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Årsredovisning

Borealis AB

Org.nr 556078-6633

Räkenskapsår 2024-01-01 - 2024-12-31

Undertecknad Styrelseledamot och Verkställande Direktör i **Borealis AB** intygar härmed, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkning fastställts på ordinarie bolagsstämma den 25 juni, 2025.
Stämman beslöt tillika godkänna styrelsens förslag till vinstdisposition.

Stenungsund den 26 juni, 2025

Marcus Kierkegaard
Styrelseledamot / Verkställande Direktör

Sensitivity: External
Sensitivity: Internal

Borealis AB

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Årsredovisning
för räkenskapsåret 2024-01-01 - 2024-12-31

Styrelsen och verkställande direktören för Borealis AB avger härmed följande årsredovisning.

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Styrelsens säte: Stenungsund
Företagets redovisningsvaluta: Svenska kronor (SEK).
Alla belopp redovisas, om inte annat anges, i tusentals kronor (tkr).

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Förvaltningsberättelse

Allmänt om verksamheten

Borealis AB är ett helägt dotterbolag till Borealis Sverige AB, som är ett helägt dotterbolag till koncernens moderbolag Borealis AG, med säte i Wien, Österrike. Borealis AG ägs av det österrikiska energi, råvaru- och kemibolaget OMV till 75%. De resterande 25% ägs av Abu Dhabi National Oil Company (ADNOC), baserat i Förenade Arabemiraten (UAE).

Borealiskoncernen är en ledande leverantör av innovativa lösningar för polyolefiner och baskemikalier med totalt 6000 anställda. Huvudkontoret ligger i Wien och koncernen har, förutom i Sverige, produktionsanläggningar och verksamhet i ett flertal europeiska länder, Förenade Arabemiraten, Brasilien och USA.

Borealis AB i Stenungsund producerar olefiner (eten och propen) vid sin krackeranläggning och polyetenråvara vid sin polyolefin-

anläggning. Sedan 2009 bedriver Borealis AB större delen av sin verksamhet som uppdragproduktion (toll manufacturing) för huvudmannen Borealis AG. Detta innebär en begränsad finansiell risk då ersättning erhålls för täckande av produktionskostnaderna.

Viktiga förhållanden

2024 har framför allt präglats av ökande konkurren som en följd av tillkommande produktionskapacitet globalt. Kemiindustrin har för närvarande betydande överkapacitet i produktionsledet, där Europeiska marknaden påverkas av ökande import från andra delar av världen.

Verksamheten i Stenungsund har anpassat sig till yttre förutsättningar genom fokus på kostnadseffektivitet, produktivitet och utveckling av produktutbudet. En hög andel specialprodukter, fördelaktigt kostnadsläge och god råvaruförsörjning har säkerställt ett bra kapacitetsutnyttjande även under 2024.

Totalt uppgick investeringar i företagets anläggningar till 732 MSEK (710 MSEK). Bolaget har under 2024 främst investerat i kapacitetsökningar i sin polyetenanläggning. Detta är ett flerårigt projekt som kommer fortsätta under 2025-2026. Förutom underhålls-investeringar i den befintliga anläggningen gör även investeringar energieffektivisering och förbättrad processäkerhet.

Resultat och ställning

Från 2010 genomförs all försäljning av polyolefine och olefiner på uppdrag av moderbolaget Borealis AG. Borealis AB ersätts för fasta produktions- kostnader, inklusive finansieringskostnader av Borealis AG genom ett sk. "Toll-manufacturing"-avtal. För 2024 uppgick denna ersättning till 3 188 mkr (2 938 mkr). Borealis AB uppbär också koncerninterna ersättningar för tjänster inom forskning- och utveckling, försäljningsstöd och administrativa tjänster. Dessa ersättningar redovisas under övriga rörelseintäkter.

Rörliga produktionskostnader som råvaror, energi, utsläppsrätter och logistiktjänster hanteras av huvudmannen Borealis AG.
De rörliga kostnader som betalas av bolaget vidarefaktureras till moderbolaget utan marginal. Från 2020 redovisas ersättningar för rörliga produktionskostnader som en del av nettoomsättningen. Under 2024 uppgick dess intäkter till 492 mkr (477 mkr).

Resultatet efter finansiella poster uppgick till 238 mkr (287 mkr). Bolagets soliditet är 51% (53%).

Fasta kostnader ökar under året drivet av inflationseffekter, underhållsaktiviteter, koncerngemensamma kostnader och högre personalkostnader. Personalkostnader har påverkats av fler anställda, ökande lönekostnader och lönebikostnader.
Företaget pensionsskuld ökade under året med 60 mkr (96) mkr, främst beroende på inflationsuppräkning och förändringar i antaganden av PRI vid beräkning av den aktuella pensionsskulden. Denna effekt med tillägg för löneskatter har påverkat årets pensionskostnad.
Borealis har tidigare betraktat inköp av reservdelar som en del av löpande utgifter för reparation- och underhåll. Från 2023 redovisas reservdelar som en lagerpost fram till dess att de tas i bruk. Under 2023 ökade bolagets lagervärde, som en engångs-effekt, med 107 mkr genom detta förändring.

Som en effekt av att ett antal större investeringsprojekt har tagits i produktion ökar avskrivningar till 861 MSEK (813 MSEK).

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Flerårsöversikt	2024	2023	2022	2021	2020
Nettoomsättning (tkr)	3 680 224	3 414 916	3 454 445	3 227 235	3 003 087
Resultat efter finansiella poster (tkr)	238 641	287 118	180 008	207 551	177 546
Rörelsemarginal (%)	6,5%	8,8%	5,4%	6,4%	5,8%
Avkastning på eget kapital (%)	5,1%	6,3%	4,0%	4,7%	4,2%
Balansomslutning (tkr)	9 032 054	8 826 815	8 984 027	8 849 139	8 259 546
Soliditet (%)	51%	53%	49%	52%	52%
Antal anställda	927	934	932	888	914

Nettoomsättningen från 2021 påverkades av en förändring av redovisning av fakturering av rörliga tillverkningskostnader till andra bolag inom Borealisgruppen. Totalt uppgick detta till 492 (477 mkr). Under 2021 inkluderar nettoomsättningen ersättningar från koncernens försäkringsbolag med 121 mkr.

Verksamhet inom forskning och utveckling

Borealis AB har ett marknads- och utvecklingscenter i Stenungsund (Innovation center). Anläggningen omfattar bland annat ett avancerat högspänningslab, HVTC (High Voltage Test Center).

Innovation center fokuserar främst på produkter och kunder inom segmentet för energiöverföring. Borealis är innovationsledande inom området för överföring av energi över långa avstånd med minimal energiförlust. Stor vikt läggs på utveckling av material utan negativ påverkan på miljö- och hälsa med bibehållen hög prestanda.

Ett hundratal anställda är involverade i forsknings- och marknadsutveckling, teknisk service och produkt- och processutveckling. Arbetet sker på uppdrag av bolagets huvudman, Borealis AG, i tätt sammarbete med övriga forskningsenheter inom Borealisgruppen, universitet, forskningsinstitut och kunder.

Miljö och säkerhetsinformation

Borealis kracker- och polyetenanläggningar bedriver tillståndspliktiga verksamheter och miljötillståndens villkor omfattar bland annat utsläpp till luft och vatten, buller och avfallshantering.
Under 2024 avslutade mark- och miljödomstolen tillståndsärendet för krackeranlägggningen eftersom de sista prövotidsutredningarna var färdigställda och slutliga villkor för NOx och olja/fenoler i vatten meddelats. Under 2024 beslutade Länsstyrelsen även om ett slutligt villkor för suspenderat material (TSS) i utgående dag- och industriavloppsvatten.

Verksamheten omfattas även av industriutsläppsförordningen och slutsatser om bästa tillgängliga teknik (BAT) gällande "Rening hantering av avloppsvatten och avgaser inom den kemiska sektorn". Krackeranläggningen berörs dessutom av BAT i referensdokumenten "Stora förbränningsanläggningar"(LCP) och " Produktion av organiska högvolymkemikalier" (LVOC).

Slutsatser om bästa tillgänglig teknik "Rening och hantering av avgaser inom den kemiska sektorn" (WGC) ska uppfyllas av verksamheten från 12 december 2026. Inom ramen för samtliga BREF-dokument krävs övervakning av utsläpp till luft och vatten och i vissa fall får gränsvärden (BAT-AEL) inte överskridas. Avgaser från Polyetenanläggningens två pannor registrerades till Länsstyrelsen enligt förordningen (2018:417) under 2024 och skall från 1 januari 2025 uppfylla utsläppskraven för medelstora förbränningsanläggningar.

Under 2024 har utsläppen till vatten, luft och buller varit inom villkorsgränserna för bolagets två anläggningar, även BAT-slutsatsernas gränsvärden (BAT-AEL) som i nuläget är gällande, uppfylls.
Verksamheten vid polyetenanläggningen blev under 2024, certifierad av en extern part enligt OCS (Operation Clean Sweep), ett branschåtagande för att minska spill av pellets utanför anläggningen.

Fackelsystemet används för uppstart och nedtagning av anläggningen, både vid planerade start och stopp, men också vid driftstörningar. Vid produktionsstörningar är fackling en säkerhetsåtgärd som vidtas. Anledningen till bullret vid fackling är att ånga tillsätts i fackeltoppen för att öka förbränningen och säkerställa att facklingen inte sotar. Under 2024 har fackling förekommit i anslutning till mindre driftstörningar eller vid start och stopp av anläggningarna.

Borealis genomför fortlöpande studier och åtgärder för att minska miljöpåverkan från anläggningarna både när det gäller utsläpp till luft och vatten, minimera spridningen av pellets och mikroplast samt buller. Exempel på projekt under 2024 som minskar miljöpåverkan och ökar säkerheten är återvinning av processgas för att minska fackling, uppgradering av en tankinvallning, byggnationen av ett nytt lager och utbyte av brandskum till ett utan PFAS.

Bolaget följer löpande upp inträffade och potentiella processäkerhetshändelser. Borealis har en nollvision där målsättning är att inga allvarliga händelser skall inträffa. Under 2024 registrerades ingen processäkerhetshändelse som klassificerades som allvarlig.

Under året inträffade 7 (7) personskador (TRI). Detta ger en frekvens på 2,6 (2,4) skador per miljoner arbetstimmar.

Sjukfrånvaron var under året 3,3% (3,8%).

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Hållbarhetsredovisning

Med hänvisning till undantagsreglerna i årsredovisningslagen upprättar bolaget inte någon egen hållbarhetsrapport. I Borealis AGs hållbarhetsrapport ingår upplysningar för den koncern i vilken Borealis AB ingår. Hållbarhetsrapporten är en del av "Borealis Annual Report 2024" och finns tillgänglig på Borealis hemsida; www.borealisgroup.com.

Förväntningar avseende den framtida utvecklingen samt risker och osäkerhetsfaktorer

Det främsta övergripande målet kommunicerat från Borealisgruppens ledning är att fortsätta fokusera på säkerhet, hållbarhet och miljöpåverkan. Den globala ekonomiska utvecklingen innebär en utmaning för Borealis. Osäkerhet om inflation, energipriser och handelshinder bedöms ha en negativ inverkan på efterfrågan och marginaler. Borealis AB bedriver sin verksamhet på uppdrag av sitt moderbolag, Borealis AG, och får en ersättning för produktionskostnader och finansieringskostnader. De kortfristiga, finansiella riskerna för Borealis AB är därmed relativt låga.

Under första kvartalet 2025 annonserade styrelsen för huvudägaren OMV att man slutit ett avtal med ADNOC om en sammanslagning av Borealis, Borouge och Nova Chemicals. Transaktionen är planerad att genomföras under 2026.

Rapport över förändringar i eget kapital

	Bundet eget kapital		*Fritt eget kapital*		**Totalt**
	Aktie-kapital	Reservfond	Balanserat resultat	Årets resultat	**Eget kapital**
Ingående balans 2023-01-01	65 000	50 000	97 772	122 718	335 490
Omföring resultat föregående år			122 718	-122 718	0
Lämnad utdelning	0	0	0	0	0
Årets resultat			0	221 561	221 562
Utgående balans 2023-12-31	**65 000**	**50 000**	**220 490**	**221 561**	**557 051**
Lämnad utdelning			-200 000		-200 000
Omföring resultat föregående år			221 561	-221 561	0
Årets resultat			0	236 267	236 267
Utgående balans 2024-12-31	**65 000**	**50 000**	**242 051**	**236 267**	**593 319**

Antal aktier uppgår till 650 000 med ett kvotvärde på 100 kr/styck.

Förslag till resultatdisposition

Styrelsen föreslår att till förfogande stående medel (kronor)

Balanserat resultat	242 051 868
Årets resultat	236 266 900
	478 318 768
disponeras så att	
utdelas till aktieägarna	200 000 000
i ny räkning överföres	278 318 768

Vad beträffar företagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkning med tillhörande bokslutskommentarer.

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Resultaträkning

	Not	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Nettoomsättning	2	3 680 224	3 414 916
Kostnad för sålda varor och tjänster	5,6,7,8	-3 524 751	-3 235 057
Bruttoresultat		**155 473**	**179 859**
Administrationskostnader	3,7	-168 845	-159 436
Forsknings- och utvecklingskostnader	7,8	-112 020	-107 888
Övriga rörelseintäkter	4	418 979	483 580
Övriga rörelsekostnader		-77 330	-96 310
Rörelseresultat		**216 256**	**299 806**
Resultat från finansiella poster			
Ränteintäkter och liknande resultatposter	9	88 539	45 678
Räntekostnader och liknande resultatposter	10	-66 155	-58 365
		22 384	**-12 687**
Resultat efter finansiella poster		**238 641**	**287 118**
Bokslutsdispositioner	11	58 715	-13 313
Resultat före skatt		**297 356**	**273 805**
Skatt på årets resultat	12	-61 090	-52 243
Årets resultat		**236 267**	**221 562**

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Balansräkning

	Not	2024-12-31	2023-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Licenser och liknande rättigheter	13	15 731	24 338
		15 731	**24 338**
Materiella anläggningstillgångar			
Byggnader och mark	14	845 659	904 186
Maskiner och andra tekniska anläggningar	15	5 778 292	5 952 139
Inventarier, verktyg och installationer	16	18 378	14 468
Pågående nyanläggningar	17	588 208	386 914
Periodbundet underhåll	18	280 200	365 647
		7 510 737	**7 623 353**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	19,20	20 955	20 955
Andelar i intresseföretag	21	99 867	93 822
Andra långfristiga fordringar	21	20	20
		120 842	**114 797**
Summa anläggningstillgångar		**7 647 311**	**7 762 488**
Omsättningstillgångar			
Varulager m.m.			
Reservdelar och förnödenheter	23	181 722	176 195
		181 722	**176 195**
Kortfristiga fordringar			
Kundfordringar		11 390	17 101
Fordringar hos koncernföretag		1 059 490	784 097
Aktuell skattefordran		0	0
Övriga fordringar	24	107 388	60 707
Förutbetalda kostnader och upplupna intäkter	25	24 753	26 227
		1 203 021	**888 132**
Kassa och bank		0	0
Summa omsättningstillgångar		**1 384 743**	**1 064 327**
SUMMA TILLGÅNGAR		**9 032 054**	**8 826 815**

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Balansräkning

	Not	2024-12-31	2023-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		65 000	65 000
Reservfond		50 000	50 000
		115 000	**115 000**
Fritt eget kapital			
Balanserat resultat		242 052	220 490
Årets resultat		236 267	221 562
		478 319	**442 051**
Summa eget kapital		**593 319**	**557 051**
Obeskattade reserver	26	**5 083 689**	**5 142 436**
Avsättningar	27		
Avsättningar för pensioner och liknande förpliktelser		1 023 276	962 839
Uppskjuten skatteskuld	22	11 173	11 173
		1 034 449	**974 012**
Långfristiga skulder	28		
Övriga skulder		10 424	12 258
		10 424	**12 258**
Kortfristiga skulder			
Leverantörsskulder		162 991	191 345
Skulder till koncernföretag		1 076 717	1 047 441
Aktuella skatteskulder		38 739	26 602
Övriga skulder	29	564 404	476 150
Upplupna kostnader och förutbetalda intäkter	30	467 322	399 520
		2 310 173	**2 141 058**
SUMMA EGET KAPITAL OCH SKULDER		**9 032 054**	**8 826 815**

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Kassaflödesanalys

	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Den löpande verksamheten		
Resultat efter finansiella poster	238 641	287 118
Justeringar för poster som inte ingår i kassaflödet m.m.		
Avskrivningar och nedskrivningar	861 427	812 973
Resultat vid utrangering av inventarier	2 219	1 744
Resultatandel i intressebolag	-5 295	-6 194
Intäkt utdelning	-5 021	-4 923
Ränteintäkter	-83 518	-40 755
Räntekostnader	66 155	58 365
Avsättning till pensioner	60 437	96 051
Övriga avsättningar	22 635	-4 462
	1 157 681	**1 199 917**
Betald inkomstskatt	-48 952	-24 523
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital	**1 108 729**	**1 175 394**
Förändringar i rörelsekapital		
Förändring av varulager	-5 527	-109 959
Förändring av rörelsefordringar	-314 889	467 411
Förändring av rörelseskulder	132 478	-510 499
Kassaflöde från den löpande verksamheten	**920 790**	**1 022 347**
Investeringsverksamheten		
Förvärv av anläggningstillgångar	-742 424	-709 764
Aktieägartillskott intressebolag	-750	0
Kassaflöde från investeringsverksamheten	**-743 174**	**-709 764**
Finansieringsverksamheten		
Erhållen utdelning	5 021	4 923
Betald utdelning	-200 000	-300 000
Erhållen ränta	83 518	40 635
Erlagd ränta	-66 155	-58 140
Kassaflöde från finansieringsverksamheten	**-177 616**	**-312 582**
Årets kassaflöde	**0**	**0**
Likvida medel vid årets början	**0**	**0**
Likvida medel vid årets slut	**0**	**0**

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Tilläggsupplysningar

Not 1 Redovisningsprinciper

Allmänna redovisningsprinciper
Årsredovisningen har upprättats enligt Årsredovisningslagen (1995:1554) och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3). Redovisningsprinciperna är oförändrade mot föregående år.

Koncernredovisning
Företaget är ett moderföretag men upprättar ingen koncernredovisning med hänvisning till undantagsregeln i årsredovisningslagen 7 kap. 2 §. Koncernredovisning upprättas av Borealis AG med säte i Wien, Österrike. Denna finns tillgänglig på www.borealisgroup.com.

Bolaget redovisar andelar i intresseföretag enligt anskaffningsvärdemetoden. Värdet justeras vid förändringar i intresseföretagets eget kapital.

Intäktsredovisning
Försäljning av tjänster och varor
Intäkten redovisas till verkligt värde av vad företaget fått eller kommer att erhålla. Det innebär att företaget redovisar intäkten till nominellt värde (fakturabelopp) om företaget får ersättning i likvida medel direkt vid leveransen. Avdrag görs för lämnade rabatter.

