
Borealis Facts & Figures 2019-2020

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Borealis Group Strategy 2035

The new strategy is built on three key pillars

Life demands progress – We are re-inventing for more sustainable living

Geographical expansion

Leverage core to become fully global partner to customers for high-value material solutions

North America

Grow through M&A or selected build projects to strengthen the global footprint

MEA

Build on ADNOC partnership to capture further growth with assets in Abu Dhabi and in Asia

Transformation

Evolve to fully customer-centric approach to offer sustainable high-value and circular material solutions

Circular Economy

Lead the transformation to a truly circular economy across all applications

Value Add

Acquire adjacencies to complement and accelerate value creation through innovation

Leading from the core

Build on safety, values and culture to sustain strong integrated margins in high-value polyolefin solutions

Sustainability

Improving environmental footprint and sustainable use of resources in areas where we operate

People

Drive impactful leadership in a high-performing, diverse and mobile organisation and a purposeful work place

Excellence

Focus on excellence across all activities. Utilise technology and digitalisation to drive efficiencies



Borealis at a glance

Worldwide



Head Office in **Vienna**, Austria.
Operating on **five continents**
in **120 countries**

Market Position



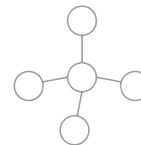
#2 among polyolefin
producers in **Europe**

Employees



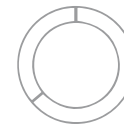
More than
6,900 employees

Line of Business



Production and distribution of
polyolefins, base chemicals
and **fertilizers**

Ownership Structure



64% Mubadala, United Arab
Emirates / **36%** OMV, Austria

Financial figures



Net profit 2019 – **MEUR 872**
Net sales 2019 – EUR 8.1 billion

Joint Venture



Borouge – the world's largest
integrated polyolefin complex
in Ruwais, UAE

Joint Venture



Bayport Polymers – brings
Borstar® technology to American
polyethylene markets

Circularity



Two **polyolefin recycling**
operations in Europe

Patents



120 priority patents
filed in 2019



Highlights 2019

January-December 2019

Safety first: Continued focus on safety with a **TRI rate of 1.6** in 2019

Generation of 28 GWh power by windmills connected directly to internal grid at Borealis facilities in Kallo, Belgium.

Borealis becomes **Core Partner of the New Plastics Economy** initiative led by the Ellen MacArthur Foundation.

Launch of **circular economy-related product innovations** at K 2019 in Düsseldorf, Germany.

Introduction of **new Borcycle™ brand** delivers pioneering circular solutions for demanding applications.

Record number of **120 priority patents** filed.

Scaled-up **Project STOP** receives prestigious **ADIPEC award**.

Publication of “10 Codes of Conduct for Design for Recyclability” to promote plastics circularity in the industry.

ReOil collaboration with OMV advances chemical recycling of post-consumer plastics.

Strategic co-operation with Neste to produce **renewable polypropylene**.

Production capacity increased by 60% at plastics recycling facility in Wildon, Austria, after strategic investment.

Groundbreaking ceremonies in Kallo for **world-scale propane dehydrogenation plant** and in Texas, USA, for **new Borstar® polyethylene unit**.

Inauguration of polypropylene (PP) compounding plant in North Carolina, USA, strengthens commitment to North American automotive industry.

Memorandum of Understanding (MoU) with ADNOC, Adani and BASF to evaluate collaboration on chemical production complex in Mundra, India.

Resolution of tax case in Finland by way of Mutual Agreement Procedure between Austrian and Finnish tax authorities.

Borealis **honoured as best European PP producer** in 2019 by Polymers for Europe Alliance.

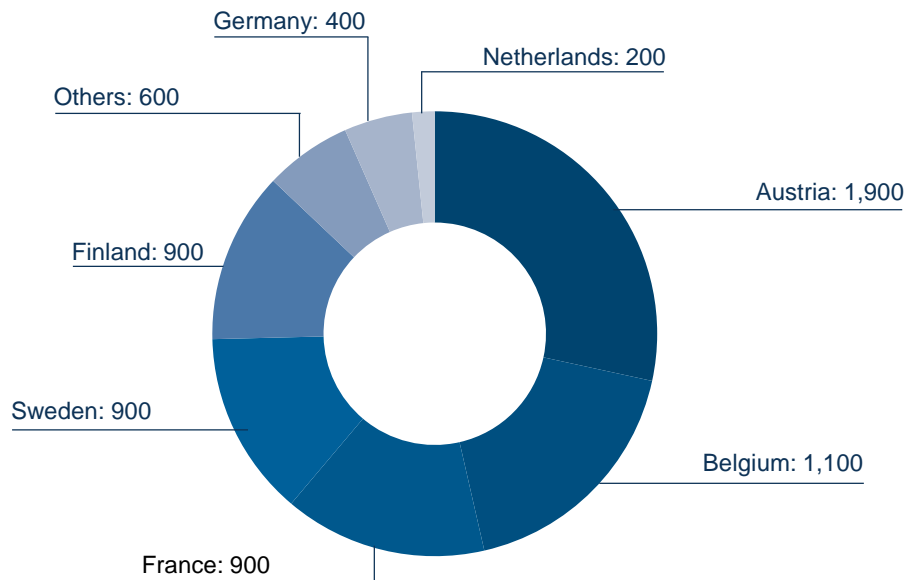


Employing a skilled workforce worldwide

Around **6,900 employees** run Borealis production sites, innovation centres and customer centres around the globe.

Borealis' success is the result of hard work put in by dedicated employees.

Employees worldwide



Our values guide our business decisions and drive every action we take



Responsible

We strive for **zero incidents** in health and safety.

We consider our **local** and **global responsibility** for the environment in our decisions.

We do business according to **high ethical standard** and lead by example.



Respect

We **trust** and **involve** people and communicate **openly, respectfully** and in a timely manner.

