

Borealis prolongs stand-still for its Propane Dehydrogenation (PDH) plant construction site in Kallo, Belgium

Restart of mega project postponed to allow enough time for investigation and additional measures to be put in place

In light of recent developments and news reports about alleged malpractices at one of its contractors at the new Propane Dehydrogenation (PDH) construction site at Kallo, Belgium, Borealis has decided on 27 July to declare a three day stand-still for its Kallo PDH construction site and to suspend the contract with IREM-Ponticelli, the contractor responsible for the piping-mechanical works for the construction of the new PDH project.

Borealis has decided to implement additional social controls to remedy any potential lack of control by some contractors. As the thorough investigation and implementation of additional compliance measures are still ongoing, Borealis has decided to extend the stand-still for its PDH construction site in Kallo until further notice. Start-up will then resume gradually.

Borealis has zero tolerance for any kind of malpractices, and has, therefore, suspended the contract with IREM-Ponticelli based on IREM's breach of several contractual provisions and the ongoing investigation by the Social Inspectorate. Borealis is looking into this matter with the utmost priority and will continue close collaboration with the Social Inspection to further their investigation. The company is thoroughly investigating the concerns raised in order to take appropriate course of action.

"We are currently establishing additional social controls to remedy any potential lack of control by some contractors and prevent any risk of non-compliance, in line with our Goal Zero approach. This continual aim to strive for zero incidents is not only in place for safety, but also for compliance," comments Wim De Smet, Borealis Location Leader Kallo. "We condemn any kind of human rights violation. This is why we have decided to put the construction of our mega-project in Kallo on hold until all additional measures are in place."

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About Borealis

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 12.342 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 a holding company of the Abu-Dhabi based Mubadala. We supply services and products to customers around the globe through Borealis and two important joint ventures: Borouge (with the Abu Dhabi National Oil Company, or ADNOC, based in UAE); and Baystar™ (with TotalEnergies, based in the US).

www.borealisgroup.com | www.borealiseverminds.com

About Borealis in Belgium

Borealis operates three production sites in Belgium, Kallo, Zwijndrecht and Beringen as well as a shared service centre in Mechelen with a total of about 1200 employees:

- In **Beringen**, Borealis has two polypropylene (PP) plants and a compounding plant. The main application areas served from Borealis in Beringen are advanced packaging, hygiene and electronic applications and automotive industry.
www.borealisgroup.com/beringen
- At **Kallo**, Borealis produces polypropylene and also operates a dehydrogenation unit to convert propane to propylene. In 2019 the construction works for a new, world-scale propane dehydrogenation (PDH) plant in Kallo started. It will be one of the largest and most efficient facilities in the world.
www.borealisgroup.com/kallo
- In **Zwijndrecht**, Borealis produces ethylene copolymers and polyethylene divided over two high pressure reactor lines used for polyethylene (PE) compounds for low density polyethylene and material handling facilities. Main application area is wire & cable industry.
www.borealisgroup.com/zwijndrecht
- The **Borealis Digital Studio** was set up near Brussels in 2018 as an autonomous unit within the Borealis Digitalisation Programme and consists of a team of around 30 digital professionals. It is the company's agile enabler for developing smart and proven added-value business solutions based on design thinking principles.
www.borealisdigitalstudio.com