Företagets huvudsakliga verksamhet är att tillhandahålla produktionstjänster till huvudmannen, Borealis AG. Intäkten redovisas i takt med att arbetet utförs. Ersättning för produktionstjänster redovisas som del av bolagets nettoomsättning. Borealis AB utför även tjänster inom forskning- och utveckling, säljsstöd och adminstrativa tjänster. Intäkter från dessa uppdrag redovisas som övriga rörelseintäkter.

Vid försäljning av varor redovisas normalt inkomsten som intäkt när de väsentliga förmåner och risker som är förknippade med ägandet av varan har överförts från företaget till köparen. Borealis AB redovisar inköp av varor som sedan vidareförsäljs inom koncernen som en del av företagets nettoomsättning. Detta gäller främst förbrukingsvaror som vatten och energi.

Intäkter för licenser i enlighet med toll manufacturing avtalet anses vara en del av företagets huvudsakliga verksamhet och är därmed inkluderade i nettoomsättningen.

Leasingavtal
Företaget som leasetagare
Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella, som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden.
Se vidare not 4.

Ersättningar till anställda
Ersättningar till anställda avser alla typer av ersättningar som företaget lämnar till de anställda. Företagets ersättningar innefattar bland annat löner, betald semester, betald frånvaro, bonus och ersättningar efter avslutad anställning (pensioner). Redovisning sker i takt med intjänandet.

I företaget finns såväl avgiftsbestämda som förmånsbestämda pensionsplaner. Utgifter för avgiftsbestämda planer redovisas som en kostnad under den period de anställda utför de tjänster som ligger till grund för förpliktelsen. Företagets övriga planer klassificeras som förmånsbestämda och beräknas enligt Tryggandelagen och redovisas i enlighet med förenklingsreglerna i BFNAR 2012:1. Ränteuppräkning av pensionskulden redovisas som en del av personalkostnader.

Vid avgiftsbestämda planer betalas fastställda avgifter till ett annat företag, normalt ett försäkringsföretag, och företaget har inte längre någon förpliktelse till den anställde när avgiften är betald. Storleken på den anställdes ersättningar efter avslutad anställning är beroende av de avgifter som har betalats och den kapitalavkastning som avgifterna ger.
Vid förmånsbestämda planer har företaget en förpliktelse att lämna de överenskomna ersättningarna till nuvarande och tidigare anställda. Företaget bär i allt väsentligt dels risken att ersättningarna kommer att bli högre än förväntat (aktuariell risk), dels risken att avkastningen på tillgångarna avviker från förväntningarna (investeringsrisk). Investeringsrisk föreligger även om tillgångarna överförs till ett annat företag.
Företaget har förmånsbestämda pensionsplaner som finansieras via Alecta, vilka redovisas som avgiftsbestämda planer då det inte finns tillräcklig information för att redovisa planen som förmånsbestämd.

Ett antal utvalda anställda omfattas av en långsiktig bonusplan (LTIP) inom OMV-koncernen. Planen baseras på en tilldelning av aktier i moderbolaget för OMV-koncernen, OMV AG. Planen består av årliga tilldelningar som löper under 3 år. Tilldelningen är beroende på utfallet av bestämda parametrar som avkastnining till aktieägare, kassaflöde och utvalda nyckeltal.

Under 2024 omfattades 13 personer i Borealis AB av dessa planer. Avsättning inklusive lönebikostnader har gjorts med 9,6 mkr (9.6 mkr) varav 2.5 mkr (2.9 mkr) avser styrelsens ordförande och verkställande direktör.

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Omräkning av poster i utländsk valuta
Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Koncernbidrag
Erhållna och lämnade koncernbidrag redovisas som bokslutsdisposition.

Skatt
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekt redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån per den skattesats som gäller per balansdagen.

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.
Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjutna skattefordringar reduceras till den del det inte är sannolikt att den underliggande skattefordran kommer att kunna realiseras inom en överskådlig framtid. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Anläggningstillgångar
Materiella och immateriella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och eventuella nedskrivningar.
När det finns en indikation på att en tillgångs värde minskat, görs en prövning av nedskrivningsbehov. Har tillgången ett återvinningsvärde som är lägre än det redovisade värdet, skrivs den ner till återvinningsvärdet. Vid bedömning av nedskrivningsbehov grupperas tillgångarna på det lägsta nivåer där det finns separata identifierbara kassaflöden (kassagenererande enheter). För tillgångar, andra än goodwill, som tidigare skrivits ner görs per varje balansdag en prövning av om återföring bör göras. Inga nedskrivningar har gjorts under 2024.
Immateriella anläggningstillgångar utgörs i huvudsak av licenser vars avskrivningstid baseras på avtalsenliga rättigheter.

Materiella anläggningstillgångar har delats upp på betydande komponenter när komponenterna har väsentligt olika nyttjandeperioder.

Avskrivningsbart belopp utgörs av anskaffningsvärdet minskat med ett beräknat restvärde om detta är väsentligt. Avskrivning sker linjärt över den förväntade nyttjandeperioden.

Följande avskrivningstider tillämpas:

Immateriella anläggningstillgångar	
Licenser	3 - 10 år
Materiella anläggningstillgångar	
Byggnader och Markanläggningar	
Fabriksbyggnader	20 år
Kontorsbyggnader	40 år
Markanläggningar	20 år
Maskiner och andra tekniska anläggningar	
Maskiner och andra tekniska anläggningar	6-20 år
Periodbundet underhåll	5-6 år
Inventarier, verktyg och installationer	3-10 år

Internt upparbetade immateriella anläggningstillgångar
Företaget tillämpar den s.k. "aktiveringsmodellen" avseende internt upparbetade immateriella anläggningstillgångar. Metoden innebär att samtliga utgifter som uppfyller kriterierna i BFNAR 2012:1 aktiveras som immateriell anläggningstillgång och skrivs av under tillgångens förväntade nyttjandeperiod.

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Finansiella instrument
Finansiella instrument värderas utifrån anskaffningsvärdet. Vid varje balansdag bedömer bolaget om det finns någon indikation på nedskrivningsbehov i någon utav de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående. Nedskrivningsbehovet prövas individuellt för aktier och andelar och övriga enskilda finansiella anläggningstillgångar som är väsentliga.

Varulager
Varulager redovisas enligt BFNAR 2012:3 (K3) kapitel 13. Värdering sker till det lägsta av dess anskaffningsvärde och dess nettoförsäljningsvärde på balansdagen. Med nettoförsäljningsvärdet avses varornas beräknade försäljningspris minskat med försäljningskostnader. Reservdelar som inte har förbrukats inom 3 år från anskaffningstillfället skrivs regelmässigt ner. I de fall reservdelar anskaffas med syftet att innehas stadigvarande i verksamheten redovisas de som anläggningstillgångar.

Fordringar, skulder och avsättningar
Om inget annat anges ovan värderas kortfristiga fordringar till det lägsta av dess anskaffningsvärde och det belopp varmed de beräknas bli reglerade. Långfristiga fordringar och långfristiga skulder värderas efter det första värderingstillfället till upplupet anskaffningsvärde. Övriga skulder och avsättningar värderas till de belopp varmed de beräknas bli reglerade. Övriga tillgångar redovisas till anskaffningsvärde om inget annat anges ovan.

Kassaflödesanalys
Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medfört in - och utbetalningar.

Uppskattningar och bedömningar
Borealis AB gör uppskattningar och bedömningar om framtiden. De uppskattningar för redovisningsändamål som blir följden av dessa kommer, definitionsmässigt, inte alltid att motsvara det verkliga resultatet. De uppskattningar och antaganden som innebär en betydande risk för väsentliga justeringar i redovisade värden för tillgångar och skulder under nästkommande år behandlas i huvuddrag nedan.

Intäkter: Borealis AB tillhandahåller tjänster inom produktion, marknadsföring, forskning och utveckling och andra administrativa tjänster på uppdrag av sin huvudman, Borealis AG. Borealis AB erhåller en ersättning för detta baserad på verklig kostnad med en marknadsmässig marginal. Risken för Borealis AB är därför låg och bolagets huvudintäkter kan beräknas relativt väl med utgångspunkt från konstaterade och bedömda, upplupna kostnader.
Utgifter: I samband med årsbokslut görs bedömningar av upplupna kostnader. Dessa bedömningar baseras på levererade varor och tjänster och värderas enligt gällande avtal.

Aktier och andelar: Värdet av aktier och andelar i dotterbolag och intressebolag redovisas till värdet av Borealis andel av eget kapital.

Pensionsskulder: Borealis AB gör avsättningar i balansräkningen för åtagande enligt ITP2. Denna pensionsskuld beräknas enligt grunder fastställda av Pensionsregistreringsinstitutet (PRI). Bedömningar görs bl a av diskonteringsränta, livslängd och framtida omkostnader. Under 2024 har beräkningen bl a påverkats av högre räntor, ökande förväntad livslängd samt inflation vilket har ökat bolagets pensionsskuld. Den totala ökningen uppgick till 60 mkr (96 mkr) och har påverkat årets pensionskostnader.

Inkurans i varulager: Som produktionsenhet lagerför bolaget främst förnödenheter och reservdelar för löpande behov. Det finns viss risk att lager måste kasseras på grund av skador eller ändrade behov. I bokslutet görs nedskrivning för inkurans baserat på förbrukningstakt av reservdelar. I de fall en special slags reservdel inte har använts under de senaste 3 åren görs en regelmässig nedskrivning av värdet till 0. Totalt har bolaget reserverat 209 mkr (198 mkr) för reservdelar som bedöms vara obsoleta.

Ändring av redovisningsprinciper och rättelse av fel
Borealis AB har sedan 2009 tillämpat principen att kostnadsföra reservdelar som inköpts för löpande förbrukning. Inköp av reservdelar har ansetts vara del av löpande underhåll. Då reservdelar ofta köps in med lång framförhållning, beställningspunkter sätts med försiktighet och miniminivåer lagerhålls löpande ger denna princip inte en korrekt bild av förbrukningen av reservdelar.
2023 har bolaget övergått till att redovisa alla reserverdelar som en del av lager tills förbrukning sker. Effekten av detta är svåröverskådlig då tidigare praxis tillämpas över en längre tid, ersättning har erhållits från uppdragsgivare baserat på kostnad och avsättningar görs för material med låg omsättningstakt.

Bolagets lagertillgångar ökade under 2023 med 109 MSEK jämfört med tidigare år. 107 MSEK av detta kan anses vara en effekt av ändrad redovisning av varulager. 2022 år lagervärde uppskattas har varit 93 MSEK högre om samma metod använts föregående år. Eftersom bolagets intäkter är baserade på produktionskostnader + 5% mark-up är resultateffekten av denna justering begränsad. Med fortsatt tillämpning av tidigare metod skulle företages kostnader för sålda varor och tjänster ökat med 107 MSEK. Intäkterna beräknas ha minskat med 112 MSEK. Resultat efter skatt beräknas ha varit 4 MSEK lägre med tillämpling av tidigare metod.

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Noter

Not 2 Nettoomsättningens fördelning

	2024	2023
Ersättning enligt Toll Manufacturingavtal	3 187 837	2 937 732
Ersättning för rörliga tillverkningskostnader	492 387	477 184
	3 680 224	**3 414 916**

Bolagets huvudersättning hänför sig till ersättning för legoproduktionstjänster, toll manufacturing, för huvudmannen Borealis AG. Rörliga produktionskostnader, främst energi, som vidarefaktureras till huvudmannen Borealis AG som en intäkt.

Nettoomsättningen avser Europa som geografisk marknad

Not 3 Arvode till revisorer

	2024	2023
KPMG AB		
Revisionsuppdraget	1 467	969
Övriga tjänster	0	0
	1 467	**969**

2022 års siffror gäller dåvarande revisor Pricewaterhouse Coopers AB.

Not 4 Övriga rörelseintäkter

	2024	2023
Försäljning av tjänster	27 346	27 372
Försäljning av tjänster, koncernföretag	278 713	282 285
Kursvinster/förluster på fordringar / skulder av rörelsekaraktär	80 172	90 811
Resultatandel i intressebolag	5 295	6 194
Övrigt	27 452	76 917
	418 978	**483 580**

Not 5 Leasingavtal - leasetagare

Operationell leasing

	2024	2023
Kostnadsförda leasingavgifter avseende operationella leasingavtal	21 833	22 315
Framtida minimileaseavgifter avseende ej uppsägningsbara operationella leasingavtal		
Skall betalas inom 1 år	13 682	15 151
Skall betalas inom 1-5 år	11 895	13 126
Skall betalas senare än 5 år	2 879	3 643
	28 456	**31 920**

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Not 6 Anställda och personalkostnader

Medelantalet anställda

	2024 Antal anställda	Varav män	2023 Antal anställda	Varav män
Sverige	927	75%	934	76%

	2024	2023
Löner och andra ersättningar		
Styrelse och verkställande direktör	5 417	4 455
Övriga anställda	707 988	682 999
	713 405	**687 454**

Något tantiem till styrelse och verkställande direktör utgår ej.

Pensions- och övriga sociala kostnader		
Pensionskostnader för styrelse och verkställande direktör	832	686
Pensionskostnader för övriga anställda	169 377	205 195
Övriga sociala kostnader enligt lag och avtal	255 266	233 291
	425 475	**439 172**

	2024-12-31	2023-12-31
Inga utestående pensionsförpliktelser till styrelse och verkställande direktör finns. Vissa ledande befattningshavare omfattas av ett långsiktigt belöningsprogram inom OMV-koncernen. Se tilläggsupplysningar.		
Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	13%	13%
Andel män i styrelsen	87%	87%
Andel kvinnor bland övriga ledande befattningshavare	44%	56%
Andel män bland övriga ledande befattningshavare	56%	44%

Not 7 Inköp och försäljning mellan koncernföretag

	2024	2023
Andel av årets totala inköp som skett från andra företag inom koncernen	23%	23%
Andel av årets totala försäljning som skett till andra företag inom koncernen	100%	100%

Not 8 Av- och nedskrivningarnas fördelning per funktion

	2024	2023
Kostnad sålda varor och tjänster	-859 560	-810 427
FoU- och administrationskostnader	-1 867	-2 545
	-861 427	**-812 973**

Not 9 Utdelningar, ränteintäkter och liknande resultatposter

	2024	2023
Utdelning på andelar i dotterföretag	5 021	4 923
Ränteintäkter från koncernföretag	21 574	11 006
Övriga ränteintäkter	450	661
Ersättning för finansieringskostnader enl. Toll Manufactoringavtal	61 494	29 088
	88 539	**45 678**

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Not 10 Räntekostnader och liknande resultatposter

	2024	2023
Räntekostnader till koncernföretag	-63 466	-55 164
Övriga räntekostnader	-2 690	-3 201
	-66 155	**-58 365**

Not 11 Bokslutsdispositioner

	2024	2023
Lämnat koncernbidrag	-32	-6
Skillnad mellan bokförd avskrivning och avskrivning enligt plan	-6 252	-13 307
	-6 285	**-13 313**

Not 12 Skatt på årets resultat

	2024	2023
Aktuell skatt	-47 700	-55 740
Skatt hänförlig till tidigare års redovisade resultat	0	3 496
Summa redovisad skattekostnad	**-47 700**	**-52 243**

Avstämning av effektiv skattesats

Redovisat resultat före skatt	**297 356**	**273 805**
Skatt på redovisat resultat enligt gällande skattesats (20,6%):	-61 255	-56 404
Skatteeffekt av övriga ej avdragsgilla kostnader	-1 101	-836
Skatteeffekt av ej skattepliktiga intäkter	2 203	2 418
Skatt hänförlig till tidigare års redovisade resultat	0	3 496
Skatt på resultatandel i dotterbolag	-936	-918
Redovisad skattekostnad	**-61 090**	**-52 243**
Effektiv skattesats	20,5%	19,1%

Not 13 Licenser samt liknande rättigheter

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	517 465	515 592
Årets anskaffningar	2 534	1 873
Utgående ackumulerade anskaffningsvärden	**519 999**	**517 465**
Ingående avskrivningar	-493 128	-482 464
Årets avskrivningar	-11 141	-10 663
Utgående ackumulerade avskrivningar	**-504 269**	**-493 128**
Utgående redovisat värde	**15 731**	**24 337**

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Not 14 Byggnader och mark

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	2 675 358	2 541 420
Överfört från pågående nyanläggningar	30 557	133 938
Försäljningar/utrangeringar	-8 416	0
Utgående ackumulerade anskaffningsvärden	**2 697 499**	**2 675 358**
Ingående avskrivningar	-1 771 173	-1 685 650
Försäljningar/utrangeringar	8 225	
Årets avskrivningar	-88 891	-85 523
Utgående ackumulerade avskrivningar	**-1 851 840**	**-1 771 173**
Utgående redovisat värde	**845 659**	**904 186**

Not 15 Maskiner och andra tekniska anläggningar

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	17 312 964	16 373 188
Överfört från pågående nyanläggningar	494 268	958 227
Försäljningar/utrangeringar	-77 416	-18 451
Utgående ackumulerade anskaffningsvärden	**17 729 816**	**17 312 964**
Ingående avskrivningar	-11 360 825	-10 750 340
Försäljningar/utrangeringar	75 395	17 620
Årets avskrivningar	-666 095	-628 106
Utgående ackumulerade avskrivningar	**-11 951 525**	**-11 360 825**
Utgående redovisat värde	**5 778 292**	**5 952 139**

Not 16 Inventarier, verktyg och installationer

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	94 516	103 263
Överfört från pågående nyanläggningar	14 279	14 676
Försäljningar/utrangeringar	-12 557	-23 423
Utgående ackumulerade anskaffningsvärden	**96 238**	**94 516**
Ingående avskrivningar	-80 048	-98 928
Försäljningar/utrangeringar	12 551	22 510
Årets avskrivningar	-10 362	-3 631
Utgående ackumulerade avskrivningar	**-77 860**	**-80 048**
Utgående redovisat värde	**18 378**	**14 467**

Not 17 Pågående nyanläggningar

	2024-12-31	2023-12-31
Vid årets början	386 914	818 172
Årets anskaffningar	742 424	709 764
Överfört till anläggningstillgångar	-541 130	-1 141 021
Vid årets slut	**588 208**	**386 914**

Av det totala beloppet upparbetat vid årets slut avser 238 mkr tillgångar som skattemässigt definierats som maskiner och inventarier.

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Not 18 Periodbundet underhåll

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	539 160	506 853
Överfört från pågående nyanläggningar	-509	32 307
Försäljningar/utrangeringar	-49 560	0
Utgående ackumulerade anskaffningsvärden	**489 092**	**539 160**
Ingående avskrivningar	-173 513	-88 462
Försäljningar/utrangeringar	49 560	0
Årets avskrivningar	-84 938	-85 051
Utgående ackumulerade avskrivningar	**-208 891**	**-173 513**
Utgående redovisat värde	**280 200**	**365 647**

Not 19 Andelar i koncernföretag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	20 955	20 955
Årets omvärdring av aktier och andelar	0	0
Utgående redovisat värde	**20 955**	**20 955**

Not 20 Specifikation av andelar i koncernföretag

Namn	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde
Etenförsörjning i Stenungsund AB *556258-6536 Stenungsund*	80%	80%	40 000	4 000
Borealis Group Services AS, *991 488 677 Bamble, Norge*	100%	100%	1 000	8 150
Fastighets KB Stenungsund-Munkeröd 1:72 (Komplementär) 969667-1107 Stenungsund	100%	100%	0	8 805
				20 955

Dotterbolagen har ej konsoliderats med moderbolaget utan konsolideringen har gjorts i Borealis AG med säte i Wien, Österrike. Borealis konsolideras från oktober 2020 i OMV-gruppen.

