Convention No. 98

3. Forced Labour Convention No. 29

4. Abolition of Forced Labour Convention No. 105

5. Minimum Age Convention No. 138

6. Worst Forms of Child Labour Convention No. 182

7. Equal Remuneration Convention No 100

8. Discrimination (Employment and Occupation) Convention No. 111

2. Human rights due diligence

Following the UN Guiding Principles on Business and Human Rights, our Human Rights Due Diligence (DD) encompasses the following four steps:

1. assessing actual and potential human rights impacts associated with our current and future business activities;
2. integrating and acting upon the DD findings in our activities;
3. tracking effectiveness of our DD actions; and
4. communicating on how these impacts are being addressed. It includes the continuous engagement (consultation) of external stakeholders, including those being impacted.

We are then committed to a rightsholders' perspective, ensuring that next to business-related risks, actual and potential impact on human rights is professionally assessed and acted upon accordingly. In this ongoing DD Borealis uses internal or external resources.

3. Specific commitments

As part of its Human Rights Policy, Borealis has mapped its salient human rights responsibilities related to its relevant stakeholders (especially own employees, contractors and their employees, etc.) in a comprehensive Human Rights Matrix, which constitutes the basis for our activities in the field of human rights and serves as a fundamental tool for their implementation.

Borealis commits itself to these salient human rights and expects from its employees as well as from its business partners to adhere to the same principles by applying our Ethics Policy in our supply chain and expecting our other partners to comply with our standards through contractual terms.

3.1. Workers' rights

Borealis is committed to respect worker's rights as set out in the eight Fundamental Conventions and the Declaration on Fundamental Principles and Rights at Work of the ILO, specifically the principles of freedom of association and right to collective bargaining, the elimination of all forms of forced or compulsory labor and modern slavery, the effective abolition of child labor, the elimination of discrimination, and a safe and healthy working environment. Borealis respects the right to form and join trade unions, meaning it will not discourage membership or participation in trade unions and refrain from actions undermining adequate collective representation including collective bargaining. In case of national law prohibiting the establishment of formal employees' representation, Borealis seeks to allow alternative forms of adequate representation of employees' interests always within the relevant legal framework. We ensure compliance with locally applicable decent living wage standards, working and rest time and overtime payment provisions.

Where local labor rights standards fall short of Borealis standards, based on international human rights law, Borealis is guided by its higher standards while complying with applicable laws.

Borealis is committed to ensuring fair treatment and equal opportunities for all employees. Employees and job applicants are not discriminated against on any grounds, and Borealis has zero tolerance for discrimination, bullying and sexual and other harassment in working relationships, including the failure to act.

Borealis aims to adhere to the highest standards to provide its employees and contractors/suppliers within Borealis safe workplaces. Our Safety Management System is based on the OMV Group HSSE Policy, the HSSE Directive, and various corporate regulations.

We are committed to ensure a high level of care for our employees' well-being, physical and mental health across the Group. Our Group-wide health care standard includes preventive initiatives such as targeted health promotion campaigns, the assessment of health risk mitigation, and curative care as provided by our HSSE Policy.

3.2. Security provisions

We commit to respecting human rights and International Humanitarian Law (IHL) while maintaining security and safety of our staff and operations by acting in a manner consistent with all relevant laws and international standards or initiatives,

including the Voluntary Principles on Security and Human Rights (VPs) and the International Code of Conduct for Private Security Service Providers (ICoC). This specifically but not exclusively applies to our interactions with public and private security forces.

Following a preventive, defensive, and community-oriented approach, we integrate local security and community engagement strategies, specifically in high-risk settings. We engage surrounding communities and consider their security concerns when planning and implementing security-related activities.

Prevention and avoidance of the use of force is our priority, implying that means and methods used to protect people must always be chosen based on risks faced and the local context. We are committed to not wear, transport, or store lethal weapons on our property and we expect our business partners to comply with this commitment whilst they are on our workplaces.

3.3 Groups in vulnerable circumstances

We are aware of the fact that our operations could impact some of our stakeholders, including the communities where we operate. Our social license to operate is based on upholding human and labor rights and developing positive relationships with surrounding communities.