We **collaborate, support** and **help each other** to develop for the best of Borealis.

We build on diversity for better results as **“One Company”**.



Exceed

We **win** through **Excellence** and deliver beyond expectations.

We commit to making **joint decisions** and follow through.

We give feedback and make **“Connect–Learn–Implement”** and “Continuous Improvement” a natural way of working.



Nimbllicity™

We are **fit, fast and flexible** and seek smart and simple solutions.

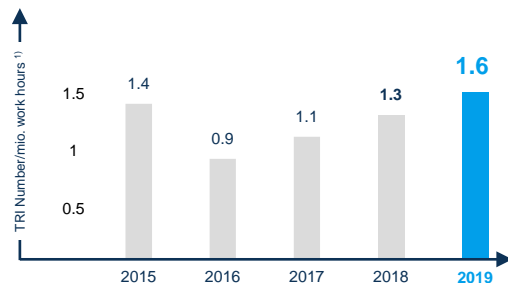
We encourage decisions on all levels of the organisation to **increase ownership** and speed to **realisation**.

We **welcome change** and manage it to **shape our future**.



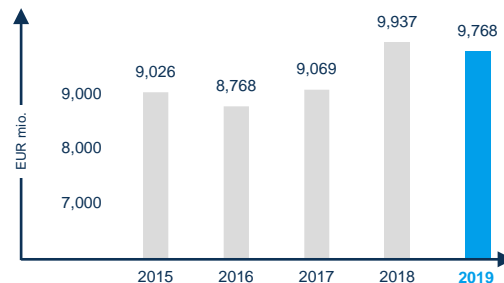
Key financial and sustainability metrics 1/2

Total Recordable Injuries (TRI)



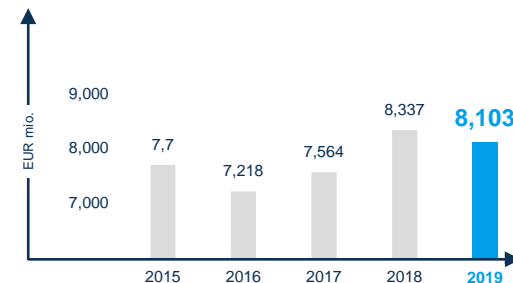
1) Includes own employees and contractors

Total Sales ¹⁾

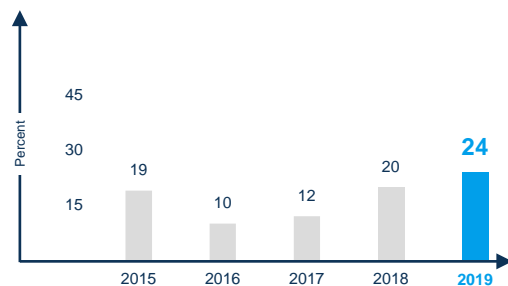


1) Total net sales of Borealis and pro-rata sales of at equity consolidated companies

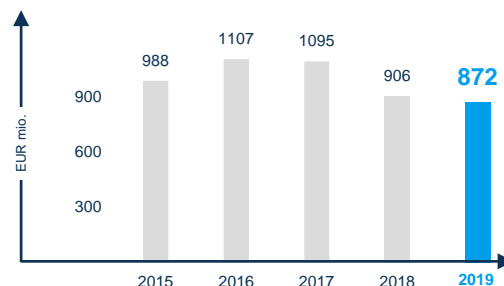
Net Sales



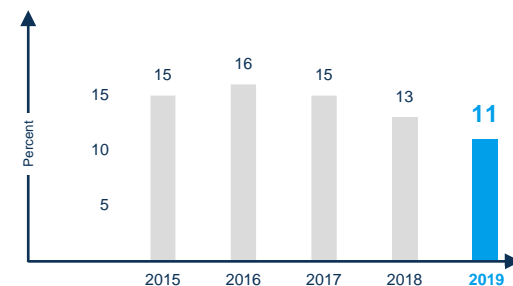
Gearing



Net Profit



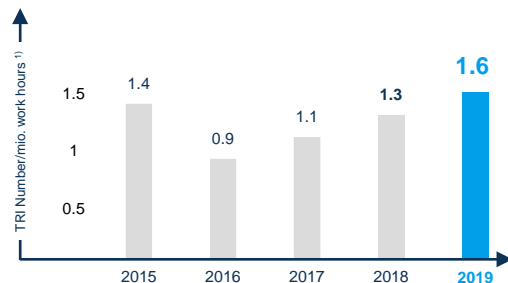
ROCE





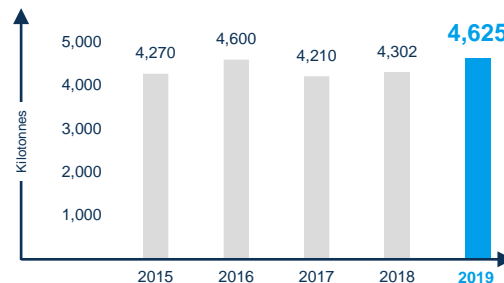
Key financial and sustainability metrics 2/2

Total Recordable Injuries (TRI)