Not 21 Andelar i intresseföretag och övriga fordringar

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	93 822	87 628
Årets anskaffningar	750	
Årets resultatandel	5 295	6 194
Utgående ackumulerade anskaffningsvärden	**99 867**	**93 822**
Utgående redovisat värde	**99 867**	**93 822**

Namn	Antal andelar	Kapital-andel	Rösträtts-andel	Bokfört värde	Intäktsförd utdelning
PetroPort Holding AB *556825-4725 Stenungsund*	25 000	50%	50%	99 067	
Industrins räddningstjänst i Stenungsund AB *556825-4725 Stenungsund*	12 500	25%	25%	800	
				99 867	**0**

Övriga långfristiga fordringar	2024-12-31	2023-12-31
Andel i föreningen Hållbar Kemi i Stenungsund	20	20

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Not 22 Uppskjuten skatt

Temporära skillnader föreligger i de fall tillgångars eller skulders redovisade respektive skattemässiga värden är olika. Temporära skillnader avseende följande poster samt underskottsavdrag har resulterat i uppskjutna skattefordringar och -skulder.
Redovisad uppskjuten skatteskuld hänför sig till uppskrivning av fastighetsvärden.

Uppskjuten skatteskuld	**2024-12-31**	**2023-12-31**
Övriga skattepliktiga temporära skillnader	11 173	11 173
Uppskjutna skatteskulder som redovisas i balansräkningen	**11 173**	**11 173**

Not 23 Varulager

	2024-12-31	**2023-12-31**
Förnödenheter, förbrukningsmaterial och strategiskt viktiga reservdelar	77 203	71 367
Reservdelar för löpande förbrukning	314 388	302 659
Avsättning för inkurans och låg omsättningshastighet	-209 869	-197 831
Varulager	**181 722**	**176 195**

Strategiskt viktiga reservdelar lagerhålls även om förbrukning inte sker löpande.

Not 24 Övriga fordringar

	2024-12-31	**2023-12-31**
Skattekonto/moms/punktskatt	39 500	1 079
Momsfordran	41 509	39 685
PRI-pensioner	22 877	19 943
Övriga fordringar	3 502	0
	107 388	**60 707**

Not 25 Förutbetalda kostnader och upplupna intäkter

	2024-12-31	**2023-12-31**
Förutbetalda försäkringspremier	20 403	22 111
Förutbetalda licenskostnader	0	0
Övriga förutbetalda kostnader	4 350	4 116
	24 753	**26 227**

ank=20250708-20250710021083

Borealis AB

556078-6633

Not 26 Obeskattade reserver

	2024-12-31	2023-12-31
Ackumulerade överavskrivningar Byggnader och mark	9 289	14 216
Ackumulerade överavskrivningar Maskiner och inventarier	5 074 400	5 128 220
	5 083 689	**5 142 436**

Not 27 Avsättningar

	2024-12-31	2023-12-31
Pensioner och liknande förpliktelser		
Belopp vid årets ingång	962 839	866 789
Årets avsättningar	60 437	96 050
	1 023 276	**962 839**
Härav tryggat enligt Tryggandelagen (PRI)	**1 000 473**	**940 461**

Not 28 Långfristiga skulder

	2024-12-31	2023-12-31
Förfaller mellan 2 och 5 år efter balansdagen		
Skulder avseende förskottsbetald hyra	4 000	8 000
Långfristiga personalprogram och övriga skulder	6 424	4 258
	10 424	**12 258**

Not 29 Övriga kortfristiga skulder

	2024-12-31	2023-12-31
Emissionsrätter	546 454	458 514
Personalens källskatt	17 785	17 423
Övriga poster	165	213
	564 404	**476 150**

Not 30 Upplupna kostnader och förutbetalda intäkter

	2024-12-31	2023-12-31
Upplupna semesterlöner (inkl. sociala avgifter)	157 717	155 200
Upplupna arbetsgivaravgifter	16 719	16 156
Upplupna personalkostnader	136 224	97 779
Upplupna projekt- och driftkostnader	142 140	72 134
Upplupen fastighetsskatt, löneskatt etc	3 539	1 905
Förutbetalda bidrag och projektintäkter	0	44 969
Övriga förutbetalda intäkter	10 982	11 378
	467 322	**399 520**

Borealis AB

556078-6633

Not 31 Ställda säkerheter

	2024-12-31	2023-12-31
Fastighetsinteckningar - relaterat till hyresavtal Grace	127 000	127 000
Summa ställda säkerheter	**127 000**	**127 000**

Not 32 Eventualförpliktelser

	2024-12-31	2023-12-31
Garantiåtaganden		
PRI Pensionsgaranti	20 434	19 209
Övriga eventualförpliktelser	31	48
	20 466	**19 257**

Not 33 Nyckeltalsdefinitioner

Rörelsemarginal
Rörelseresultat i procent av nettoomsättningen

Justerat eget kapital
Eget kapital med tillägg för obeskattade reserver som reducerats med uppskjuten skatt.

Avkastning på eget kapital
Resultat efter finansiella poster i procent av genomsnittligt justerat eget kapital

Soliditet
Justerat eget kapital i procent av balansomslutning

Not 34 Händelser efter räkenskapsårets utgång

Inga särskilda händelser har inträffat under kvartal 1, 2025.

Borealis AB

556078-6633

ank=20250708-20250710021084

Not 35 Förslag till resultatdisposition

Styrelsen föreslår att till förfogande stående medel (kronor)

Balanserat resultat	242 051 868
Årets resultat	236 266 900
	478 318 768
disponeras så att	
utdelas till aktieägarna	200 000 000
i ny räkning överföres	278 318 768

Den dag som framgår av elektronisk underskrift

DocuSigned by:
Anders Fröberg
C1CA102B873442B...
Anders Fröberg
Ordförande

Signed by:
Marcus Kierkegaard
88C11789B679471...
Marcus Kierkegaard
Verkställande direktör

Signed by:
Wolfram Krenn
D2B781BBB9EB45A...
Wolfram Krenn
Styrelseledamot

Signed by:
Thomas Van De Velde
7ED07E6A57E8489...
Thomas Van De Velde
Styrelseledamot

DocuSigned by:
Patrik Andersson
8E533219870E4EB...
Patrik Andersson
Arbetstagarrepresentant

DocuSigned by:
Anna Rydh
3C6F7BC7F2D045D...
Anna Rydh
Arbetstagarrepresentant

DocuSigned by:
Jerker Lindström
C4DDE6BA076B47E...
Jerker Lindström
Arbetstagarrepresentant

Vår revisionsberättelse har lämnats den dag som framgår av elektroniskt underskrift

KPMG AB

Signed by:
Maria Kylén
431CCE9986E94DC...
Maria Kylén
Auktoriserad Revisor

Certificate Of Completion

Envelope Id: E6ABB19D-2BDE-44E3-AB51-9CDFA2FF43F2
Status: Completed
Subject: Complete with Docusign: Borealis AB Annual report 2024.pdf
Source Envelope:
Document Pages: 21
Signatures: 8
Certificate Pages: 5
Initials: 0
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC+01:00) Amsterdam, Berlin, Bern, Rome, Stockholm, Vienna

Envelope Originator:
Olsson, Annelie
Trabrennstraße 6-8
Wien, 1020
annelie.olsson@borealisgroup.com
IP Address: 147.161.151.89

Record Tracking

Status: Original
24 April 2025 | 16:44
Holder: Olsson, Annelie
annelie.olsson@borealisgroup.com
Location: DocuSign

Signer Events

Anders Fröberg
anders.froberg@borealisgroup.com
VP Manufacturing Excellence
Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:
Anders Fröberg
C1CA102B8734428...

Signature Adoption: Pre-selected Style
Using IP Address: 217.209.182.16

Timestamp

Sent: 24 April 2025 | 16:53
Viewed: 28 April 2025 | 08:45
Signed: 28 April 2025 | 08:46

Authentication Details
Identity Verification Details:
Workflow ID: 83f4db5e-4aca-4199-a361-76eb7b49f45a
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 886025ec-865c-511b-86f3-8b10c917d0c4
Country or Region of ID: SE
Result: Passed
Performed: 28 April 2025 | 08:45

Electronic Record and Signature Disclosure:
Not Offered via Docusign

Anna Rydh
anna.rydh@borealisgroup.com
Security Level: Email, Account Authentication (None)

DocuSigned by:
Anna Rydh
3C8F7BC7F2D045D...

Signature Adoption: Pre-selected Style
Using IP Address: 95.193.193.200
Signed using mobile

Sent: 24 April 2025 | 16:53
Viewed: 25 April 2025 | 17:21
Signed: 25 April 2025 | 17:25

Authentication Details
Identity Verification Details:
Workflow ID: 83f4db5e-4aca-4199-a361-76eb7b49f45a
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 9b0dff14-1a19-56d7-93fe-81a1c9db4cf8
Country or Region of ID: SE
Result: Passed
Performed: 25 April 2025 | 17:21

Electronic Record and Signature Disclosure:
Not Offered via Docusign

ank=20250708-20250710021085

Signer Events	Signature	Timestamp
Jerker Lindström jerker.lindstrom@gmail.com Security Level: Email, Account Authentication (None)	DocuSigned by: Jerker Lindström C4DDE6BA076B47E...	Sent: 24 April 2025 | 16:53 Viewed: 25 April 2025 | 09:37 Signed: 25 April 2025 | 09:38

Signature Adoption: Pre-selected Style
Using IP Address: 62.20.52.194

Authentication Details
Identity Verification Details:
Workflow ID: 83f4db5e-4aca-4199-a361-76eb7b49f45a
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 8f5ff6d9-1dca-51fb-9edc-98d2e8d67cf6
Country or Region of ID: SE
Result: Passed
Performed: 25 April 2025 | 09:37

Electronic Record and Signature Disclosure:
Not Offered via Docusign

Marcus Kierkegaard marcus.kierkegaard@borealisgroup.com HC Operations Manager Borealis AB Security Level: Email, Account Authentication (None)	Signed by: Marcus Kierkegaard 88C11789B679471...	Sent: 24 April 2025 | 16:53 Viewed: 25 April 2025 | 07:42 Signed: 25 April 2025 | 07:42

Signature Adoption: Pre-selected Style
Using IP Address: 217.119.171.204

Authentication Details
Identity Verification Details:
Workflow ID: 83f4db5e-4aca-4199-a361-76eb7b49f45a
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: dff17556-d8a6-5510-9693-7f59cd6965d7
Country or Region of ID: SE
Result: Passed
Performed: 25 April 2025 | 07:42

Electronic Record and Signature Disclosure:
Not Offered via Docusign

Maria Kylén maria.kylen@kpmg.se Audit Partner Security Level: Email, Account Authentication (None)	Signed by: Maria Kylén 431CCE9986E94DC...	Sent: 24 April 2025 | 16:53 Viewed: 25 April 2025 | 15:15 Signed: 28 April 2025 | 16:26

Signature Adoption: Pre-selected Style
Using IP Address: 155.4.87.178

Authentication Details
Identity Verification Details:
Workflow ID: 83f4db5e-4aca-4199-a361-76eb7b49f45a
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 7efce9c1-65e9-5393-9756-8b121c99a4d2
Country or Region of ID: SE
Result: Passed
Performed: 25 April 2025 | 15:14

Signer Events	Signature	Timestamp

Identity Verification Details:
Workflow ID: 83f4db5e-4aca-4199-a361-76eb7b49f45a
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 743999d7-65e7-5153-894b-271e876dd6d8
Country or Region of ID: SE
Result: Passed
Performed: 28 April 2025 | 16:15

Identity Verification Details:
Workflow ID: 83f4db5e-4aca-4199-a361-76eb7b49f45a
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: fba7df9e-68af-5957-b7ed-efdc5fa13615
Country or Region of ID: SE
Result: Passed
Performed: 28 April 2025 | 16:32

Electronic Record and Signature Disclosure:
Not Offered via Docusign

Patrik Andersson
patrik.andersson@borealisgroup.com
Security Level: Email, Account Authentication (None)

DocuSigned by:
Patrik Andersson
8E533219870E4EB...

Signature Adoption: Pre-selected Style
Using IP Address: 88.131.48.226

Sent: 24 April 2025 | 16:53
Viewed: 28 April 2025 | 10:00
Signed: 28 April 2025 | 10:00

Authentication Details
Identity Verification Details:
Workflow ID: 83f4db5e-4aca-4199-a361-76eb7b49f45a
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 9b7fa795-0ffa-51dd-b92c-0644b094a9a8
Country or Region of ID: SE
Result: Passed
Performed: 28 April 2025 | 09:59

Electronic Record and Signature Disclosure:
Not Offered via Docusign

Thomas Van De Velde
thomas.vandevelde@borealisgroup.com
SVP Borealis Base Chemicals Business
Borealis AG
Security Level: Email, Account Authentication (None)

Signed by:
Thomas Van De Velde
7ED07E6A57F8489...

Signature Adoption: Pre-selected Style
Using IP Address: 81.246.79.28

Sent: 24 April 2025 | 16:53
Viewed: 24 April 2025 | 16:56
Signed: 24 April 2025 | 16:57

Authentication Details
Identity Verification Details:
Workflow ID: 83f4db5e-4aca-4199-a361-76eb7b49f45a
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: itsme
Transaction Unique ID: a2ed6f32-3407-5af0-ba58-82873d438d8c
Country or Region of ID: BE
Result: Passed
Performed: 24 April 2025 | 16:56

Electronic Record and Signature Disclosure:
Not Offered via Docusign

ank=20250708-20250710210856

Signer Events	Signature	Timestamp
Wolfram Krenn wolfram.krenn@borealisgroup.com EVP Base Chemicals & Operations Vienna Security Level: Email, Account Authentication (None)	Signed by: Wolfram Krenn D2B781BBB9EB45A Signature Adoption: Pre-selected Style Using IP Address: 91.220.210.4	Sent: 24 April 2025 | 16:53 Viewed: 28 April 2025 | 07:57 Signed: 28 April 2025 | 07:57

Authentication Details
Identity Verification Details:
Workflow ID: 83f4db5e-4aca-4199-a361-76eb7b49f45a
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Government Issued Id Document
Type of Document: Driver's License
Identification Level: ID Only
Transaction Unique ID: f2b2ba71-0c40-5aa8-a168-5378c87c9f7d
Country or Region of ID: AT
Result: Failed - incorrect signer name
Performed: 24 April 2025 | 17:08

Identity Verification Details:
Workflow ID: 83f4db5e-4aca-4199-a361-76eb7b49f45a
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Government Issued Id Document
Type of Document: State ID / National ID
Identification Level: ID Only
Transaction Unique ID: 8716279a-81f1-54d8-a0f9-277de3fb4c00
Country or Region of ID: AT
Result: Passed
Performed: 28 April 2025 | 07:57

Electronic Record and Signature Disclosure:
Not Offered via Docusign

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	**Status**	**Timestamp**
Agent Delivery Events	**Status**	**Timestamp**
Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**
Bjarne Kristiansson Bjarne.Kristiansson@borealisgroup.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 24 April 2025 | 16:53 Viewed: 25 April 2025 | 15:29
Witness Events	**Signature**	**Timestamp**
Notary Events	**Signature**	**Timestamp**

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	24 April 2025 | 16:53
Certified Delivered	Security Checked	28 April 2025 | 07:57
Signing Complete	Security Checked	28 April 2025 | 07:57
Completed	Security Checked	28 April 2025 | 16:26

Payment Events	Status	Timestamps

ank=20250708;20250710210870

Revisionsberättelse

Till bolagsstämman i Borealis AB, org. nr 556078-6633

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Borealis AB för år 2024.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Borealis ABs finansiella ställning per den 31 december 2024 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Borealis AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Penneo dokumentnyckel: 8B4A-8F4CF-7ZW22-IIBNF-IMRB2-TE7F0

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Borealis AB för år 2024 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Borealis AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.
Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon *försummelse som kan föranleda ersättningsskyldighet mot* bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Göteborg den dag som framgår av elektronisk signatur

KPMG AB

Maria Kylén
Auktoriserad revisor

Penneo dokumentnyckel: 8B4AI-8F4CF-7ZW22-IIBNF-IMRB2-TE7F0

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"Med min signatur bekräftar jag innehållet och alla datum i detta dokumentet."

Maria Louise Kylén
Undertecknare
Serienummer: ff4c8bba28a4f5[…]474b8bc62be64
IP: 155.4.xxx.xxx
2025-04-28 14:27:19 UTC

BankID

ank=20250708-20250710210888

Penneo dokumentnyckel: 8B4A-8F4CF-7ZW22-IIBNF-IMRB2-TE7F0

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ank=20250708-20250710021089

Styrelsen och verkställande direktören för

Borealis Sverige AB

Org nr 556570-5711

får härmed avge

Årsredovisning

för räkenskapsåret 1 januari - 31 december 2024

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Borealis Sverige AB
Org nr 556570-5711

Förvaltningsberättelse

Verksamheten

Borealis Sverige AB är ett helägt dotterbolag till Borealis AG (Org. nr. 502065-0981) med säte i Wien, Österrike. Moderbolaget ägs av Abu Dhabi National Oil Company (ADNOC) till 25% och av det österrikiska olje- och gasbolaget OMV AG till 75 %.

Allmänt om verksamheten

Verksamheten är i huvudsak inriktad på förvaltning av aktier i dotterbolag.

Bolagets intäkter utgörs av utdelning och ränteintäkter. Finansieringen av Borealiskoncernen i Sverige sker främst genom moderbolaget Borealis AG.

Borealis AB i Stenungsund, ett helägt dotterbolag till Borealis Sverige AB, producerar olefiner (eten och propen) vid sin krackeranläggning och polyetenråvara vid sin polyolefinanläggning. Sedan 2009 opererar Borealis AB under Toll-manufacturing konceptet. Detta innebär att bolaget producerar plastråvaror och olefiner för Borealis AGs räkning mot en på förhand bestämd ersättning.

Förväntningar avseende den framtida utvecklingen samt risker och osäkerhetsfaktorer

Bolaget bedriver främst sin verksamhet genom det helägda dotterbolaget Borealis AB. Genom att Borealis AB arbetar på uppdrag av koncernens moderbolag, Borealis AG, opererar den Svenska verksamhetern med relativt låg risk. Globalt kännetecknas industrin av överkapacitet och ökande konkurrens. Denna situation förväntas fortsätta under 2025. Borealis arbetera löpande med anpassningar till rådande förhållanden utifrån en stark marknadsposition och finansiell ställning.