We are fully committed to respect, fulfill, and support the fulfillment of human rights in our direct surroundings as well as in wider society and to avoid or mitigate any risk on their health or safety that may arise from project-related activities. A special focus lies on those persons and groups with a high likelihood of being in vulnerable circumstances such as children, women, indigenous peoples, and human rights defenders. We are committed to further address any adverse impacts on local culture, religion, customs, traditions, indigenous peoples' rights, legitimate land, or livelihoods in our business activities as well as by our community funding projects. We are committed to community consultation and recognize the principle of free, prior, and informed consent in accordance with International Finance Corporation (IFC) Performance Standard 7, and ILO Convention 169. We acknowledge indigenous peoples as social groups with identities that are distinct from mainstream groups in national societies, have special inherent rights and are often among the most marginalized and more likely to be in vulnerable circumstances.

Borealis recognizes and respects legitimate tenure rights related to the ownership and use of land and natural resources (including water) as set out in the IFC Performance Standard 5.

We are willing to avoid involuntary resettlement and furthermore follow a zero-tolerance policy for illegitimate land grabbing, and we respect the right to water. In case of Borealis interference with the rights of local communities, especially those of indigenous peoples, we are committed to develop adequate mitigation, reparation, and compensation plans, in close consultation with all relevant stakeholders, including the host government. Borealis recognizes the specific role and vulnerability of human rights defenders. We strongly oppose any threats, intimidation and physical, verbal, or legal attacks against human rights defenders in relation to our operations.

3.4. Environment & climate change

As part of Borealis Sustainability Framework, Borealis recognizes the right to a clean, healthy, and sustainable environment as a human right that is intrinsically linked to a wide range of other human rights. Sustainability and circularity lie at the center of Borealis strategy, and we are fully committed

- to continuously improve the carbon efficiency of our operations and product portfolio,
- to support and accelerate the energy transition,
- to proactively expedite the transition from a linear to a circular economy and to become a net-zero business by 2050,

²“Just Transition” refers to addressing social and economic effects of the transition to an environmentally sustainable economy as stated in the ILO Guidelines for a Just Transition.

- to act on responsible natural resources management,
- and to minimize environmental impacts by preventing water and soil pollution, reducing emissions, using natural resources efficiently, and avoiding biodiversity disruption, with the overall aim to build a sustainable world worth living in for everyone.

Cognizant of the social impacts that the energy transition entails, Borealis is committed to contributing to a Just Transition² for our employees and communities, and to addressing the social and economic effects of the transition to an environmentally sustainable economy.

4. Grievance management & commitment to remedy

We regard grievance mechanisms as a key tool for preventing and managing adverse impacts on local communities, employees, and other stakeholders. Following the UN Effectiveness Criteria, we aim to address all grievances received, regardless of whether they stem from real or perceived issues and whether the complainant is identified or anonymous.

Our mechanisms are aimed to offer a channel for identifying potential adverse impacts, resolving grievances and provide where we have caused or contributed to a negative impact remedy to the rightsholders. We recognize that this does not hinder the stakeholders' right to access judicial or other remedies.

5. Awareness & communication

Professional human rights training and awareness raising are crucial for bringing our human rights commitment to life. Beginning in 2023 we will provide online training to all Borealis employees, deliver classroom trainings for specifically exposed positions and offer training and exchange of experience related to human rights to our business partners. Our Human Rights Policy Statement is published on our website, and we report on our performance in various channels, ranging from direct dialogue with our stakeholders to formal reporting in the annual Sustainability Report in line with legal requirements and international reporting standards.

Date of issue: October 2023

Borealis is one of the world's leading providers of advanced and sustainable polyolefin solutions and a European front-runner in polyolefins recycling. In Europe, we are a market leader in base chemicals and fertilizers. We leverage our polymer expertise and decades of experience to offer value adding, innovative and circular material solutions for key industries such as consumer products, energy, healthcare, infrastructure and mobility. In re-inventing essentials for sustainable living, we build on our commitment to safety, our people, innovation and technology, and performance excellence. We are accelerating the transformation to a circular economy of polyolefins and expanding our geographical footprint to better serve our customers around the globe. With head offices in Vienna, Austria, we employ 6,900 employees and operate in over 120 countries. In 2021, we generated total sales of EUR 12.3 billion and a net profit of EUR 1,396 million. OMV, the Austria-based international oil and gas company, owns 75% of our shares, while the remaining 25% is owned by Abu Dhabi National Oil Company, or ADNOC, based in the United Arab Emirates (UAE). We supply services and products to customers around the globe through Borealis and two important joint ventures: Borouge (with ADNOC, headquartered in the UAE); and Baystar™ (with TotalEnergies, based in the US).
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