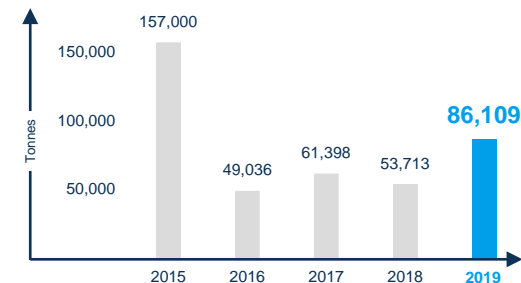


1) Includes own employees and contractors

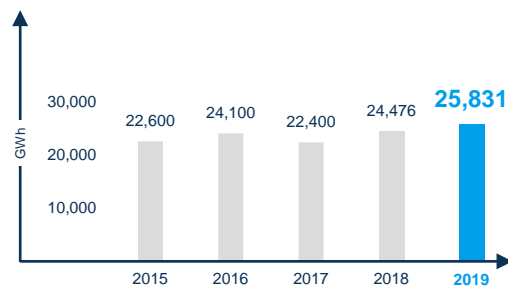
EU ETS Co₂ Emissions



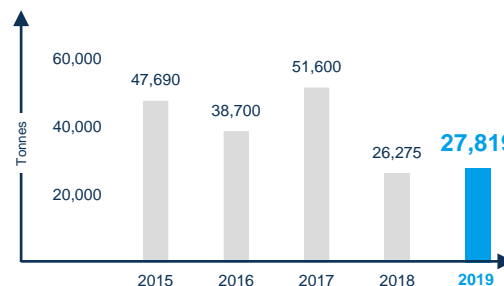
Waste Generation



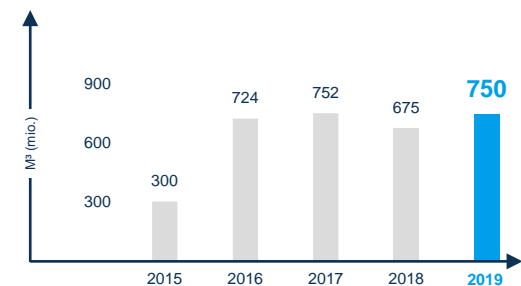
Energy Consumption



Flaring Performance



Water Withdrawal





Our Executive Board



Alfred Stern

CEO

- Chairman of the Executive Board
- Human Resources
- Communication
- Procurement
- Legal
- Strategy & Group Development
- Group HSE and Quality



Mark Tonkens

CFO

- Business Support
 - Business Finance
 - IT & Services
 - Internal Audit
 - Business Intelligence
 - Group Tax
 - Treasury & Funding
 - Group Controlling
- Melamine & Fertilizer
- Group Quality, Programme & Project Management Office



**Lucrèce
Foufopoulos**

EVP Polyolefins & Innovation & Technology

- Polyolefins
- Circular Economy Solutions
- Innovation & Technology
- Commercial Excellence
- Borealis regions
 - North-America
 - Latin-America
 - Asia-Pacific



**Martijn
van Koten**

EVP Base Chemicals & Operations

- Base Chemicals
- Operations Polyolefins and Base Chemicals
- Technical Development & Engineering
- Plant Availability & Turn-Around
- Manufacturing Excellence and Improvement

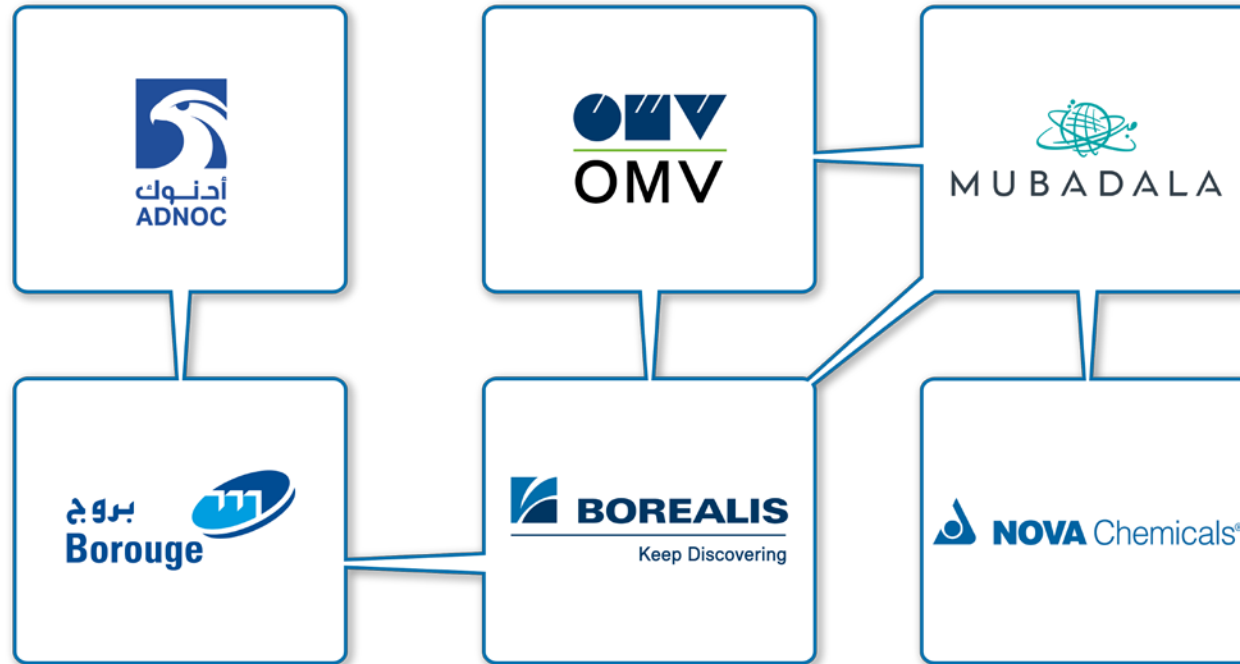


**Philippe
Roodhooft**

EVP Middle East & Growth Projects

- Borouge JVs
- Growth Projects
- Technical Support
- Borealis ME Representative Office

A solid ownership structure provides a reliable foundation for the future





Borealis worldwide

Borealis Locations ●

Head Office

Borealis AG
Wagramer Strasse 17-19
A-1220 Vienna, Austria
Tel. +43 1 22 400 300
Fax + 43 1 22 400 333
www.borealisgroup.com
info@borealisgroup.com

Customer Service Centres

Austria, Belgium, Brazil, Finland,
France, Hungary, Turkey,
United States

Production Plants

Austria, Belgium, Brazil, Finland,
France, Germany, Italy, Sweden,
The Netherlands, United States