Flerårsöversikt	**2024**	**2023**	**2022**	**2021**	**2020**
Nettoomsättning (tkr)	–	–	–	–	–
Resultat efter finansiella poster (tkr)	199 968	-6	299 962	-9	20
Soliditet (%)	100 %	100 %	100 %	100 %	100 %

Borealis Sverige AB
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ank=20250708-20250710021090

Förändring Eget kapital

tkr	*Aktie-kapital*	*Bundna reserver*	*Fritt eget kapital*
Eget kapital 31 december 2022	1 063	499 700	2 498 834
Utdelat till ägare			–
Årets resultat			0
Eget kapital 31 december 2023	1 063	499 700	2 498 834
Utdelat till ägare			-200 000
Årets resultat			200 000
Eget kapital 31 december 2024	1 063	499 700	2 498 834

Antal aktier uppgår till 10 630 med ett kvotvärde på 100 kr/styck.

Resultatdisposition
Styrelsen föreslår att till förfogande stående vinstmedel (kronor)

Balanserad vinst	2 298 833 723
Årets resultat	200 000 000
	2 498 833 723
disponeras så att	
utdelas till ägarna	200 000 000
i ny räkning överföres	2 298 833 723

Vad beträffar företagets resultat och ställning i övrigt, hänvisas till efterföljande resultat- och balansräkningar med tillhörande bokslutskommentarer.

Borealis Sverige AB
Org nr 556570-5711

Resultaträkning

Belopp i tkr	*Not*	*2024-01-01 -2024-12-31*	*2023-01-01 -2023-12-31*
Administrationskostnader		0	0
Rörelseresultat	2	**0**	**0**
Finansiella poster			
Resultat från andelar i koncernföretag		200 001	11
Ränteintäkter och liknande resultatposter	3	36	63
Räntekostnader och liknande resultatposter	4	-69	-80
Summa finansiella poster		199 968	-6
Resultat efter finansiella poster		**199 968**	**-6**
Bokslutsdispositioner			
Erhållna koncernbidrag		32	6
Lämnade koncernbidrag		–	–
Summa bokslutsdispositioner		32	6
Resultat före skatt		**200 000**	**0**
Skatter			
Skatt på årets resultat		–	–
Årets resultat		**200 000**	**0**

Borealis Sverige AB
Org nr 556570-5711

ank=20250708;20250710210910

Balansräkning

Belopp i tkr	*Not*	*2024-12-31*	*2023-12-31*
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	5	3 000 011	3 000 011
Summa finansiella anläggningstillgångar		3 000 011	3 000 011
Summa anläggningstillgångar		**3 000 011**	**3 000 011**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		38	6
Summa kortfristiga fordringar		38	6
Kassa och bank		–	–
Summa omsättningstillgångar		**38**	**6**
SUMMA TILLGÅNGAR		**3 000 050**	**3 000 017**

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Borealis Sverige AB
Org nr 556570-5711

Belopp i tkr	*Not*	*2024-12-31*	*2023-12-31*
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		1 063	1 063
Reservfond		499 700	499 700
Summa bundet eget kapital		**500 763**	**500 763**
Fritt eget kapital			
Överkursfond		2 780 479	2 780 479
Balanserat resultat		-481 645	-281 645
Årets resultat		200 000	0
Summa fritt eget kapital		**2 498 834**	**2 498 834**
Kortfristiga skulder			
Skulder hos koncernföretag		453	420
Summa kortfristiga skulder		**453**	**420**
SUMMA EGET KAPITAL OCH SKULDER		**3 000 050**	**3 000 017**

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Borealis Sverige AB
Org nr 556570-5711

Noter med redovisningsprinciper och bokslutskommentarer

Belopp i tkr om inget annat anges

Not 1 Redovisningsprinciper och koncernuppgifter

Allmänna redovisningsprinciper
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2016:10, Årsredovisning i mindre aktiebolag (K2).Redovisningsprinciperna är oförändrade sedan föregående år.

Värderingsprinciper m m

Tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Fordringar
Fordringar har efter individuell värdering upptagits till belopp varmed de beräknas inflyta.

Aktier och andelar
Aktier och andelar värderas till historiskt anskaffningsvärde.

Koncernuppgifter
Bolaget är helägt dotterbolag till Borealis AG, med säte i Wien, Österrike.
Bolaget som utgör moderbolag för en koncern med dotterbolag, upprättar ej koncernredovisning med hänvisning till reglerna i årsredovisningslagen 7 kap 2 §.
Det utländska moderbolagets koncernredovisning finns att tillgå hos Handelsgericht Wien, Justizzentrum Wien Mitte, Marxergasse 1a, 1030 Vienna, Österrrike.

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Borealis Sverige AB
Org nr 556570-5711

Not 2 Anställda, personalkostnader och ersättning till revisorer

Bolaget saknar anställda.
Ersättning till bolagets revisorer har debiterats Borealis AB.

Not 3 Ränteintäkter och liknande resultatposter

	2024-01-01 -2024-12-31	*2023-01-01 -2023-12-31*
Mottagna utdelningar	200 001	–
Finansiella valutakursdifferenser	36	63
	200 037	63

Not 4 Räntekostnader och liknande resultatposter

	2024-01-01 -2024-12-31	*2023-01-01 -2023-12-31*
Räntekostnader, koncernföretag	-19	-18
Finansiella valutakursdifferenser	41	-62
	22	-80

Not 5 Andelar i koncernföretag

Specifikation av moderbolagets och koncernens innehav av aktier i koncernbolag

Koncernföretag / Org nr / Säte	*Antal andelar*	*Andel i %*	*Bokfört värde*
Borealis AB, 556078-6633, Stenungsund	650 000	100	3 000 000
Etenförsörjning i Stenungsund AB, 556258-6536, Stenungsund	*40 000*	*80*	–
Borealis Group Service AS, 991 488 677, Norge	*1 000*	*100*	–
Borealis Poliolefinas da America do Sul Ltda, Sao Paulo, Brasilien	1	0,01	0
Borealis Polyolefine GmbH, FN 125430g, Schwechat-Mannswörth, Österrike		0,0002	10
Fastighets KB Stenungsund-Munkeröd 1:72, Stenungsund	1	0,00002	0
Borealis Argentina SRL	1	2	1
			3 000 011

Borealis Sverige AB

Org nr 556570-5711

ank=20250708-20250710021093

Den dag som framgår av elektronisk underskrift

Signed by:
Wolfram Krenn
D2B781BBB9EB45A...
Wolfram Krenn
Ordförande

DocuSigned by:
Anders Fröberg
C1CA102B873442B...
Anders Fröberg
Verkställande Direktör

DocuSigned by:
Annette Enarson
1E707360BE5D402...
Annette Enarson

Vår revisionsberättelse har lämnats den dag som framgår av elektronisk underskrift

KPMG
Signed by:
Maria Kylén
431CCE9986E94DC...
Maria Kylén
Auktoriserad revisor

Certificate Of Completion

Envelope Id: C76355D8-38F6-432A-830F-5C6B989FD558
Status: Completed
Subject: Complete with Docusign: Borealis Sverige AB - Årsredovisning 2024.pdf
Source Envelope:
Document Pages: 9
Signatures: 4
Certificate Pages: 3
Initials: 0
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC+01:00) Amsterdam, Berlin, Bern, Rome, Stockholm, Vienna

Envelope Originator:
Olsson, Annelie
Trabrennstraße 6-8
Wien, 1020
annelie.olsson@borealisgroup.com
IP Address: 10.111.40.7

Record Tracking

Status: Original
02 May 2025 | 15:05

Holder: Olsson, Annelie
annelie.olsson@borealisgroup.com

Location: DocuSign

Signer Events

Anders Fröberg
anders.froberg@borealisgroup.com
VP Manufacturing Excellence
Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:
Anders Fröberg
C1CA102B8734428...

Signature Adoption: Pre-selected Style
Using IP Address: 217.119.171.204

Timestamp

Sent: 02 May 2025 | 15:12
Viewed: 05 May 2025 | 09:08
Signed: 05 May 2025 | 09:09

Authentication Details
Identity Verification Details:
Workflow ID: 83f4db5e-4aca-4199-a361-76eb7b49f45a
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 08d93a01-14cf-5da9-abd0-756920b5009d
Country or Region of ID: SE
Result: Passed
Performed: 05 May 2025 | 09:08

Electronic Record and Signature Disclosure:
Not Offered via Docusign

Annette Enarson
annette.enarson@borealisgroup.com
Board Director
Security Level: Email, Account Authentication (None)

DocuSigned by:
Annette Enarson
1E7073808E5D402...

Signature Adoption: Pre-selected Style
Using IP Address: 217.209.187.64

Sent: 02 May 2025 | 15:12
Viewed: 04 May 2025 | 21:05
Signed: 04 May 2025 | 21:06

Authentication Details
Identity Verification Details:
Workflow ID: 83f4db5e-4aca-4199-a361-76eb7b49f45a
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 968abdc7-8410-5226-88c0-fbdc2edc828f
Country or Region of ID: SE
Result: Passed
Performed: 04 May 2025 | 21:04

Electronic Record and Signature Disclosure:
Not Offered via Docusign

ank=20250708-20250710210094

Signer Events	Signature	Timestamp
Maria Kylén maria.kylen@kpmg.se Audit Partner Security Level: Email, Account Authentication (None)	Signed by: Maria Kylén 431CCE9986E94DC...	Sent: 02 May 2025 | 15:12 Viewed: 07 May 2025 | 08:01 Signed: 07 May 2025 | 14:55
	Signature Adoption: Pre-selected Style Using IP Address: 155.4.87.178	

Authentication Details
Identity Verification Details:
Workflow ID: 83f4db5e-4aca-4199-a361-76eb7b49f45a
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 5bbce9a5-5bb0-5190-b91c-8a59d5d5acd1
Country or Region of ID: SE
Result: Passed
Performed: 07 May 2025 | 08:00

Identity Verification Details:
Workflow ID: 83f4db5e-4aca-4199-a361-76eb7b49f45a
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 5bbce9a5-5bb0-5190-b91c-8a59d5d5acd1
Country or Region of ID: SE
Result: Passed
Performed: 07 May 2025 | 14:54

Identity Verification Details:
Workflow ID: 83f4db5e-4aca-4199-a361-76eb7b49f45a
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: ce971dac-4951-5752-8965-1bccad8f4f22
Country or Region of ID: SE
Result: Passed
Performed: 07 May 2025 | 15:00

Electronic Record and Signature Disclosure:
Not Offered via Docusign

Wolfram Krenn wolfram.krenn@borealisgroup.com EVP Base Chemicals & Operations Vienna Security Level: Email, Account Authentication (None)	Signed by: Wolfram Krenn D2B7818BB9EB45A...	Sent: 02 May 2025 | 15:12 Viewed: 02 May 2025 | 15:30 Signed: 02 May 2025 | 15:30
	Signature Adoption: Pre-selected Style Using IP Address: 194.106.245.247	

Authentication Details
Identity Verification Details:
Workflow ID: 83f4db5e-4aca-4199-a361-76eb7b49f45a
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Government Issued Id Document
Type of Document: State ID / National ID
Identification Level: ID Only
Transaction Unique ID: 4e578487-3872-54f0-bc4a-49f5a43ddce6
Country or Region of ID: AT
Result: Passed
Performed: 02 May 2025 | 15:28

Electronic Record and Signature Disclosure:
Not Offered via Docusign

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**
Bjarne Kristiansson Bjarne.Kristiansson@borealisgroup.com Security Level: Email, Account Authentication (None)	COPIED	Sent: 02 May 2025 | 15:12

Electronic Record and Signature Disclosure:
Not Offered via Docusign

Witness Events	Signature	Timestamp
Notary Events	**Signature**	**Timestamp**

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	02 May 2025 | 15:12
Certified Delivered	Security Checked	02 May 2025 | 15:30
Signing Complete	Security Checked	02 May 2025 | 15:30
Completed	Security Checked	07 May 2025 | 14:55

Payment Events	Status	Timestamps

ank=20250708;20250710210955

Revisionsberättelse

Till bolagsstämman i Borealis Sverige AB, org. nr 556570-5711

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Borealis Sverige AB för år 2024.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Borealis Sverige ABs finansiella ställning per den 31 december 2024 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Borealis Sverige AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om beslut har fattats om att avveckla verksamheten.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta *agerande i maskopi, förfalskning, avsiktliga utelämnanden*, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och *händelserna på ett sätt som ger en rättvisande bild.*

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Borealis Sverige AB för år 2024 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Borealis Sverige AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.
Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Göteborg den dag som framgår av elektronisk signatur

KPMG AB

Maria Kylén
Auktoriserad revisor

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Maria Louise Kylén
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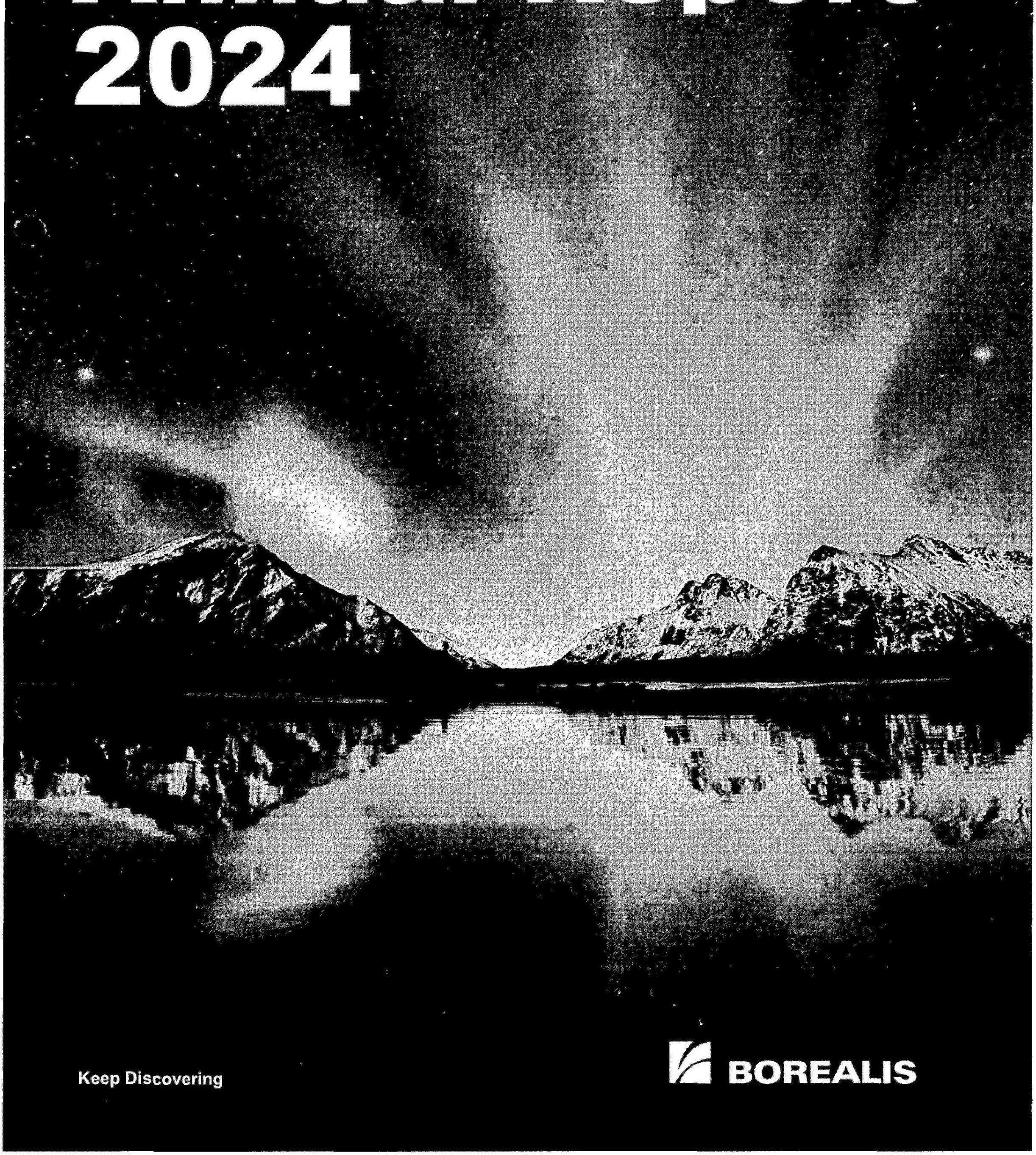
Group
Annual Report
2024



Keep Discovering

BOREALIS

Cover image: In 2024, Borealis celebrated its 30th anniversary. We are proud of our Nordic roots, symbolized by the Northern lights, the Aurora Borealis.

Photo by Johny Goerend on Unsplash

Note on gender inclusive language:
The masculine form partially specified by ESRS and chosen by us always refers to female, male, and diverse persons. To improve accessibility and machine readability, we generally refrain from using plural forms.

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Group Management Report

Financial Management Report

Please note that comparatives have been restated. For details, see note 32 in the Notes to the Consolidated Financial Statements. Borealis divested the Borealis nitrogen business unit including fertilizers, technical nitrogen, and melamine products (Borealis NITRO) at the beginning of July 2023; the comparatives in the management report include data from Borealis' nitrogen business for six months in 2023.

Safety Performance

In 2024, Borealis and its subsidiaries (the Company or the Group) reported a Total Recordable Injuries (TRI) rate per million hours of 3.8. This is slightly better than the 4.0 reported in 2023. After a poor start in January, safety performance improved steadily throughout 2024, with a 10% improvement in year-end TRI versus the first half of the year. A particularly welcome improvement in safety performance was reported in Kallo (Belgium), where a new world-scale propane dehydrogenation (PDH) plant is currently under construction. The TRI rate at this site improved from 7.6 in 2023 to 2.2 in 2024.

The Group's commitment to "Zero Harm" – the elimination of accidents and safety incidents altogether – drives a series of improvement measures and initiatives. Foremost among these is the risk management program "B-Safe." Since its company-wide roll-out in 2023, over 4,000 Borealis employees have received safety instruction in the form of one- to three-day training sessions, depending on their respective roles. The B-Safe journey involves the creation of a safety improvement plan for every Borealis location based on areas of focus identified by those employed there, and subsequently supported by senior leaders.

B-Safe is augmented by other improvement initiatives, such as the clustering of sites with similar risk profiles in order to more efficiently mitigate these risk types. At the Group's compounding and recycling locations, safety improvement efforts are focused on mitigating risks with severe consequences (working with machines, with electric current, at heights, and traffic safety). At assets acquired more recently, a key priority is ensuring that safety fundamentals are in place and strictly observed.

A single fatality was recorded in 2024 after a driver employed by a subcontractor fell from a silo truck while self-loading at the Schwechat (Austria) plant in May. While this regrettable incident is not technically a recordable one, Borealis conducted a thorough investigation. Lessons learned from it have been applied accordingly at other locations so as to prevent future recurrence.

Business Overview

While geopolitical strife led to short-lived spikes in the Brent Crude oil price, the market remained relatively stable throughout 2024, with an average of USD 80/bbl, ending the year at USD 73/bbl, marginally lower than the 2023 average of USD 83bbl. Despite OPEC+ restraint in postponing output increases until April 2025, and extending production cuts to the end of 2026, production increases in other countries in the face of lagging global demand – especially from

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China – have intensified price pressures. Core inflation continued to moderate in developed markets, accompanied by the easing of interest rates.