Sales Offices/Representative Office

Argentina, Chile, China, Colombia,
Czech Republic, Denmark, France,
Hong Kong, Mexico, Morocco, Poland,
Russia, South Africa, Spain, Turkey,
UAE, UK

Borealis L.A.T Locations

Austria, Bulgaria, Croatia,
Czech Republic, France, Greece,
Hungary, Romania, Serbia, Slovakia

Borealis Rosier Locations*

Belgium, The Netherlands

Borouge Locations ●

Head Offices

Singapore, UAE

Innovation/Application Centres

China, UAE

Production Plants

China, UAE

Sales Offices/Representative Offices

China, India, Indonesia, Japan,
Singapore, Thailand, UAE, Vietnam

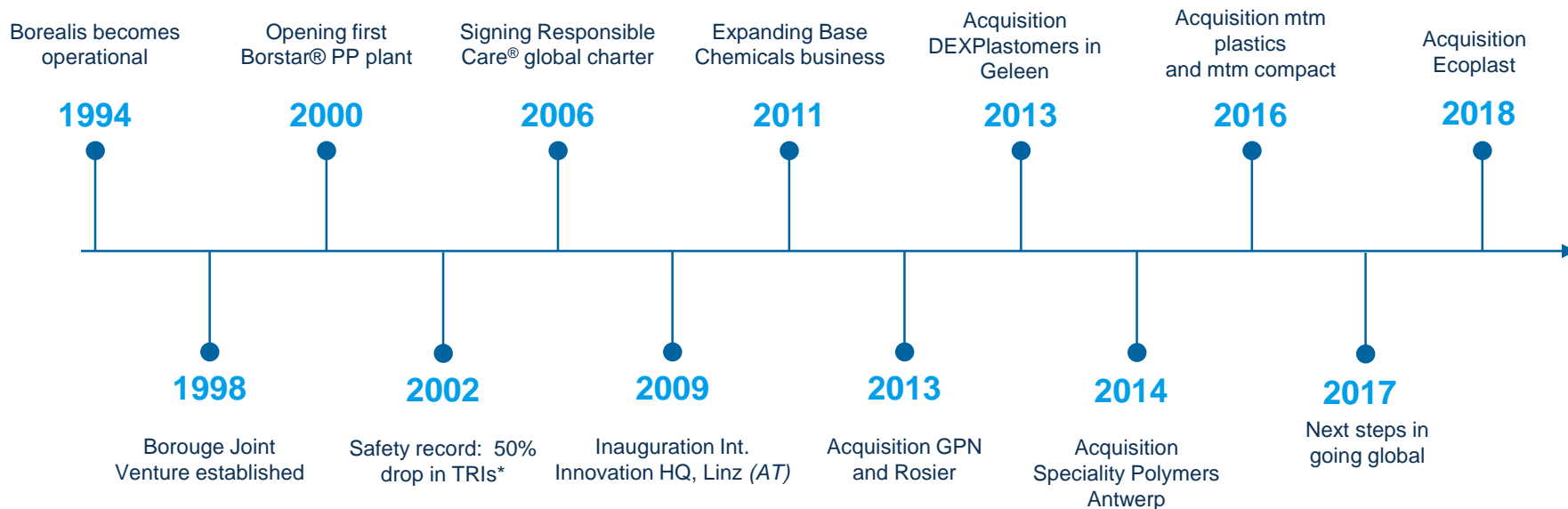
Logistics Hubs

China, Malaysia, Singapore, UAE

The purpose of this visualization is of representational nature only. Though it was prepared with the greatest possible attention to detail, simplified illustrations may have been applied.



Aware of our history, ambitious about the future, dedicated to fulfil our potential



*Total recordable injuries (TRIs) per million working hours drop to 4.0 from 8.4



Borealis provides pioneering solutions in three business areas



Polyolefins

Borealis works closely with its customers and industry partners to provide innovative and value-creating plastics solutions that increase end-product safety, reduce weight, lower costs and enable integration of parts.



Base Chemicals

Borealis continues to develop its profitable Base Chemicals business building on unique feedstock technology, logistics and integration strengths.



Fertilizers, Melamine & Technical N-Products

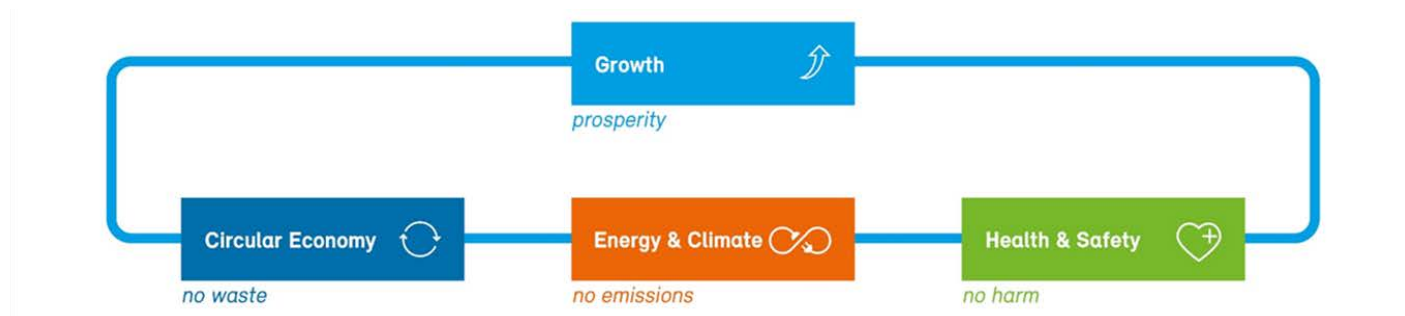
Borealis is a leading fertilizer and melamine company in Europe with strong ambitions for further growth in selected markets worldwide.

Borealis supplies fertilizers and technical nitrogen products via its Borealis L.A.T distribution network.



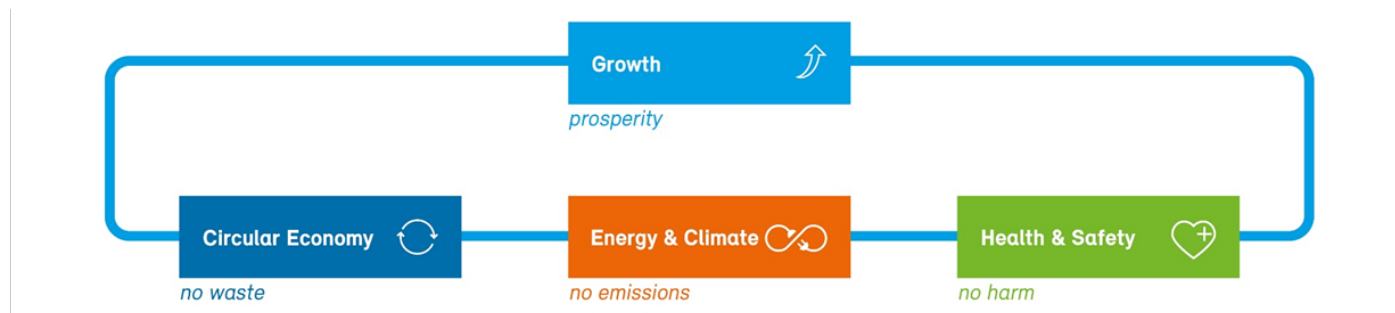
Borealis Sustainability Ambition

We are committed to create a world where there is ***no waste*** of resources, ***no emissions*** into the environment and ***no harm*** to society, while delivering ***prosperity*** for Borealis and our stakeholders





Borealis Sustainability Strategic Framework



Enhance sustainability in our operations and supply chain	<ul style="list-style-type: none">– Strive towards Zero Pellet Loss– Optimise renewable feedstock for PO and explore chemical recycling of plastics– Reduce packaging and waste	<ul style="list-style-type: none">– Increase Borealis' energy efficiency and reduce flaring– Leverage opportunities to use locally produced renewable energy– Reduce CO₂ emissions in transportation	<ul style="list-style-type: none">– Implement a pro-active strategy for chemicals safety and substitution planning– Ensure occupational health & safety and process safety
Support profitable business growth	<ul style="list-style-type: none">– Lead the transformation of the industry to a Circular Economy	<ul style="list-style-type: none">– Enhance PO product portfolio to increase the use of renewable energy, improve energy efficiency and reduce emissions	<ul style="list-style-type: none">– Launch innovations that enhance safety in food packaging, automotive, healthcare, and water, sanitation, energy and communication infrastructure

The EverMinds™ platform – thinking circular

Connecting Borealis' circular economy-related activities

What EverMinds™ is about

- A platform to **heighten the visibility of plastics circularity**
- As the polar opposite of a dismissive “never mind” attitude, **establishes a more circular mind-set**
- Serves to streamline all Borealis circular economy related activities and boost their impact:
 - **Innovation**
 - **Commercial offerings**
 - **Corporate initiatives**
 - **Value-chain initiatives**
 - **Industry associations & memberships**
- **Sparks interaction and exchange** with stakeholders
- Acts as a catalyst **to inspire innovative circular polyolefin solutions**
- Represents people who **challenge the status quo, are smart, mindful and progressive**



The EverMinds™ values



Mindfulness

We take action to shift towards a circular mindset



Quality

We strive to deliver premium performance whilst caring for the environment



Pioneering

We are constantly innovating our product portfolio; the reason our clients choose us



Collaboration

Only together we can shape a better tomorrow



A city-partnership project co-founded by Borealis and SYSTEMIQ



Project STOP
supports cities to design
and implement low-cost,
sustainable and more
circular waste
management models

Three Objectives:

- ✓ Zero leakage of waste
- ✓ Driving circularity
- ✓ Community Benefits

Strategic partners

Supporting and technical partners



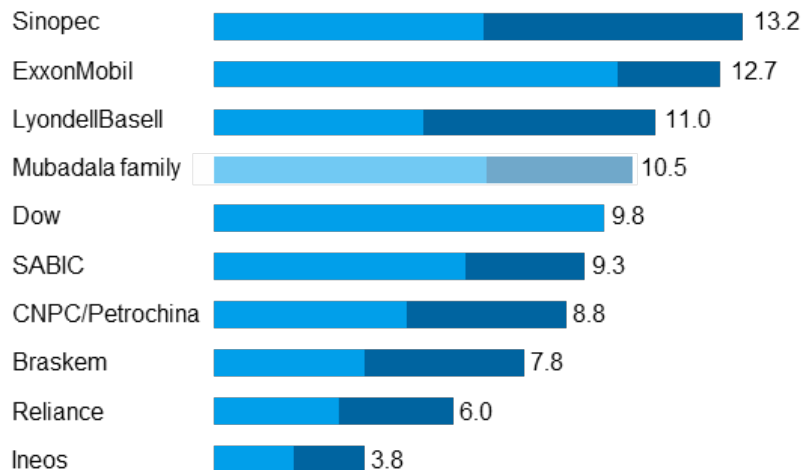
Norwegian Embassy



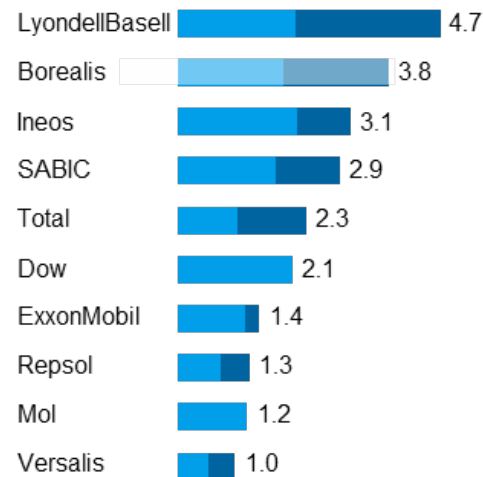
Polyolefin Producers: Mubadala family & Borealis JVs command top positions