Naphtha prices increased from USD 635/metric ton (t) in December 2023 to a 2024 peak of USD 709/t in March, supported by higher crude prices and increased blending of naphtha into the gasoline pool as the differential between crude and naphtha narrowed. In July, naphtha prices fell to USD 658/t, in line with low seasonal demand from refineries as well as lower crude prices. At year-end, naphtha prices stood at USD 612/t.

Ethylene and propylene contract prices followed a similar development curve as naphtha. Ethylene started the year at EUR 1,185/t and peaked at 1,260/t in April, in line with the naphtha price, and in response to robust demand amid continuing logistics bottlenecks. Ethylene prices hit a low of EUR 1,183/t in October following weaker naphtha prices and the easing of container freight bottlenecks. Prices ended the year at EUR 1,205/t. The price of propylene rose from EUR 1,050/t in January to EUR 1,145/t in April, then subsequently declined to close out the year at EUR 1,075/t.

The polyolefins market in 2024 remained weak by historic levels but showed a marked improvement compared to the unprecedented destocking that occurred in the second half of 2023 across the value chain. From February to September, the European polyolefins market was bolstered due to disruptions to global container shipping, which increased logistics costs and delivery times of imported materials. As these disruptions eased in the last quarter of 2024, European supply increased, with a negative impact on industry profitability.

Global Growth Projects

The global expansion project Borouge 4, a USD 6.2 billion facility currently being built in Ruwais (UAE), has reached a construction progress of around 80%. The start-up of the first unit is scheduled by the end of 2025 with the subsequent units to gradually start-up in 2026. One of the largest industrial projects in the UAE, Borouge 4 will transform Borouge into the world's largest single polyolefin complex by increasing its annual capacity with an additional 1.4 million metric tons of polyethylene. The advanced base chemicals and polyolefins produced at Borouge and based on Borstar® technology will meet robust demand in the region, and drive growth in high-value and more sustainable applications.

The world scale propane dehydrogenation (PDH) plant construction project in Kallo (Belgium) has reached a construction progress of more than 90%. In 2025, the remaining activities will be completed and all systems for the PDH plant will reach full mechanical completion during the year.

Acquisitions

As of March 28, 2024, Borealis AG acquired 100% of Integra Plastics AD shares from Betainvest EOOD and Vallenova Limited. Under the new name Integra Plastics EAD, the company will continue to operate an advanced mechanical recycling plant built in 2019 in Elin Pelin (Bulgaria), which has an annual capacity of over 20,000 metric tons. The acquisition complements Borealis' own recycling expertise and innovation leadership and will thus further accelerate the transition to plastics circularity.

Circular Economy

Transformation is a core element of the Borealis Strategy 2030: Borealis is consolidating its position as a fully customer-centric supplier of sustainable material solutions which add value to

society and accelerate the transition to a circular economy. Long an industry front-runner in circularity, Borealis aims to further increase the share of circular products in its overall production output in the coming years. These currently include the recycled and renewable-based polymers in its Borcycle™ C, Borcycle™ M, and Bornewables™ grade portfolios, as well as the renewable hydrocarbons in the Borvida™ family of base chemicals.

Meaningful progress has been made in 2024 toward creating a circular economy based on "reduce, reuse, and recycle" in tandem with design for recyclability, by providing more sustainable material solutions for applications in mobility, infrastructure, energy, healthcare, and consumer products. The scope of use for recycled and renewable-based polymers continues to expand to include the most demanding applications. In March, for example, the US Food and Drug Administration (FDA) issued Letters of No Objection which permit the use of select grades in the Borcycle™ M portfolio in food-grade packaging in countries under its governance.

The acquisition of Integra Plastics EAD, finalized in March 2024, is the most recent step to boost the Group's advanced mechanical recycling output. This effort was further bolstered in June by the installation of a recyclate-based polyolefins compounding line in Beringen (Belgium). Once operational in 2025, this facility will use the continually upgraded Borcycle™ M technology to transform mechanically recycled post-consumer waste into high quality rigid polypropylene and polyethylene. This output is augmented by other mechanical recycling facilities in the Borealis Group, including Italy-based Rialti S.p.A, a leading polypropylene compounder of recyclates used in injection molding and extrusion and acquired by Borealis in 2023; Ecoplast Kunststoffrecycling GmbH in Austria; and mtm compact GmbH and mtm plastics GmbH in Germany.

Chemical recycling processes are essential complements to mechanical recycling. Since acquiring a majority stake in Belgium-based Renasci N.V. in 2023, Borealis enjoys access to chemically recycled feedstock for the ISCC-PLUS certified grades in the Borcycle™ C portfolio. In April 2024, Borealis, OMV, and TOMRA Feedstock announced a long-term, expanded partnership which will ensure that mixed post-consumer waste destined for landfilling is instead sorted by polymer type, then processed by Borealis and OMV using mechanical and chemical processes, respectively, to produce circular products and solutions.

Technological Innovation

Innovation is a pillar of the strong Borealis foundation and drives transformation in all areas of business activity. Ongoing investment in research and development (R&D), open innovation, and value chain collaboration enables Borealis to fulfil its corporate purpose of "Reinventing Essentials for Sustainable Living." Proprietary technologies like Borstar®, which continues to be developed within the Borstar® Nextension program, form the base for material solutions which help the industry address urgent societal and environmental issues such as decarbonization, the green-energy transition, and waste reduction. Thanks to its suite of technologies, Borealis can continually expand its offer of advanced specialty polyolefins in order to capitalize on the market potential of lucrative niche applications in sectors like renewable energy, mobility, healthcare, consumer packaging, and in the circular sphere.

Several 2024 product launches illustrate how collaboration with value chain partners and other stakeholders continues to facilitate the development of eco-efficient applications across diverse industry sectors. Launched at the WIRE trade fair in April, Borcycle™ ME7153SY, a unique and sustainable cable jacketing solution for low and medium voltage cables, contains 50% post-

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consumer recyclate. A new medium voltage cable insulation grade, Borlink™ LS4301R, offers reduced emissions thanks to a newly optimized base resin and cross-linking agent. In infrastructure, crosslinked pipes (PE-X) produced using the HE1878E-C3 compound show exceptional resistance to the effects of chlorine, provide UV resistance, and achieve the highest Class 5 designation in accordance with the North American ASTM F876 specification standard.

Innovation at Borealis is customer driven and global in scope. Around 600 people are currently employed at one of Borealis' three innovation hubs: the Innovation Headquarters in Linz (Austria) as well as the innovation centers in Porvoo (Finland) and Stenungsund (Sweden). Borealis also operates Borstar pilot plants for polyethylene in Porvoo, and for polypropylene in both Porvoo and Schwechat (Austria). A pilot facility in Porvoo is augmented by catalyst manufacturing plants in Linz and Porvoo.

Having been ranked as the top Austrian innovator in the European Patent Index 2023, Borealis continues to expand its patent portfolio. In 2024, Borealis filed 121 new priority patent applications at the European Patent Office, versus 128 filed in 2023. As of December 2024, Borealis holds around 8,900 granted patents as well as approximately 3,400 patent applications which are subsumed in approximately 1,600 patent families.

Digital Transformation

The Borealis Group's Digital Strategy has been designed to support the overarching aims of the Borealis Strategy 2030, and to accelerate the delivery of reliable and innovative digital solutions across all facets of the Group. The Digital Strategy is the catalyst for transformation in circularity, sustainability, customer centricity, and operational efficiency. It encompasses five main clusters: business growth; innovation, data and artificial intelligence (AI); operational excellence; cybersecurity; and people and capabilities. Lighthouse projects have been developed for each of the clusters and are currently in various stages of implementation.

Energy and Climate

Increased greenhouse gas (GHG) emissions are detrimental to the environment and society, having been linked to global warming, extreme weather events, and rising sea levels. The Paris Agreement is among key global efforts to limit the global temperature increase to 1.5° C above pre-industrial levels. In order to achieve this, the petrochemical industry – like all major sectors – must reduce emissions in its own operations as well as along its value chains.

Borealis is keenly aware of its responsibility to do its part to limit global warming by reducing its direct and indirect GHG emissions, which the Group labels and calculates within the framework of the Greenhouse Gas Protocol: direct GHG emissions (Scope 1); electricity indirect GHG emissions, from purchased energy (Scope 2); and other indirect GHG emissions (Scope 3). This framework guides efforts to mitigate climate change effectively.

Borealis aims to reduce its reported Scope 1 and Scope 2 emissions from 5.1 million metric tons/year (from a 2019 baseline) to 2 million metric tons/year by 2030 [1]. Decarbonization efforts center on using a higher share of energy from renewable sources, and by implementing energy efficiency projects at its own production locations. The Borealis Strategy 2030 stipulates that by 2030, 100% of the electricity used in its Polyolefins and Base Chemicals production operations in Europe should be of renewable origin. This year, Borealis achieved an intermediate goal earlier than anticipated when it reached a 50% share of renewables by the end of 2024.

This achievement was made possible in part thanks to multiple long-term power purchase agreements (PPA) signed with renewable energy providers in this and previous years. In 2024, Borealis announced four new PPAs with the Swiss producer Axpo, bringing the total number of PPAs signed with Axpo alone to eight since 2021. Two of the 2024 Axpo PPAs procure wind power for Borealis operations in Belgium, while the other two supply wind power to operations in Sweden and Belgium. Borealis also signed a ten-year PPA with Burgenland Energie, Austria's leading wind and solar energy producer, to supply wind power and solar energy to help power Borealis facilities in Schwechat (Austria). At the start of 2024, multinational power company Vattenfall started supplying hydropower to Borealis operations in Stenungsund (Sweden) as part of the first long-term PPA signed with Borealis.

A second cornerstone in the Borealis Group's decarbonization efforts is enhancing the energy efficiency of its own production facilities; the goal is to obtain 10% savings in energy consumption by 2030, working from a 2015 baseline. Scope 1 emission reduction ambitions are reflected in integrated CAPEX portfolio management; a set of energy-efficiency projects have been incorporated in the investment portfolio until 2030. Borealis has also developed a transition plan toward net zero by 2050 for Scope 1 and Scope 2 GHG emissions based on location-specific carbon neutrality blueprints.

One of the 15 different categories of Scope 3 emissions, Scope 3.1, refers specifically to carbon emissions associated with the products and/or services purchased by an organization, often from vendors outside the company's direct control. For the Borealis Group, reducing Scope 3.1 emissions means optimizing feedstock and raw material procurement, and increasing recycling capacity in order to reduce end-of-life impact. To this end, as of 2025, Borealis will evaluate ways in which reporting accuracy for feedstock suppliers can be improved by shifting from industry-averaged to supplier-specific emission factors in instances where such information is available. Doing so would enable the Group to explore opportunities to reduce indirect emissions where technically and economically feasible. Furthermore, once the final chemicals sector guidelines have been published by the Science Based Targets initiative (SBTi), Borealis intends to assess the feasibility of setting such targets.

[1] Taking into account the July 2023 divestment of the Borealis nitrogen business unit, including fertilizers, technical nitrogen, and melamine products (Borealis NITRO); in accordance with the Greenhouse Gas Protocol, this is categorized as a base year emission shift.

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Financial Performance

Borealis net profit bounced back from a record low of EUR 159 million in 2023 to EUR 566 million in 2024, driven by improved performance of the Borealis Polyolefins and Base Chemicals businesses; the robust and efficient management of fixed costs; and a higher contribution of net income from equity-accounted investments. Yet the year 2024 was also characterized by ongoing market uncertainty; stubborn inflation and high energy costs, particularly in Europe; weak margins; and record polyolefins overcapacity in the face of feeble demand. In 2024, the Group's European business benefited from global shipping disruptions, which led to higher than anticipated polyolefin margins and unexpected commercial opportunities, particularly in the first half of the year.

The contribution to net results from Borealis joint ventures increased from EUR 160 million in 2023 to EUR 242 million in 2024. At EUR 389 million, the Borouge contribution is a 23% increase versus 2023. This improved result was driven by higher sales volumes made possible by continued robust production levels following the Borouge 2 plant turnaround in the first quarter of 2023. At EUR -140 million, the 2024 Baystar contribution is negative, albeit an improvement on the EUR -158 million posted in 2023. In the first quarter of both 2023 and 2024, Baystar experienced prolonged ethane cracker outages due to extreme weather events. The Borstar® 3G plant, which was started up in late 2023, continued to ramp up production in the first half of 2024. Costs associated with the ramping up, including the commencement of depreciation and the end of capitalized costs, negatively impacted its contribution.

The return on average capital employed (ROCE) of 6% in 2024 was higher than the 2% in 2023. An increased EBIT, greater profit contributions from associated companies, and higher interest income all contributed to the improved ROCE versus 2023.

EUR million	2024	2023
Equity	8,701	9,122
Net Debt	946	-152
Average Capital Employed	9,277	9,390
Return On Average Capital Employed (ROCE)	6%	2%

Borealis net debt increased to EUR 946 million in 2024 from EUR -152 million in 2023, a development driven primarily by dividend payments of EUR 978 million to ADNOC and OMV in December 2024. The resulting gearing ratio of 11% at the end of 2024 (compared to -2% at the end of 2023) reflects a very strong balance sheet. Liquidity reserves, composed of undrawn committed credit facilities and cash balances, amounted to EUR 2,086 million as of December 2024, compared to EUR 3,478 million at year-end 2023. Borealis also benefits from a well-diversified financing portfolio and a balanced maturity profile. The solvency ratio was 67% as of December 2024, compared to 68% at year-end 2023.

Review of Results

Sales

Borealis sold 3.87 million metric tons of polyolefins in 2024, around 11% more than the 3.50 million sold in 2023. Demand for polyolefins increased slightly in the first half of 2024, but levels remained virtually unchanged compared to the same period in 2023. Stagnant economic growth

in Europe and the damper put on consumer spending by cost-of-living increases could not be offset by lower inflation and lower interest rates, thus negatively affecting polyolefins demand.

Even though demand for consumer products in Europe and the US rose in 2024, underlying demand remains soft. Demand in both the healthcare and consumer appliance sectors is flat as customers navigate protracted market uncertainty. Weak demand in the construction sector in particular has affected Borealis Energy and Infrastructure business areas, yet this was offset by robust demand for selected high voltage applications in Borealis Energy and Mobility, resulting in overall higher volumes to market for most Borealis business areas in 2024.

Borealis Base Chemicals sales increased in 2024 to 2.03 million metric tons from 1.84 million metric tons in 2023. This rise was driven by higher phenol sales owing to larger contractual volumes based on higher demand in Europe and lower natural gas prices. Olefins sales likewise increased in 2024 due to higher Borealis Polyolefins sales and the absence of plant turnarounds such as those which took place in 2023 in Porvoo (Finland) and Kallo (Belgium).

Cost Development

Driven by higher feedstock prices, production costs in 2024 were higher than in 2023; both the elevated naphtha price and the higher LPG ratio contributed to an increase in production costs. Higher sales volumes of Polyolefins and Base Chemicals in 2024 drove a slight increase in sales and distribution costs, from EUR 686 million in 2023 (EUR 755 million including Nitro) to EUR 710 million in 2024. Administrative costs decreased from EUR 277 million in 2023 (EUR 297 million including Nitro) to EUR 267 million in 2024 thanks to strict cost management policies adopted by Borealis in 2024, and despite inflation and the administration of growth projects. In 2024, Borealis costs related to R&D stood at EUR 15 million, compared to EUR 13 million in 2023. Capitalized internal development costs amounted to EUR 33 million in 2024, a decrease versus the EUR 37 million reported in 2023.

At the end of 2024, the Borealis Group employee headcount was 6,090. This increase of 147 versus 5,943 in the previous year was due in the main to the 2024 acquisition of Integra Plastics AD.

Strong Foundation - Performance Excellence (SFPE)

The Strong Foundation – Performance Excellence (SFPE) program, launched in 2022 as part of the Borealis 2030 Strategy, has been pivotal in enabling the Group to navigate the prolonged industry downturn. In 2024, SFPE delivered approximately EUR 240 million in sustained EBITDA improvements. Key achievements included product pricing optimization; variable costs reduction through improved feedstock sourcing; and operational efficiency improvements.

As of 2024, SFPE also includes dedicated measures for fixed cost savings. In its first full year of impact, these measures have contributed EUR 50 million in savings, and are thus on track to deliver the targeted EUR 100 million by 2026. The SFPE's holistic approach and rigorous implementation have significantly strengthened Borealis' financial resilience and operational excellence.

Operating Profit

Operating profit in 2024 was EUR 342 million, a marked rebound compared to the EUR 6 million (EUR -34 million including Nitro) operating profit reported in 2023. The Borealis Polyolefins operating profit recovered from EUR -79 million in 2023 (a year in which figures were negatively impacted by impairments), to EUR 164 million in 2024, a rise driven by higher demand and

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improved margins. Borealis Base Chemicals delivered an operating profit of EUR 246 million, up from the EUR 162 million reported in 2023. The better result was due to increased demand and greater margins made possible by improved cracker performance as well as a more favorable ethylene-naphtha spread. Moreover, unlike 2023, there were no plant turnarounds in 2024.

Financial Income and Expenses

Net financial income increased from EUR 43 million in 2023 to EUR 95 million in 2024. One major reason was due to higher interest income. In 2024, the Borealis Group earned EUR 168 million in interest income from loans granted to its joint ventures and its cash deposits, compared to the EUR 143 million earned in the previous year.

Taxes

Income tax charges amounted to EUR -136 million (EUR -127 million including Nitro) in 2024, compared to EUR -2 million in 2023 (EUR 57 million tax income including Nitro). The overall tax charge in 2024 was to a large extent driven by stronger business performance.

Net Income from Equity Accounted Investments

The contribution from Borealis joint ventures increased significantly, from EUR 160 million in 2023 to EUR 242 million in 2024. At EUR 389 million, the full-year Borouge contribution is an improvement versus 2023 (EUR 317 million), and made possible by record production levels and sales in 2024. The Baystar contribution failed to meet expectations, with an overall negative contribution (EUR -140 million) despite increasingly reliable cracker performance and the gradual stabilization of operations at the new Borstar® 3G polyethylene plant's Bay 3.

Capital Expenditure

Investments in property, plant, and equipment amounted to EUR 602 million in 2024, compared to EUR 729 million in 2023. The bulk of investment is associated with the construction of the new world-scale PDH plant in Kallo (Belgium); the upgrade of semicon units in Antwerp; and a new compounding capacity in Schwechat (Austria) as well as the XLPE Second Closed train. Investments in intangible assets amounted to EUR 89 million in 2024, compared to EUR 79 million in 2023.

In 2024, depreciation, amortization, and impairment came to EUR 423 million, virtually unchanged compared with the EUR 411 million total in 2023.

Net Profit and Distribution of Dividend

The net profit for the year amounted to EUR 566 million, compared to a net profit of EUR 159 million in 2023. In 2024, a resolution was passed to distribute a dividend of EUR 103 million based on the 2023 financial results. In December 2024, shareholders agreed on a special dividend of EUR 978 million that was also based on the 2023 financial statements. An outstanding dividend related to the 2022 financial results of EUR 12 million was paid to ADNOC in 2024.