Capacities year-end 2018 in MT, based on ownership share

World



Europe



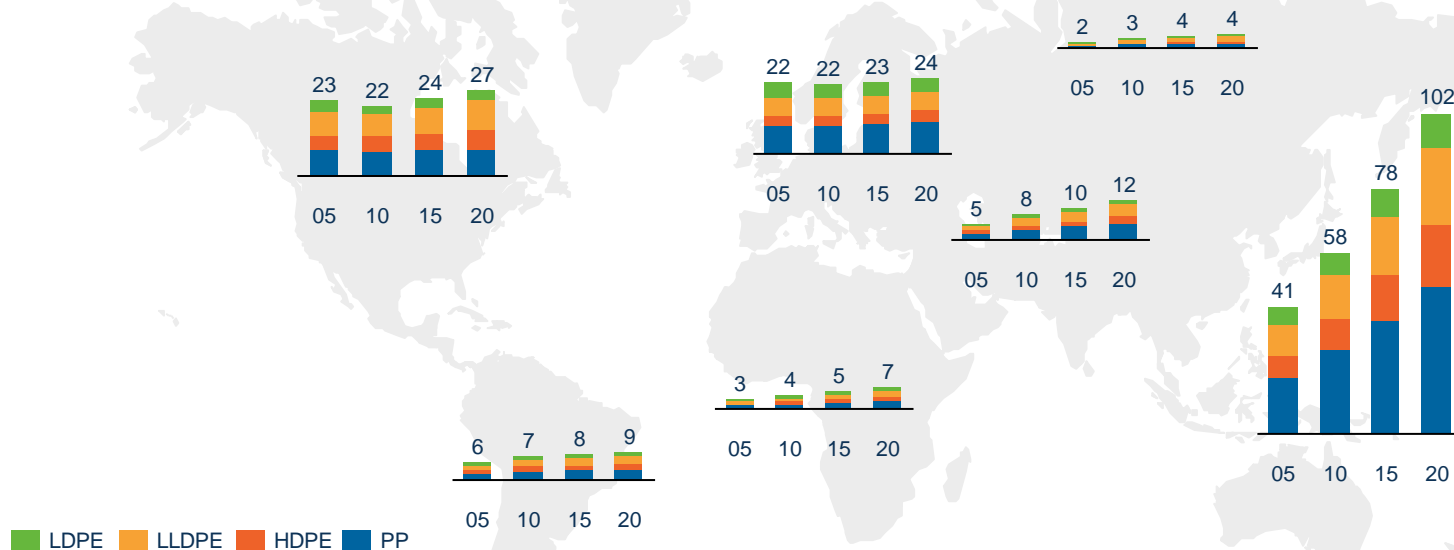
PE PP

Legend: Mubadala family refers to Borealis, Borouge & Nova
Source: Borealis and IHS



Growth in polyolefin demand 2005-2020

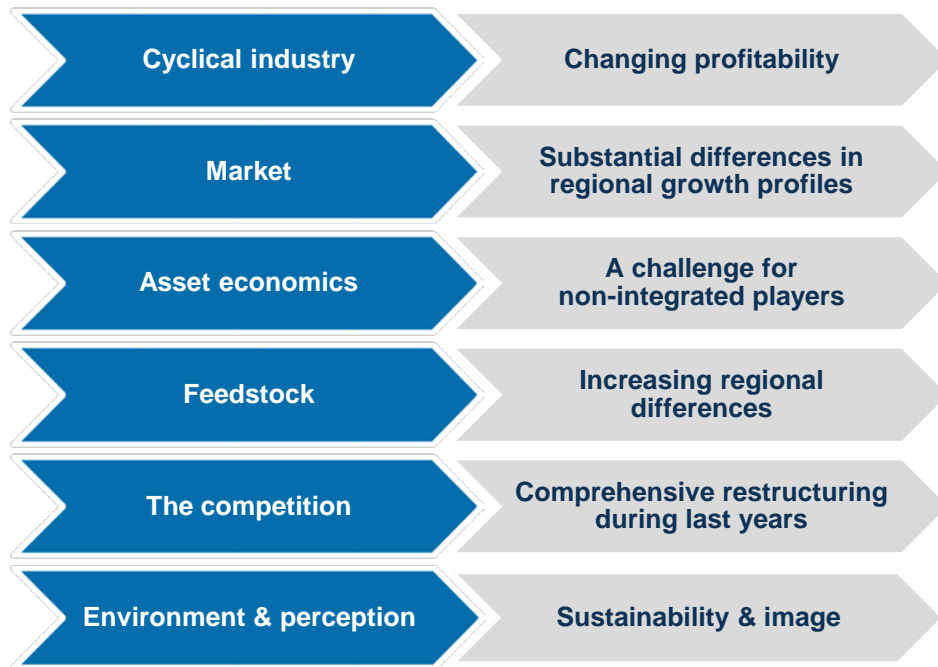
Regional PE and PP market development (MT)



Source: IHS/Borealis



Key drivers of the polyolefin market



Translating challenges into opportunities in the global polyolefin market

Key challenges

Advantaged **production capacity** in the **Middle East and North America** in future

Competitiveness of European-based production assets

Continuing **market volatility**
(e.g. feedstock, prices)

Sustainability of **global demand** growth
(especially in Asia)

Increasingly strict **environmental legislation**
(e.g. REACH)

Competition for **talent and resources**

Key opportunities

Strengthen own **resources and partnerships** in the Middle East

Leverage deep expertise to drive **lean manufacturing** processes

Ensure **flexible processes** and an **efficient organisation**

Capture potential in other **growth regions**
(e.g. Turkey, N. Africa, Americas, CEE)

Reposition the **image** of the chemical / plastics industry

Drive **operational excellence** across the organisation to deliver results

The plastic value chain (1/2)



Oil and gas production

Polyolefins begin with oil and natural gas, most of which is exploited for energy. Only 4% becomes plastic raw material.