Financial Position

At year-end, total assets and capital employed stood at EUR 12,705 million and EUR 9,647 million, respectively. This compares to the EUR 13,203 million and EUR 8,969 million reported at the end of 2023.

Cash Flows and Liquidity Reserves

Cash flow from operating activities was EUR 749 million. This improvement over the EUR 552 million reported in 2023 was driven primarily by a significant increase in EBITDA compared to 2023. Cash flows were negatively impacted by capital contributions and financing of the joint ventures Borouge (EUR 243 million) and Baystar (EUR 92 million) throughout 2024; CAPEX investments of EUR 690 million (tangible and intangible); and through payments related to the acquisition of Integra Plastics AD.

The free cash flow before dividends amounted to EUR 156 million in 2024 (EUR 592 million).

The free cash flow after dividends amounted to EUR -939 million in 2024 (EUR 204 million).

Net interest-bearing debt increased from EUR -152 million at year-end 2023, to EUR 946 million at year-end 2024 (see table below).

EUR million	2024	2023
Change of net interest-bearing debt		
Cash flows from operating activities	749	552
Capital expenditure	-690	-808
Capital contributions to and financing and acquisition of associated companies and joint ventures and non-consolidated subsidiaries	-336	-245
Dividends of associated companies and joint ventures and non-consolidated subsidiaries	437	456
Acquisitions of subsidiaries, net of cash	-49	-54
Acquisition of non-controlling interest	0	-1
Proceeds from disposal of subsidiaries, net of cash disposed	46	691
Other (mainly relating to foreign exchange differences)	-20	30
Dividend paid to equity holders of the parent and non-controlling interests	-1,096	-388
Additions lease liabilities	-139	-100
Changes in the consolidation scope	0	-50
Total decrease (+)/increase (-) of net interest-bearing net debt	**-1,098**	**83**

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Shareholders' Equity

Shareholders' equity at year-end 2024 amounted to EUR 8,696 million, compared to EUR 9,114 million in 2023. For further information on equity, see note 13 in the consolidated financial statements.

EUR million	2024	2023 restated
Equity development		
Net result attributable to the parent [1]	563	197
Exchange and fair value adjustment (net) [1]	101	-401
Gross increase/decrease	664	-204
Dividend distribution	-1,081	-400
Changes in consolidation scope and non-controlling interests	0	0
Reclassification of cash flow hedges to balance sheet	-1	33
Net increase/decrease	-418	-571
Opening equity [1]	9,114	9,685
Closing equity	**8,696**	**9,114**

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 32 in the Notes to the Consolidated Financial Statements.

Enterprise Risk Management

Borealis has a documented enterprise risk management process which ensures that all parts of the Group routinely identify and assess their risks, and develop and implement appropriate mitigation actions. Risk management contributes to achieving the Group's long-term strategies and short-term goals. Borealis captures emerging risks that may materialize during the business plan period, and strategic risks that may affect the delivery of the Group's long-term strategy. Borealis believes that an effective risk culture makes it harder for an outlier, be it an event or an offender, to put the Group at risk.

In 2024, emphasis in risk management continued to be on balancing the need for growth, profitability, and sustainability. Ongoing turbulence in geopolitics and markets has exposed the fragilities of the global energy system and the obstacles to accelerating the transition to green energy and circularity. In Europe in particular, the industry is confronted with economic uncertainty and an increasingly burdensome regulatory compliance framework. These and other risks in the overall landscape are periodically consolidated, reported, and reviewed.

Borealis distinguishes between various types of risks. The most relevant risk types include, but are not limited to, the following described below.

Strategic risks are often related to unfavorable long-term developments in the market and/or industry; developments related to technology and innovation; changes to the competitive environment; or a threat to the reputation of the Group.

Operational and tactical risks usually refer to unfavorable and unexpected short-term or mid-term developments and include all risks that may have a direct impact on the Group's daily business operations. All operational risks are assessed according to documented guidelines and procedures that are administered by the respective business functions.

A proactive approach to risk prevention management has been implemented in the Operations function, covering risks in the areas of Production; Health, Safety and Environment (HSE); Product Stewardship; Plant Availability; and Quality. The risk management approach also safeguards the Responsible Care® approach toward risks in operations. The standard risk management process includes a common risk matrix and risk registers, built bottom-up from plant to portfolio level, enabling a common risk rating system for the whole of operations.

In accordance with its legal obligations, Borealis assesses and discloses in its non-financial section the potentially negative impact of its activities on the environment and society as well as corresponding mitigation measures. The main risks analyzed include:

- Unplanned emissions from operations that might cause additional emissions to air or soil, water pollution, waste, noise, and other disturbances to the local community.
- Process safety incidents causing the sudden and uncontrolled release of explosive materials and the release of potentially harmful toxins.
- Chemical substances which, if not properly handled and in accordance with their intended use, could negatively impact human health.
- Environmental pollution caused by pellet loss or plastic littering.

Climate-related risks and mitigation actions are specifically analyzed within the framework of European Sustainability Reporting Standards (ESRS) risk assessment. Transition risks include, for example, higher GHG emission prices; increasing operating costs; increasing pressure on the use of fossil fuel-based feedstock; and a negative industry image. Physical risks are mainly related to potential supply chain disruptions caused by extreme weather events, political unrest, or other factors. At the same time, some risk types associated with climate change also represent opportunities for innovation and growth. For example, the development of new circular and/or renewable-based products and applications; low-emission product portfolio extensions; and value chain and/or stakeholder partnerships that accelerate industry efforts to achieve climate neutrality.

Project-related risks are assessed in the Borealis project approval process. The applicable key risks related to an individual project are assessed. These risks include financial, market, technical, legal, intellectual property, strategic, operational, country-related and political factors. This risk assessment also reflects the probability of project completion within the estimated time frame and forecasted resource requirements, and the likelihood that key project objectives will be achieved. Project-related risks are managed by the respective project manager and reported to the Project Steering Committee.

Financial and market risks may refer to those arising, for instance, from unexpected changes in market supply, demand, commodity prices, services, or financing costs. Risks may also arise from liquidity, interest rates, foreign exchange rates, credit and insurance, the inability of a counterparty to meet a payment or delivery commitment, and may, for example, extend to incorrect assumptions or the inappropriate application of a model. The assessment of financial risk management is described in detail in note 17 of the consolidated financial statements. The Vice President Treasury & Funding and the General Counsel are responsible for reporting and coordinating the management of all financial risks.

Compliance risks involve legal and regulatory risks, codes of conduct (ethics policy), standards, and contracting compliance. Doing business in an ethical manner is vital to the Group's good

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reputation and continued success. Tactical or generic risks are risks identified as part of standards or compliance. These risks mainly relate to processes or control weaknesses.

Information security risks relate to the confidentiality, integrity, and availability of critical company information. The Vice President Digital Solutions and the General Counsel support line managers with the assessment of information security risks and the development and implementation of risk mitigation actions.

The Executive Board periodically reviews the Group's key risks, defines the Group's risk tolerance levels, monitors the implementation of mitigation actions, and reports the key risks and mitigation steps to the Supervisory Board. The Executive Board safeguards the integration of risk assessment in its strategic planning.

The Supervisory Board is responsible for reviewing the effectiveness of Borealis' risk management practices and processes, risk appetite and tolerance levels, the Group's risk exposure, and the effectiveness of mitigation actions. Some of these responsibilities are delegated to the Audit Committee, a sub-committee of the Supervisory Board.

All Borealis employees are responsible for managing risk within their authority and in their field of work in order to ensure that risk management is properly embedded in the organization and reflected in daily decision-making processes.

Supervisory and Executive Boards

In the first half of the year, Hetal Patel and Raul Prieto were appointed to the Borealis Supervisory Board, succeeding Khaled Salmeen and Khaled Al Zaabi. On November 25, 2024, Mike Baker was appointed to the Supervisory Board, replacing previous member Raul Prieto. With the recent founding of the Borealis AG works council in November 2024, three seats are now officially occupied by the employee representatives Philipp Riesenkampff, Dorothea Wiplinger, and Gernot Baumgartel. Daniela Vlad has stepped down from the Supervisory Board of Borealis end of February 2025 and Alfred Stern took over her position on March 1, 2025.

As announced on June 12, 2024, the Borealis Supervisory Board appointed Stefan Doboczky as Borealis CEO, effective July 1, 2024. Stefan Doboczky succeeds Thomas Gangl, whose mandate as CEO of Borealis AG and employment contract was terminated by mutual agreement with the Supervisory Board effective June 30, 2024. As of February 1, 2024, Craig Arnold succeeded Lucrèce Foufopoulos-De Ridder as Executive Vice President Polyolefins, Circular Economy Solutions and Innovation & Technology.

Economic Development and Outlook

Borealis commemorated its thirtieth year of operations in 2024, celebrating a long track record as a polymers innovator and an industry leader in accelerating the transition to plastics circularity. The combination of technological prowess, dedication to creating value for customers, and operational excellence laid the foundation for success in a difficult year. Like the one before it, the year 2024 was marked by geopolitical uncertainty, global polyolefins overcapacity, and slower overall growth in demand for polyolefins. Yet Borealis' financial performance demonstrated clear improvements compared to 2023.

Borealis must draw on its 30-year legacy to adapt to the long-term structural developments facing all industry players. These include transitioning to a circular economy, lowering GHG emissions, and the disruption associated with new technologies and digitalization. European players must strive to remain competitive in the face of deindustrialization and increasingly

stringent regulatory requirements. However, Borealis is well placed to successfully manage these challenges thanks to its strong foundation and the agility and dedication of its people.

The improved 2024 safety record shows that progress has been made toward achieving the ultimate goal of "Zero Harm." Safety will remain the top priority in 2025 as Borealis strives to become the industry leader in health, safety, and security in line with its "HSSE 2030" initiative.

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Other Information

In accordance with Section 267a of the Austrian Commercial Code (UGB), Borealis prepares a non-financial statement as part of the Group Management Report.

The non-financial statement was prepared in line with the requirements of the Austrian Nachhaltigkeits- und Diversitätsverbesserungsgesetzes (NaDiVeG) and in accordance with the European Sustainability Reporting Standards (ESRS) in preparation for the reporting obligation under the CSRD. As the report fully complies with the ESRS for the first time, comparative information is not reported according to ESRS 1.136. Borealis includes further information and key figures on the basis of the Taxonomy Regulation (EU) 2020/852 in the non-financial statement.

		2024 excl. NITRO [1]	2024 incl. NITRO [1]	2023 excl. NITRO [1]	2023 incl. NITRO [1]
Income and profitability					
Total sales and other income	EUR million	7,951	7,951	7,165[2]	7,873[2]
Operating profit	EUR million	342	342	6[2]	-34[2]
Operating profit as percentage of total sales and other income	%	4	4	0	0
Net profit	EUR million	543	566	207[2]	159[2]
Return On Average Capital Employed (ROCE) [3]	%	6	6	2	2
Cash flow and investments					
Cash flow from operating activities	EUR million	749	749	438	552
Investments in property, plant and equipment	EUR million	602	602	659	729
Cash and cash equivalents	EUR million	1,028	1,028	2,348	2,348
Financial position					
Balance sheet total	EUR million	12,705	12,705	13,203[2]	13,203[2]
Net interest-bearing debt	EUR million	946	946	-152	-152
Equity attributable to owners of the parent	EUR million	8,696	8,696	9,114[2]	9,114[2]
Gearing	%	11	11	-2	-2
Other					
Total Recordable Injuries (TRI)	number/ mn work hours	3.8	3.8	4.0	4.0
Number of employees	headcount	6,090	6,090	5,934	5,934

1) NITRO 2023: Borealis divested the Borealis Fertilizers, Melamine and Technical Nitrogen (TEN) Business at the beginning of July 2023; therefore only Fertilizers, Melamine and TEN data for first six months is included for NITRO. For further details, please refer to note 8.1. Sale of Borealis NITRO in the Notes to the Consolidated Financial Statements // 2) 2023 amounts have been restated. For further details, please refer to note 32 Restatement in the Notes to the Consolidated Financial Statements. // 3) Definition for ROCE was adjusted in 2024. For 2023, the new calculation method leads to the same result as reported for 2023.

Definitions

Capital employed: Total equity plus net debt
Return on averagecapital employed (ROCE): net income plus net interest related to financing minus tax effect divided by average capital employed.
Solvency ratio: Total equity, less goodwill, divided by total assets
Gearing ratio: Interest-bearing debt, less cash and cash equivalents, divided by total equity

Non-financial Statement

General Information

ESRS 2 General disclosures

The European Sustainability Reporting Standard (ESRS) establishes a framework for standardized sustainability reporting, focusing on governance, strategy, and key processes across various fields. It emphasizes clear disclosure of impacts, risks, and opportunities (IROs), while defining disclosure for metrics. ESRS 2 ensures organizations align with regulatory requirements and stakeholder expectations through consistent and comprehensive reporting.

Basis for preparation

DR BP-1 – General basis for preparation of sustainability statements

[ESRS 2-BP-1.5a] Borealis' sustainability statement has been prepared on a consolidated basis. [ESRS 2-BP-1.5b i] The consolidation scope is aligned with the financial statements. [ESRS 2-BP-1.5b ii] None of Borealis' subsidiary undertakings are excluded from its consolidated sustainability reporting.

Borealis has not chosen to:

[ESRS 2-BP-1.5d] Withhold specific information corresponding to intellectual property, know-how or the results of innovation, in accordance with [ESRS 1 section 7.7]; or

[ESRS 2-BP-1.5e] Omit disclosure of impending developments or matters in the course of negotiation.

[ESRS 2-BP-2.16] No information has been incorporated by reference.

[ESRS 2-BP-1.5c] The sustainability statement covers Borealis' material direct and indirect upstream and downstream business relationships. Materiality has been determined by Borealis' experts, based on every potentially relevant topic according to the sustainability matters covered in ESRS, for each step in the value chain.

Borealis has defined the value chain steps as follows and assessed the IROs for each one:

- Upstream:
    - Fossil feedstock
    - Renewable feedstock
    - Waste feedstock for recycling
    - Raw materials
    - Energy and utilities
    - Packaging
    - Technical supplies
- Own Operations represents Borealis' two business units which have a market presence:
    - Polyolefins (polyethylene and polypropylene)
    - Base Chemicals (including ethylene, propylene and other base chemical products)
- Downstream:
    - Transport and distribution
    - Customers and converters

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- Brand owners
- Retailers
- End-of-lifetime (recycling, incineration and landfill)
- Contractors
- End users

The following overview shows the extent to which topics are material for each step in the value chain:

High-Level Value Chain – Overview Borealis

Section	Upstream						Own Operations		Downstream						
Value chain steps	Fossil feedstock	Renewable feedstock	Recycled feedstock	Raw materials	Energy / Utilities	Packaging / Technical supplies	Polyolefins	Base Chemicals	Transport, Distribution	Customers / Converters	Brand owners	Retailers	EOL (Recycling, Incineration, Landfill)	Contractors	End-users
E1 – Climate change	⊢	⊢	⊢	⊢	⊢	⊢	⊢	⊢	⊢	⊢	⊢	⊢	⊢	⊢	⊢
E2 – Pollution	⊢	⊢					⊢	⊢	⊢	⊢	⊢	⊢	⊢		⊢
E3 – Water & marine resources															
E4 – Biodiversity and ecosystems															
E5 – Circular economy	⊢	⊢	⊢	⊢			⊢	⊢	⊢	⊢	⊢	⊢	⊢		⊢
S1 – Own workforce							⊢	⊢							
S2 – Workers in the value chain	⊢	⊢	⊢	⊢	⊢	⊢								⊢	
S3 – Affected communities	⊢	⊢													
S4 – Consumers and end-users															
G1 – Business conduct	⊢	⊢	⊢	⊢	⊢	⊢	⊢	⊢	⊢	⊢	⊢	⊢	⊢	⊢	⊢

⊢⊣ Topic evaluated as material

DR BP-2 – Disclosures in relation to specific circumstances

[ESRS 2-BP-2.9a] For purposes of preparation of the non-financial statement, Borealis has used the same time horizons as suggested in [ESRS 1 section 6.4]:

- Short term: up to one year
- Medium term: one to five years
- Long term: more than five years

[ESRS 2-BP-2.10a] Estimated value chain data from indirect sources has been used to calculate Scope 3 GHG emissions.

[ESRS 2-BP-2.10b] The following bases were used for estimating Scope 3 emissions:

- Emission factors: sourced from Ecoinvent, IEA, DBeis and GLEC;

- Papers: sourced from the University of Lexeter, Fraunhofer Institute; and
- Estimates for activity levels at some locations are based on average values retrieved from Borealis' actual or historical corporate carbon footprint.

[ESRS 2-BP-2.10c] The calculation of scope 3 emissions has limited accuracy due to the use of spend-based and secondary emission factors.

[ESRS 2-BP-2.10d] To enhance the accuracy of its Scope 3 GHG emissions reporting in future statements, Borealis' planned actions are to:

- Implement an ESG tool in 2025;
- Align with suppliers and customers on providing supplier-based emission factors; and
- Hold discussions with affiliates on implementing corporate carbon accounting, in line with the GHG Protocol.

[ESRS 2-BP-2.11a] [ESRS 2-BP-2.11b] The following assumptions and estimations have been used for the calculation of topic-specific data points:

Energy consumption

For smaller sites, where complete information on energy consumption was not available due to absence of metering, estimations/calculations were based on the available data, e.g. produced volumes.

Energy mix

For each electricity origin, which is not claimed with a Guarantee of origin, Borealis used the published factor for the residual mixes of the grid according to AIB (2023). For the non-European locations, information from the database Ecoinvent© was used.

Energy savings implemented

For expected savings from planned projects, the savings estimation is based on the business case calculation, compared against business as usual.

Processed circular feedstock

For third-party locations where the input value cannot be obtained, the feedstock volume was calculated based upon the recyclate volume received multiplied by the yield factor achieved in the comparable Borealis recycling assets.

For waste to pyrolysis oil conversion, a yield factor from Borealis experience was generally applied.

For Joint Ventures, the percentage of feedstock was included in the KPI that represents the share of ownership of Borealis (e.g. if Borealis has a 45% shareholding, only 45% of the feedstock is included).

Circular capacity

For third-party assets and for JV's contracted capacity provided by Feedstock Sourcing or BC Optimisation and Planning Manager was used to calculate the respective circular capacity.

Contractors working hours

Reporting of contractors' working hours (workers in the value chain) is performed on a monthly basis by the locations, who report this in a centralized database (AFO SAP based). The

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methodology to capture these amounts differs from location to location (stand-alone site vs. integrated into chemical park vs. locations without automated registration), depending on the local capabilities of registration.

For locations, which do not have an automated registration application, and thus have no primary data available, the contractor hours were estimated based on

- Ticking clock registrations,
- Number of FTE's multiplied by the number of hours or
- A hybrid approach.

These assumptions were conservative, and the deviation is in the range of 5% underestimation of the contractor hours resulting in an over reporting of the TRIR and PSER.

[ESRS 2-BP-2.15] This non-financial statement was prepared in accordance with § 267a of the Austrian Commercial Code (UGB) as part of the Group Management Report of the consolidated financial statements in line with the requirements of the Austrian Nachhaltigkeits- und Diversitätsverbesserungsgesetzes (NaDiVeG). The non-financial statement was prepared in accordance with the European Sustainability Reporting Standards (ESRS) in preparation for the reporting obligation under the CSRD. As the report fully complies with the ESRS for the first time, comparative information is not reported according to ESRS 1.136. Borealis includes further information and key figures on the basis of the Taxonomy Regulation (EU) 2020/852.

Governance

DR GOV-1 – The role of the administrative, management and supervisory bodies

[ESRS 2-GOV-1.21a] Borealis AG has a dual board structure, comprising the Executive Board and the Supervisory Board (SVB).

The Executive Board has five members, including the CEO and CFO.

The SVB has eight members in total. Five members represent Borealis' shareholders, with three members from OMV and two from ADNOC. [ESRS 2-GOV-1.21b, e] Three members of the SVB are from Works Councils, representing Borealis' employees only. Based on this there are no independent Board members.

The SVB has two subcommittees, the Remuneration Committee and the Audit Committee.

[ESRS 2-GOV-1.21c] Borealis Executive Boards' expertise and skills listed below are relevant to Borealis' material impacts, risks and opportunities as they take into account Borealis' main sectors, products and geographic locations:

Member of the Executive Board	Sector experience	Product experience	Geographic experience
Stefan Doboczky CEO	Chemical Industry, Oil & Gas (OMV SVB member)		Europe, USA, Asia
Daniel Turnheim CFO	Oil & Gas (OMV, OMV Petrom)		Europe, Asia
Craig Arnold EVP Polyolefins, Circular Economy Solutions and Innovation & Technology	Chemical Industry	Circular Economy	Europe, Asia, Africa, Australia, New Zealand, USA
Wolfram Krenn EVP Base Chemicals, Operations & HSEQ	Oil & Gas (OMV, OMV Petrom)	Chemicals	Europe
Philippe Roodhooft EVP Joint Ventures & Growth Projects	Chemical Industry		Europe, UAE, USA

[ESRS 2-GOV-1.21d] The Executive Board has five male members (100%). Their ages range from 49 to 61, with one member in the 30 to 50 age group (20%) and four (80%) above 50 years old.

Three nationalities are represented on the Executive Board, with three Austrian members, one Belgian member and one Swiss/South-African member.

During the 2024 reporting year the SVB had eight members, with two female members (25%), including the Chairperson, and six male members (75%).

[ESRS 2-GOV-1.22a] The members of the Executive Board and SVB participate in or chair several councils or committees that oversee Borealis' material impacts, risks and opportunities:

ESG Governance Structure – Committees & Councils for managing material impacts, risks and opportunities			
Audit Committee	**Supervisory Board**		**Remuneration Committee**
	Executive Board		
Chief Executive Officer	**Chief Financial Officer**	**EVP Polyolefins, Circular Economy Solutions and Innovation & Technology**	**EVP Base Chemicals, Operations & HSE**
Sustainability and Responsible Care Committee	Pension & Benefits Council	CES Portfolio Meeting	Energy & CO_2 Committee
Ethics Council	Risk Coach Network		

[ESRS 2-GOV-1.22b] The Supervisory Board (SVB) and the Executive Board are both the highest governance bodies responsible for reviewing and approving ESG related material impacts, risks and opportunities and ensuring adequate actions are being taken.

The graphic below shows the responsibilities of the individual Executive Board members for Borealis' material impacts, risks and opportunities.

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ESG Governance Structure – Responsibilities for topics relevant for material impacts, risks and opportunities

Audit Committee		Supervisory Board	Remuneration Committee	
		Executive Board		
Chief Executive Officer	**Chief Financial Officer**	**EVP Polyolefins, Circular Economy Solutions and Innovation & Technology**	**EVP Base Chemicals & Operations**	**EVP Joint Ventures & Growth Projects**
Health, Safety, Environment & Quality	Finance & Controlling	Circular Economy Solutions	Energy & Feedstock Sourcing	Circular Polyolefin Solutions and Growth Projects
Sustainability & Public Affairs		Product Asset & Supply Chain Management		
Strategy & Group Development				
People & Culture				

The responsibilities of the SVB and Executive Board for material impacts, risks and opportunities are currently not stipulated in Borealis AG's governing documents, such as its Articles of Association and the Rules of Procedure of the Executive and Supervisory Board.

[ESRS 2-GOV-1.22c i] The Executive Board makes the decisions and takes the measures necessary to conduct Borealis' business, under its own responsibility.

The Executive Board's tasks include, without limitation:

- Managing, organizing and administering the Company according to Austrian law, the Articles of Association of Borealis AG, the resolutions of the SVB, the Rules of Procedure of the Executive Board, the budget and the business plan;
- Representing the Company according to Austrian law, its Articles of Association and the Rules of Procedure of the Executive Board of Borealis AG, and implementing the decisions of the shareholders' meeting and the SVB's meetings, respectively;
- Developing, proposing and implementing the Group's strategy, in conjunction with and subject to the oversight of the SVB;
- Organizing and administering the Company's accounting and financial, fiscal operations and other controls;
- Implementing appropriate insurance coverage for the Company, in line with the requirements mandated by the SVB; and
- Reporting to the Audit Committee at least once a year on the auditing plan and any material findings.

The Executive Board must also immediately inform the SVB and the shareholders of all situations which are of material importance for the Group's profitability or liquidity.

[ESRS 2-GOV-1.22c ii] The areas of responsibility of the Executive Board members are set out below, with the heads of the departments reporting directly to the respective Executive Board member:

- CEO: Communications, Health, Safety, Environment & Quality (HSE&Q), People & Culture, Internal Audit, Legal & Compliance, Sustainability & Public Affairs, Strategy & Group Development
- CFO: Group Controlling, Group Tax, Procurement, Treasury & Funding (including Risk Management), Group Accounting, Digital Solutions
- EVP Polyolefins, Circular Economy Solutions (CES) and Innovation & Technology: Innovation & Technology, Product Asset & Supply Chain Management, CES, Commercial Performance Materials, Commercial Energy
- EVP Base Chemicals & Operations: Operations PO, Reliability, Turnaround & Projects, Excellence & Transformation, Base Chemicals, Operations CES
- EVP Joint Ventures & Growth Projects: Asset Technology, Joint Venture Development

[ESRS 2-GOV-1.22c iii] Borealis does not currently have dedicated controls and procedures applied to the management of impacts, risks and opportunities. The Group has a general system of internal controls, which is in line with EU regulations and owned by the CEO and senior management. These controls assess the robustness of the Group's systems and processes, and support the monitoring, management and reporting of related risks, including sustainability. Internal controls are defined for core processes and require control owners to complete self-assessments.

Borealis' Internal Audit function follows the Institute of Internal Auditors' guidelines.

[ESRS 2-GOV-1.22d] The Sustainability & Responsible Care Committee is sponsored by the CEO and chaired by the Director Sustainability & Public Affairs. Its permanent members include all of the Executive Board members and the Vice President (VP) HSEQ.

The Committee is responsible for overseeing target setting related to material impacts, risks and opportunities, managing the performance of ESG-related indicators, and implementing the sustainability elements of Borealis' Strategy 2030. In addition, it monitors ESG-related regulatory requirements and decides how Borealis will implement them.

The respective corporate and business functions update the Executive Board on developments relevant for material topics, highlight risks and opportunities, and provide the information the Executive Board requires to make related decisions, such as adapting internal policies.

[ESRS 2-GOV-1.23a] The Executive Board can leverage a wide range of sustainability-related expertise. The Director Sustainability & Public Affairs and the Executive and Senior Management functions continuously monitor emerging ESG developments and discuss them with the Executive Board members, using existing regular meetings (such as the Sustainability & Responsible Care Committee), the Executive Board Meeting and other platforms. Internal experts and ESG consultants are invited to contribute background information on specific topics and share updates on the latest developments and trends, as well as relevant industry reports. Strategic projects are also an effective way to continuously drive the collective knowledge, skills and experience of the Executive Board and the leadership teams. A constructive dialogue with non-governmental organizations is also important, to understand their expectations and share updates on progress, best practices and plans.

[ESRS 2-GOV-1.23b] The skills and expertise of the Executive Board members, in particular the knowledge obtained through regular reports by the respective corporate and business functions,

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qualify the Executive Board to review and approve proposed new policies and adaptations to existing policies for managing material impacts, risks and opportunities.

[ESRS 2-GOV-1.5a] In addition to the tasks mentioned in [ESRS 2-GOV-1.22c i], the role of the Executive Board regarding business conduct includes promoting the obligation of all employees to speak up about business conduct issues and creating awareness through quarterly business updates.

The Executive Board and the SVB also annually review the Compliance Management System and provide input to further enhance its effectiveness.

Management is also responsible for approving relevant policies related to business conduct, for example the Borealis Ethics policy.

[ESRS 2-GOV-1.5b] The skills and expertise of the Executive Board on business conduct matters is enhanced through updates and ethics-related information provided to the members by the Group Compliance & Ethics. This information includes major new projects, a report on substantiated unethical conduct and critical concerns, updates on training conducted and any other major developments. Borealis also annually communicates its anti-corruption policies and procedures to the Executive Board and SVB. Executive Board Members also receive trainings on anti-corruption policies and procedures, human rights and Market Abuse Regulation.

DR GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

[ESRS 2-GOV-2.26a] Executive and Senior Management functions regularly discuss strategic and operationally material topics with the Executive Board via committees. These committees are either integrated into the standing Executive Board meetings, which regularly take place on a monthly and bi-weekly basis, or are chaired by the responsible Executive Board member. The responsible members of Senior Management also engage with the Executive Board via these committees, to align on strategies, policies, targets, metrics, due diligence and implementation plans.

[ESRS 2-GOV-2.26b] Borealis has committed itself to advancing sustainable development, assessing the positive and negative consequences of its activities on People, Planet and Profit, and taking responsible decisions. The Sustainability & Responsible Care Committee's responsibilities include overseeing the implementation of the Group's Responsible Care Policy, which sets the guiding principles for implementing these standards, which currently does not include trade-offs. See [ESRS 2-GOV-1.22d] for information on the Committee's membership and role.

[ESRS 2-GOV-2.26c] The Executive Board has addressed all topics related to the material impacts, risks and opportunities through regular reporting from the respective corporate and business functions.

The Head of Group Compliance & Ethics provides compliance updates and reports to the SVB, the Executive Board and the Borealis Ethics Council. The Audit Committee also receives a thorough compliance report annually.

All of these reports include an overview and trends in whistleblower reports, including case categorization, case risk assessment, disciplinary measures and estimated damages. Reports to the Executive Board, Ethics Council and Audit Committee also include a data protection status update, while reports to the Audit Committee and the Ethics Council include detailed

information on major compliance cases and overall trends, developments and compliance related projects.

In addition to the above reports, Compliance & Ethics annually presents to the Executive Board and Audit Committee on the Borealis Compliance Management System and requests approval input on its efficiency, which is required to maintain Borealis' ISO compliance certification to ISO 37001 and ISO 37301.

DR GOV-3 – Integration of sustainability-related performance incentive schemes

[ESRS 2-GOV-3.29a] Borealis has two incentive plans: the Borealis Incentive Plan (BIP), which is a short-term plan, and a Long Term Incentive Plan (LTIP). All employees of grade 12+ are eligible to join the BIP, with local plans applying for employees below this level. All grade 15+ employees are eligible for the LTIP. (See [S1-9.AR 71] for definitions of Borealis' employee grades.)

[ESRS 2-GOV-3.29b, c] Payouts under the BIP and LTIP are linked to key performance indicators (KPIs), including multiple KPIs connected to ESG. These include HSSE performance, diversity and employee engagement, as well as environmental metrics such as Circular Economy Solutions sales volumes, Scope 1 and 2 GHG emissions and renewable energy. In addition, both the BIP and LTIP include an HSSE malus and claw back mechanism, depending on the HSSE performance in the respective plan period.

[ESRS 2-GOV-3.29d] For the Executive Board, 2% of the BIP payout and 7.5% of the LTIP payout depend on sustainability-related targets. [ESRS 2-GOV-3.29e] Target setting for incentive schemes and achievement against those targets are determined by the SVB, via the Remuneration Committee.

[ESRS 2-GOV-3.13] Climate-related considerations are factored into Executive Board member remuneration through the sustainability-related KPIs in the BIP and LTIP. Specifically, the Circular Economy Solutions sales volumes, Scope 1 and 2 GHG emissions and renewable energy metrics directly relate to the Group's climate impact. The GHG emission KPIs in the BIP and LTIP are aligned to the GHG reduction targets reported in [E1-4]. Up to 2% of the payout under the BIP and 7.5% under the LTIP and linked to climate-related considerations.

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DR GOV-4 – Statement on due diligence

The main aspects of the due diligence process are reflected in the non-financial statement according to the table below:

Treatment of Due Diligence in the Sustainability Report

Core Elements of Due Dilligence	Paragraphs in the Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 IRO-1 ESRS 2 MDR-P
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 ESRS 2 SBM-3
d) Taking actions to address those adverse impacts	ESRS 2 MDR-A
e) Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-M ESRS 2 MDR-T

DR GOV-5 – Risk management and internal controls over sustainability reporting

[ESRS 2-GOV-5.36a] The Group's risk management and internal control processes and systems in relation to sustainability reporting are defined through the Annual Report process. This process, including Borealis' reporting of non-financial data and its general approach to data collection during the year for internal reporting, is not currently defined in a procedure or work instruction. However, in 2025 Borealis will establish a formal document in the Borealis Management System, defining the project management process, roles and responsibilities, and legal requirements.

The key components of the Annual Report process are described below.

At the beginning of the reporting season, the responsibilities for sustainability reporting are determined. These include project management, content delivery, review and approval, with the Executive Board having ultimate responsibility for the sustainability statement.

Each chapter of the non-financial statement is allocated to a Content Owner, a Content Provider and a second-line Content Provider. They are responsible for the content of the chapter and provide the necessary information, including data, which is converted into text by the ESG Manager and the copywriter for the non-financial statement. The Director Sustainability & Public Affairs owns the process for development of the sustainability statement and aligns it with the Executive Board.

The main tools or workspaces for preparing the non-financial statement are SharePoint and SmartNotes, which all Content Owners and Content Providers have access to. In the future, Borealis will implement a reporting tool to be used throughout the sustainability reporting process.

The Group has established:

- A CSRD Steering Committee, which is responsible for strategic decisions related to the Annual Report 2024, timeframe, responsibilities and questions regarding the audit process; and
- An Annual Reporting Committee, which is responsible for the overall project management of the Annual Report.

These committees meet monthly during the preparation period of the Annual Report. The Group also has a CSRD Core Team, which meets biweekly to discuss topics related to the actual reporting process and raise possible issues to be decided by the CSRD Steering Committee. Before starting the auditing process, nominated Senior Leaders approve the draft Annual Report chapters. The data is validated and checked before being inserted into the report.

[ESRS 2-GOV-5.36b] Borealis' Risk Management Policy defines the overall framework for the Group's risk management process and provides the principles, roles and responsibilities, and guidelines for risk assessment, mitigation and reporting. The risk assessment approach is made up of risk identification, risk analysis and risk evaluation, which in turn allows the risks to be prioritized.

The Group plans to include sustainability-related risk management into the Borealis Risk Management Policy and framework.

[ESRS 2-GOV-5.36c] The main risks related to the non-financial annual report are:

- Non-compliance with applicable national and international regulations, specifically with CSRD, EU Taxonomy and NaDiVeG;
- Risk of reputation and image loss, and potential fines, if the Group publishes incorrect or inaccurate quantitative or qualitative data;
- Inability to deliver the report in time with the deadlines as specified by the applicable laws; and
- Qualified audit opinion.

The mitigations and controls for these risks are as follows:

- Implementation of a centralized reporting tool to ensure data quality, including controls for data collection and validation as well as undergoing approval loops prior to publication.
- Timeline aligned with all relevant departments (Sustainability, Group Accounting, Communications, Group Controlling, Legal); and
- Regular meetings and alignment with management and the auditor.

[ESRS 2-GOV-5.36d] The Group Risk Officer reports directly to the VP Treasury and Funding.

[ESRS 2-GOV-5.36e] The Risk Coaches Network (RCN), chaired by the CFO, is a cross-functional team with members representing all the Business Groups. It meets quarterly and is responsible for preparing, consolidating and reviewing risks. The RCN is required to report at least twice a year to the Executive Board and the Audit Committee. In 2024, the Executive Board received four updates and the Audit Committee was updated twice.

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Strategy

DR SBM-1 – Strategy, business model and value chain

[ESRS 2-SBM-1.40a i] Borealis is a global leader in providing ground-breaking chemical and polyolefin solutions. The significant groups of products are:

– Polyolefins

Borealis is one of the world's leading providers of advanced and sustainable polyolefin solutions. In Europe, Borealis is also an innovative leader in polyolefins recycling. The Group leverages its 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.

– Base Chemicals

As the building blocks of the chemical industry, base chemicals are used to manufacture the essential products and applications used by industry and consumers in daily life. Base chemicals are used in diverse sectors, including aviation, mobility, renewable energy, consumer appliances, advanced packaging, healthcare, and many others.

In 2022, the Executive Board and Supervisory Board reviewed and approved the Strategy 2030, which has sustainability at its core, and are also responsible for final approval of the non-financial information.

The pillars of Borealis' Strategy 2030 are:

– Geographical Expansion – to become a fully global partner to customers
– Transformation – to evolve to a fully customer-centric approach, to offer advanced and sustainable material solutions
– Strong Foundation – Safety, People, Innovation & Technology and Performance Excellence

[ESRS 2-SBM-1.40a ii] Borealis' significant customer or industry clusters are:

– Healthcare (pharmaceutical packaging, medical and diagnostic devices)
– Consumer products (appliances, fibers, flexible packaging, rigid packaging, foam solutions)
– Mobility (vehicle interiors and exteriors, battery applications, front-end carriers, e-boxes)
– Energy (cables, energy storage, solar)
– Infrastructure (pipes and fittings solutions)
– Solutions for polymers (polymer modifiers, masterbatch and compound carrier resins, structured products, foam solutions)

Borealis' aspiration to become a truly global player has already begun with its ongoing investments in global growth projects, including Borouge 4 (UAE), Baystar (US) and Kallo PDH2 (Belgium). The Strategy 2030 emphasizes the importance of serving the rapidly growing Asian market and expanding the Group's footprint in North America.

Borealis has recently launched a review of its Strategy 2030 anticipating the impact of external developments since its last strategy refresh (see also [ESRS 2-SBM-2.45c ii]).