Refining

In the refinery the oil and gas mixture is separated into different products by distillation.



The cracking process

Cracking modifies hydrocarbon molecules into new molecules, including the gases ethylene and propylene. Borealis operates its own crackers and produces most of the olefins it needs.

The plastic value chain (2/2)



The polymerisation process

Polymerisation is a chemical reaction caused by a catalyst. Borealis produces PE and PP at its polymerisation plants across Europe and with its JV partner Borouge in the Middle East.



PE, PP and compounding

Borealis PE and PP polymers are designed for specific applications and are delivered to customers in the plastics converting industry, usually as 2-to-3-millimetre particles.

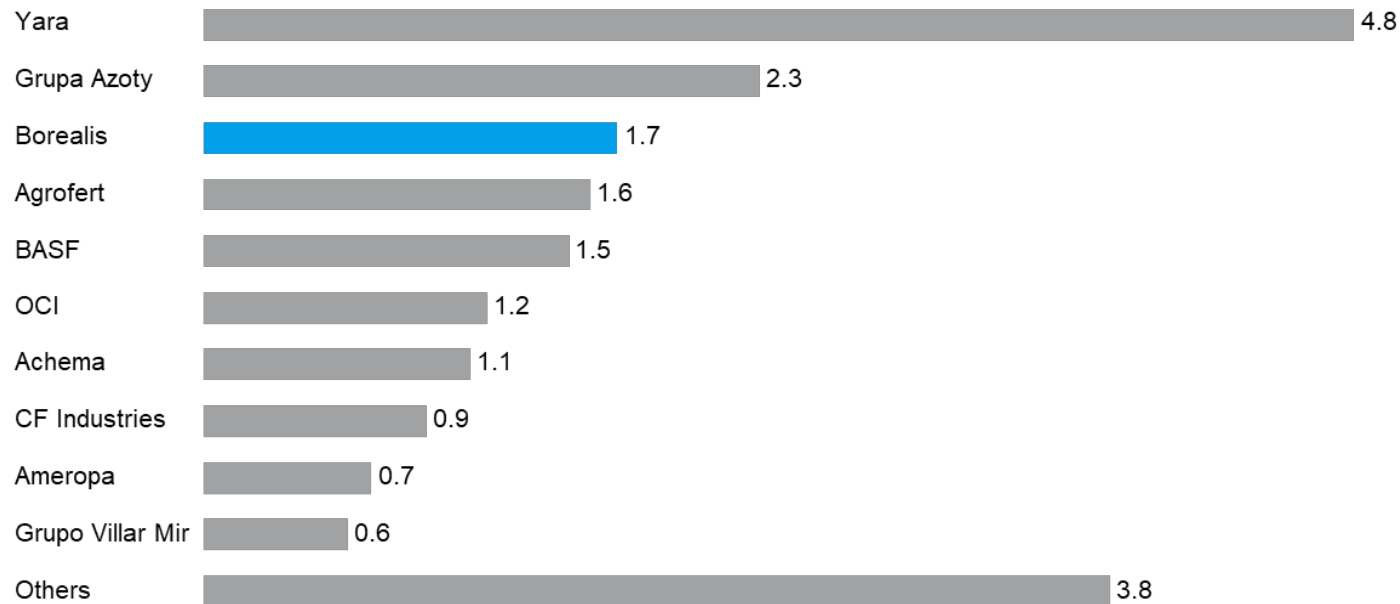


Plastic solution

Borealis' customers melt Borealis PP and PE and process them into the plastic products for everyday use (e.g. packages, bags, film rope).

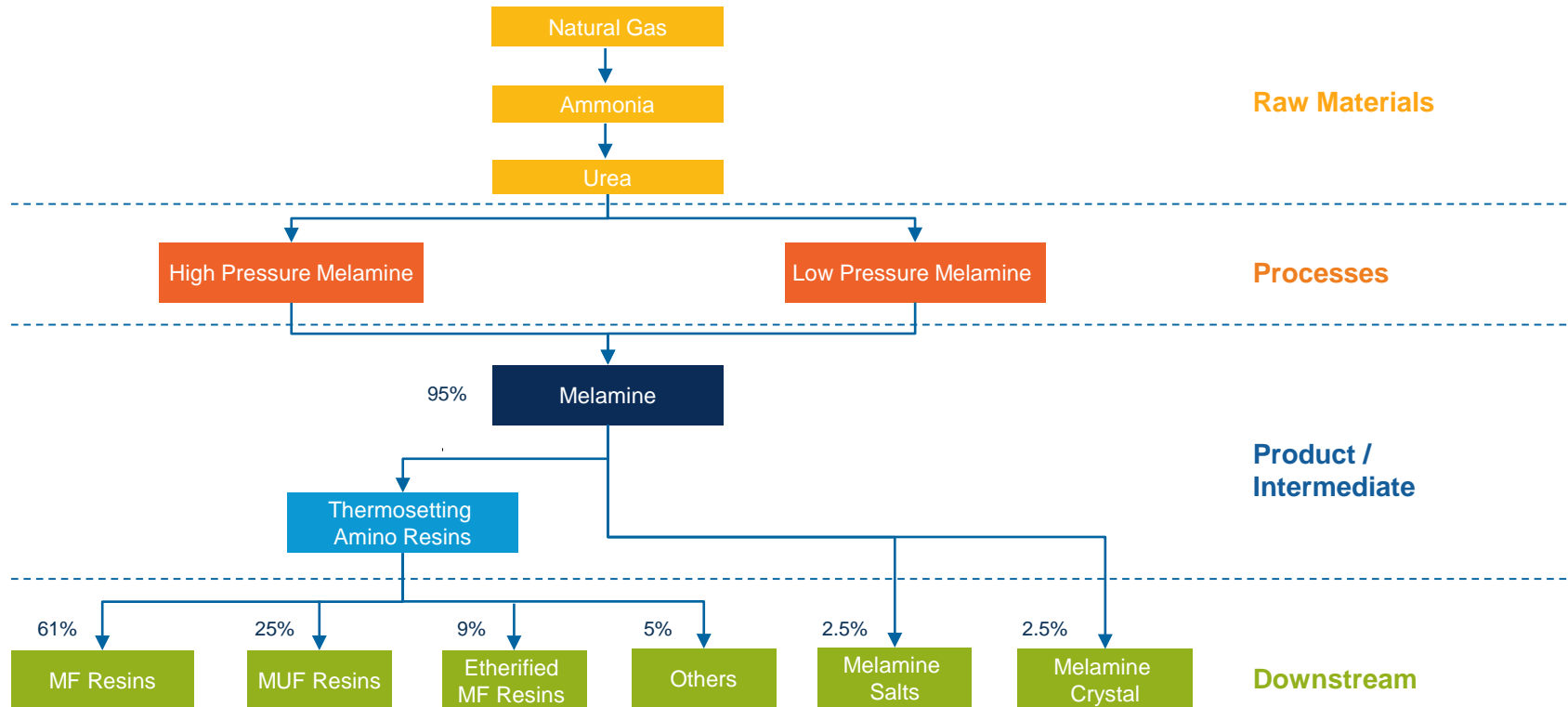
Borealis – a leader in the European fertilizer business

Capacity per owner (million tonnes) – Top 10



European Fertilizer Market 2018 in million tonnes (MT), nameplate production capacities in the EU, non-EU Balkans and Norway.
Source: Borealis and Fertilizers Europe. Includes AN, AS, ASN, CAN, CN, DAP, MAP, NP, NPK, OSTRN, OSTPH, PK, Solut, SSP, TSP, Urea

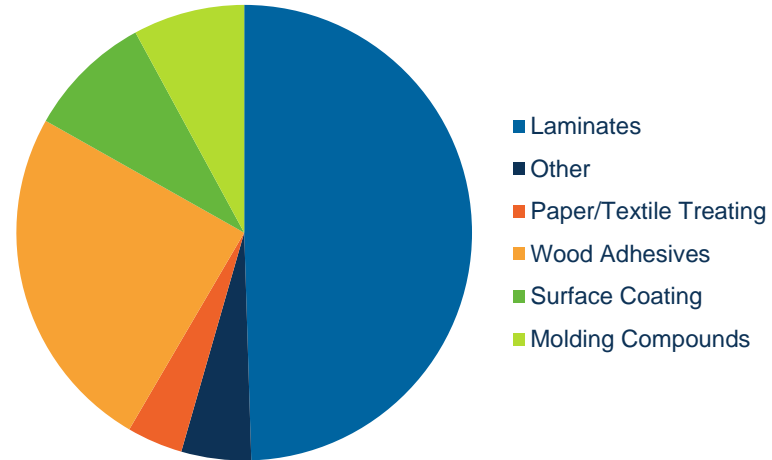
Melamine: the product value chain



Melamine market by end use ...

- Global consumption is approximately 1.6 million tonnes
- About 75-80% of melamine consumption can be ascribed to the wood-working industry
- Share of applications expected to remain constant until 2020

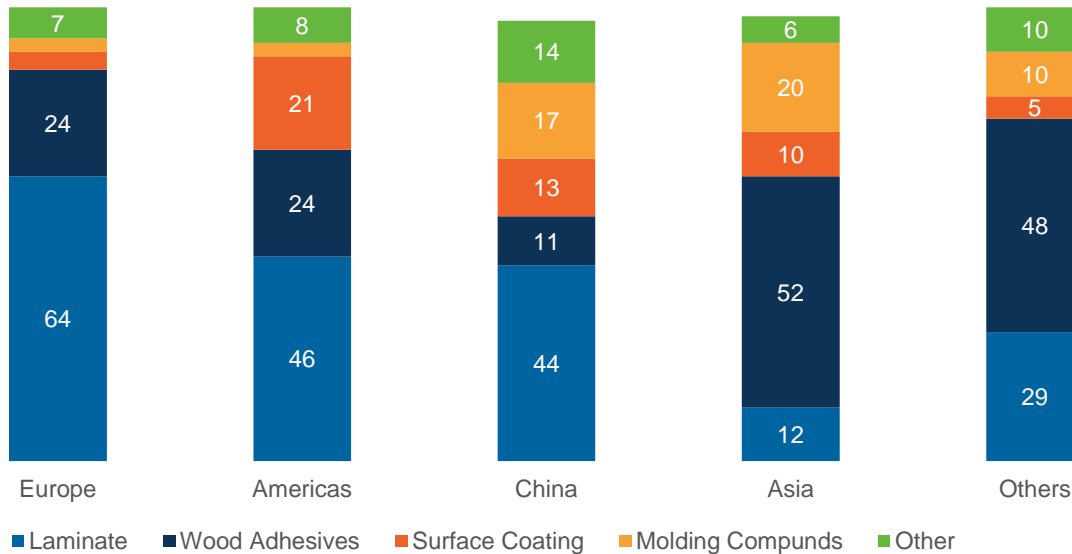
Consumption by application in 2018 (%)



Sources: Borealis Agrolinz Market intelligence

... and by region

Consumption by application in 2018 (%)



Sources: Borealis Agrolinz Market intelligence



Thank you