[ESRS 2-SBM-1.40a iii] The headcount of Borealis' employees by geographical areas is shown in the table below:

	Gender	Permanent	Temporary	Total	Full-time	Part-time	Total
Total	Male	4,649	73	**4,722**	4,389	333	**4,722**
	Female	1,383	68	**1,451**	1,211	240	**1,451**
	Total	6,032	141	**6,173**	5,600	573	**6,173**
Borealis AG	Male	211	4	**215**	211	4	**215**
	Female	213	7	**220**	191	29	**220**
	Total	424	11	**435**	402	33	**435**
Austria	Male	981	16	**997**	960	37	**997**
	Female	447	26	**473**	349	124	**473**
	Total	1,428	42	**1,470**	1,309	161	**1,470**
Belgium	Male	1,019	8	**1,027**	876	151	**1,027**
	Female	232	6	**238**	166	72	**238**
	Total	1,251	14	**1,265**	1,042	223	**1,265**
Finland	Male	707	13	**720**	706	14	**720**
	Female	210	13	**223**	212	11	**223**
	Total	917	26	**943**	918	25	**943**
Sweden	Male	724	16	**740**	706	34	**740**
	Female	232	14	**246**	242	4	**246**
	Total	956	30	**986**	948	38	**986**
Other Europe	Male	741	13	**754**	658	96	**754**
	Female	127	3	**130**	102	28	**130**
	Total	868	16	**884**	760	124	**884**
Non-Europe	Male	477	7	**484**	483	1	**484**
	Female	135	6	**141**	140	1	**141**
	Total	612	13	**625**	623	2	**625**

[ESRS 2-SBM-1.40d i] Borealis' feedstock includes light naphtha, butane, propane, ethane and some refinery streams. The Group also sources and supplies energy (in the form of natural gas, electricity or steam) as a utility to all its plants in the EU.

The Group's hydrocarbon production plant in Porvoo (Finland) consists of a steam cracker using naphtha, butane, LPG mix and refinery streams as feedstock, as well as cumene, phenol and acetone plants.

The steam cracker in Stenungsund (Sweden) uses ethane, propane, butane and naphtha as feedstock and operates the largest LPG storage facility in Europe, enabling global sourcing.

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The propane dehydrogenation plant in Antwerp (Belgium) is supplied via the Antwerp Gas Terminal, which can import using large LPG ships and rail cars and is linked by propylene pipelines with all of the main ARA (Amsterdam/Rotterdam/Antwerp) producers and consumers (including Borealis' PP plants in Kallo and Beringen).

The olefin supplies to Burghausen (Germany) and Schwechat (Austria) are mainly sourced from nearby OMV production plants, with some propylene also imported via rail cars.

The Group had no fossil-fuel related revenue in 2024.

[ESRS 2-SBM-1.40e] Borealis' sustainability related goal in relation to significant product groups and services is to increase its capacity of circular products and solutions to 1.8 million metric tons globally by 2030. There are no other sustainability related goals in relation to significant groups of products and services, customer categories, geographical areas and relationships with stakeholders.

[ESRS 2-SBM-1.40f] At the end of 2024, the Group's circular capacity was 227,900 metric tons per year.

[ESRS 2-SBM-1.40g] Borealis is dependent on external factors to achieve its production capacity targets, such as economic conditions and their impact on market demand, as well as regulatory developments, in particular the lack of acceptance of mass balance principles for chemical recycling and the absence of supporting policies for biobased plastics. The resulting high feedstock costs are strongly hindering market adoption of those circular solutions. Even though the Group faces the above dependencies, it will continue to endeavor to close the gap to its strategic targets.

[ESRS 2-SBM-1.42a] Borealis' main inputs are as follows:

- Fossil feedstock
- Renewable feedstock
- Waste feedstock for recycling
- Raw materials
- Energy and utilities
- Packaging
- Technical supplies

The Group's product stewardship is responsible for evaluating and selecting suppliers referring to feedstock and raw materials and takes account of factors such as:

- Security and sustainability of supply;
- Supply and demand balance;
- Quality requirements;
- Number of suppliers available;
- Production capacity;
- Applied production technology;
- Availability of alternative or equivalent materials;
- Compliance with REACH; and
- Political and financial stability in the supply market.

Materials are subsequently segmented on the Group's "criticality grid" according to the combined cost/value versus the composite risk they present. This results in four categories of

supplier: strategic, bottleneck, leverage, and non-critical, to allow focused supplier management.

A dedicated feedstock team is in place to secure long-term feedstock agreements regionally, for supply to the various recycling operations.

[ESRS 2-SBM-1.42b] Borealis' value-adding polyolefin products form the basis of many valuable plastics applications that are an intrinsic part of modern life. Borealis works closely with its customers and industry partners to provide innovative and value-creating plastics solutions in a variety of industries and segments. These solutions make end products safer, lighter, more affordable, durable and circular. In short: they enable more sustainable living.

As a leading innovator in its industries, Borealis continuously invests in its employees, which increases their skills, career development and opportunities. The Group also invests in proprietary technologies (such as Borstar®) and its working processes, both internally and with external partners. The result is continuous technological improvement, to create even greater benefits for customers and for society more generally.

Borealis continuously identifies and anticipates unmet market needs so it can develop the corresponding solutions. Using its proprietary technologies, innovative tools and leveraging expertise acquired over many years, Borealis unlocks materials' molecular properties and creates tailor-made products. Borealis enhances this process with in-depth market knowledge, a cross-functional approach and an emphasis on open innovation.

[ESRS 2-SBM-1.42c] The main suppliers (upstream value chain) are from the following industries:

- Fossil feedstock
- Renewable feedstock
- Waste feedstock for recycling
- Raw materials
- Energy and utilities
- Packaging
- Technical supplies

Borealis' own operations produce Polyolefins and Base Chemicals.

The main customer groups or industries (downstream value chain) are:

- Transport and distribution
- Customers and converters
- Brand owners
- Retailers
- Recycling, incineration and landfill
- Contractors

Industries served by Borealis' applications are described in [ESRS 2-SBM-1.40a i].

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DR SBM-2 – Interests and views of stakeholders

[ESRS 2-SBM-2.45a i-iv] As a responsible company that aims to lead the transformation towards circularity and climate neutrality, Borealis creates constructive and respectful dialogues with internal and external stakeholders. This is essential for achieving its vision and implementing its Group Strategy 2030, including its related sustainability goals.

Borealis therefore places importance on regular exchanges with stakeholders, to learn about their views and concerns, listen to their expectations of Borealis, and communicate about the Group's activities in a transparent and informed manner. This helps Borealis to mitigate potential risks and leverage opportunities for cooperation in a timely way and to reflect the insights in the Group's materiality assessment.

Borealis' business activities and sustainability issues involve a diverse and complex range of stakeholders at global, regional and national levels, with different interests and concerns. The Group therefore uses a broad range of engagement channels, driven by Borealis' respective functional departments.

Mapping and prioritizing Borealis' stakeholders is a continuous and dynamic process. Borealis regularly runs stakeholder mapping and related issue, risk and opportunity assessments at Group level and at its major locations.

At Group level, stakeholder mapping and engagement is the responsibility of the respective business areas, such as Procurement, People & Culture, Innovation, Communications and Public Affairs. At a local level, this is the responsibility of location leaders.

Borealis' key stakeholders are:

Internal Stakeholders:

- Employees
- Works Council
- Owners

External Stakeholders:

- Customers
- Suppliers, contractors and other business partners
- Capital market participants (investors and capital providers)
- Non-governmental organizations (NGOs)
- Authorities (governments and regulators)
- Neighboring communities
- Industry and trade associations and networks
- Media
- Academia, science and research

[ESRS 2-SBM-2.45a v] The Executive Board considers the outcomes of engagement through regular interactions with Sustainability & Public Affairs, which shares results from its stakeholder engagement and reports concerns. In addition, Executive Board members directly participate in dialogue with the Group's key stakeholders, or are themselves Board members of industry associations, such as Plastics Europe.

[ESRS 2-SBM-2.45b] Borealis' understanding of the interests and views of its key stakeholders regarding sustainability topics is as follows:

Internal Stakeholders:

- Employees
    - Company vision, strategy, targets and performance
    - Individual and team contribution to the Group's success, as well as sustainability topics
    - Safe and healthy workplace
    - Work-life balance
    - Career opportunities
    - Equal and fair remuneration
    - Opportunity to engage and inclusiveness
    - Job security
    - Diversity & equality
- Works Council
    - Employee health, safety and wellbeing
    - Working conditions
    - Termination of employment and recruiting of new staff
    - Organizational changes
    - Opportunity to provide input and raise concerns
- Owners
    - Group strategy and business plan
    - Group policies
    - Remuneration, including for the Executive Board and Senior Management
    - Internal and external audits
    - Internal controls and risk management
    - Financial and non-financial reporting

External Stakeholders

- Customers
    - LCAs, the carbon footprint of Borealis' products, and in particular the circular product portfolio
    - Borealis' sustainability strategy and related commitments
- Suppliers, contractors and other business partners
    - Advancing sustainability and the transition to a circular economy
    - Reducing the environmental footprint
    - Compliance with environmental and social standards
    - Adherence to the Borealis Ethics Policy for Business Partners
- Capital market participants (investors and capital providers)
    - Sustainable finance/Taxonomy and credit rating aspects
    - ESG strategy, commitments, performance, risks and opportunities and their management
- NGOs
    - Borealis' sustainability strategy
    - Borealis' activities and views on sustainability aspects

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    - Social impact and compliance
- Authorities (governments and regulators)
    - Borealis' targets and performance regarding climate change and the circular economy
    - Reduction of pellet loss
- Communities
    - Plastic waste
    - Climate change
    - Recycling and circular economy
- Industry and trade associations and networks
    - Industry transformation towards a circular economy and climate neutrality
- Media
    - Borealis' sustainability performance, with regard to the circular economy and climate change
    - Borealis' views and opinions on relevant sustainability, industry and company issues
- Academia, science and research
    - Generating scientific background and knowledge to advance the circular economy and tackle climate change

[ESRS 2-SBM-2.45c i] Two of Borealis' most important stakeholder groups are its owners and customers. The interests of those stakeholders are taken into account whenever the reassessment of the Group's strategy takes place. No changes of the strategy and business model were made in the reporting year, but they are planned for 2025.

[ESRS 2-SBM-2.45c ii] The market environment has changed significantly since the launch of the Borealis Strategy 2030 in April 2022. Since then:

- The geopolitical situation, in addition to causing a humanitarian crisis, resulted in an increase of energy and feedstock prices in Europe, as well as supply chain disruptions that lowered European competitiveness;
- The cost base of the European economy increased by more than 25% between 2020 and 2025, driven by inflation;
- GDP and PO demand growth are slowing down in Europe and globally, and the potential recovery curve has moved from the previously experienced "V" shape to an "L" shape; and
- The circularity transition is delayed and supporting regulation is not fully in place (such as mass balancing rules for chemical recycling), resulting in commercial value not being consistently provided.

Borealis' management is therefore currently reassessing the situation, in order to focus the Group's activities on strategic delivery that is compatible with the current economic downturn.

[ESRS 2-SBM-2.45c iii] Since there were no changes in strategy and business model in 2024, no modifications of the relationship with and views of stakeholders were assessed.

[ESRS 2-SBM-2.45d] As described above, the Executive Board is informed about the views and interests of affected stakeholders through regular interactions with Sustainability & Public Affairs.

In addition, the Executive Board and, on a selective basis, the Supervisory Board receive summaries of the results of the Group's main stakeholder engagement. This includes, for example, the yearly Pulse Check employee engagement survey (own workforce) and the annual customer engagement survey.

[S1-SBM-2.12] As described in chapter S1, outcomes of the Pulse Check are shared at all levels of the business organization and thereby the interests, views and rights of people in Borealis' own workforce inform the strategy and business model.

[S2-SBM-2.7], [S2-SBM-2.9] The interests, views and rights of affected communities and value chain workers do not directly flow into Borealis' strategy and business model.

DR SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

[ESRS 2-SBM-3.48a, c i-iv, g], [E1-SBM-3.18] Borealis' material impacts, risks and opportunities and how they interact with its strategy and business model are disclosed in the table below.

Impact E1 – Climate Change / Climate Change Adaption (NaDiVeG: Environmental matter)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Positive	Medium-Term	Actual	The supply chain takes action to adapt to climate change, making it strongly resilient	Ensures reliable delivery of essential feedstock from upstream to own operations, and reliable delivery of products to downstream and to consumers and end-users. (this impact originates in Borealis' strategy to evolve to customer-centric approach to offer sustainable material solutions.)	PO/BC	Upstream	Systemic	Covered by ESRS disclosure requirements
	Long-Term					Own Operations	Systemic	
	Long-Term					Downstream	Systemic	

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Impact E1 – Climate Change / Climate Change Mitigation (NaDiVeG: Environmental matter)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Medium-Term	Actual	Borealis' suppliers continue their business as usual, with the majority of their business model based on fossil resources, such as feedstock and energy	Continuation of GHG emissions and increase of global warming (this impact is connected to Borealis' business model, as production of PO/BC is relying on sourcing feedstock.)	PO/BC	Upstream	Systemic	Covered by ESRS disclosure requirements
			Borealis continues to mainly source fossil-based feedstock and energy and/or fails to put in place investments and actions to reduce its carbon footprint and achieve climate neutrality	Contribution to global warming, with all the known consequences to the environment and society (this impact originates in Borealis' business model, as production of PO/BC is *connected* with sourcing fossil-based feedstock and energy.)	PO/BC	Own Operations	Systemic	
	Long-Term		Borealis' product carbon footprint remains significantly high, especially Scope 3 and at end-of-life	Borealis' products will continue to significantly contribute to GHG emissions (this impact is connected with Borealis' business model through core business activities.)		Downstream	Widespread	

Impact E1 – Climate Change / Energy (NaDiVeG: Environmental matter)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Medium-Term	Actual	Suppliers' energy sources remain predominantly based on fossil energy	Continuation of GHG emissions and contribution to global warming (this impact is connected to Borealis' business model through suppliers' energy sourcing.)	PO/BC	Upstream	Systemic	Covered by ESRS disclosure requirements
Positive	Short-Term		Borealis' puts innovative products on the market, with a positive impact on energy	Reduced energy intensity during use phase (e.g. lighter material for cars leads to lower fuel consumption, lighter plastic products reduce fuel consumption during transportation) (This impact is connected to Borealis' business model.)	PO/BC	Downstream		
				Borealis helps to facilitate and accelerate energy transition from fossil-based energy to electrification (wire & cable industry). (This impact is connected to Borealis' business model.)			Widespread	
				Enablers for renewable energy production and/or energy efficiency increase, as plastics insultation reduces energy loss during transportation (e.g. HV insulation, EV, solar, wind) (This impact is connected to Borealis' strategy to significantly reduce CO_2 footprint and accelerate circularity trough innovation and technology.)				
Medium-Term			Borealis shifts to low-carbon energy sources	Reduced GHG emissions, helping to limit the impacts of global warming on environment and society. (This impact originates in Borealis' strategy to significantly reduce CO_2 foodprint.)	PO/BC	Own Operations	Systemic	

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Risk/Opportunity E1 – Climate Change / Climate Change Adaption (NaDiVeG: Environmental matters)

Time Horizon	Magnitude of financial effect	Probability of occurrence	Trigger	Risk/ Opportunity for Borealis	Business Division	Risk/ Opportunity	Current financial effects	Type of disclosure
Long-Term	Medium	Very likely (occurs frequently)	Borealis' suppliers will shift more of their cost of climate change adaptation onto Borealis	Higher feedstock costs for Borealis	PO/BC	Risk	n/a	Covered by ESRS disclosure requirements
Short-Term		Guaranteed	Borealis provides products and solutions that support climate adaptation, such as filters and piping material used in cooling applications and air conditioning	Increased climate resilience for customers and society (e.g. against extreme weather events) with products enabling cooling, rain water management etc.		Opportunity	EUR 12 mn	
Long-Term	Medium	Very likely (occurs frequently)	Higher costs for exploration of low-carbon feedstock	Costs will be transferred to Borealis, reducing its profit or requiring it to transfer additional costs to customers	PO/BC	Physical Risk (Chronic)	n/a	Covered by ESRS disclosure requirements
	High	Very likely (occurs frequently)	Regulatory changes in support of the circular economy and EU Green Deal	Increased competitiveness through putting on the market new and innovative low-emission solutions, with a low carbon footprint	PO/BC	Opportunity	n/a	

Risk/Opportunity E1 – Climate Change / Climate Change Mitigation (NaDiVeG: Environmental matters)

Time Horizon	Magnitude of financial effect	Probability of occurrence	Trigger	Risk/ Opportunity for Borealis	Business Division	Risk/ Opportunity	Current financial effects	Type of disclosure
Long-Term	High	Likely (recurrent but not frequent)	Future business will be based on carbon-neutral production and sustainable products.	Being a leader in driving the transition towards climate neutrality will secure Borealis' position in the market, enhancing its reputation and profits	PO	Opportunity	EUR 19 mn	
	Medium	Very likely (occurs frequently)	Implementation of CBAM (Carbon Border Adjustment Mechanism)	A fair price on carbon emitted during production of carbon intensive goods, leading to less competition from products being imported from outside the EU			n/a	
Short-Term	High	Very likely (occurs frequently)	Customers are not yet prepared to pay a higher price for low carbon products	Lower margins and profit for Borealis for products with a lower carbon footprint		Transitional Risk (Policy & Legal)	n/a	
		Guaranteed	Producers outside the EU Emissions Trading System (ETS) zone are not exposed to the same level of legal requirements and/or investments in climate change mitigation	Increased competition with products not produced in the ETS zone			n/a	

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Risk/Opportunity E1 – Climate Change / Energy (NaDiVeG: Environmental matters)

Time Horizon	Magnitude of financial effect	Probability of occurrence	Trigger	Risk/ Opportunity for Borealis	Business Division	Risk/ Opportunity	Current financial effect	Type of disclosure
Short-term	*High*	*Guaranteed*	*When shifting* to renewable energy suppliers, Borealis will have to contract an increased number of utility suppliers	*More suppliers* adds administrative complexity and the market will be more difficult to manage	*PO/BC*	*Transitional* Risk (Market)	*n/a*	*Covered by* ESRS disclosure requirements
Long-Term		Likely (recurrent but not frequent)	Borealis continues to supply mainly fossil-based energy (steam, natural gas, electricity)	Borealis does not achieve its climate targets, as its product footprint and Scope 1, 2 and 3 emissions remain high, leading to reputational damage and loss of customers.			n/a	
Medium-Term			*(Conditional)* grid connection	*Risk of not having* electricity available to drive Borealis' journey towards climate neutrality			*n/a*	
Long-Term		Very likely (occurs frequently)	Transition from fossil to renewable energy production through partnerships and with products and solutions	Increased profit and market share		Opportunity	n/a	
Short-Term		Guaranteed	Price of renewable energy will go up because the demand is growing faster than supply	Increased OPEX		Transitional Risk (Market)	n/a	
Medium-Term		Likely (recurrent but not frequent)	Borealis fails to improve energy efficiency	Costs rise as a result of potential abatement costs as well as higher energy consumption, as Borealis increases its production in response to rising demand for plastics			EUR 18 mn	

Impact E2 – Pollution / Pollution of Air (NaDiVeG: Environmental matter)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Actual	Discharge of non-GHG emissions	Environmental pollution, reduced air quality and potential consequences for human health (This impact is connected to Borealis' business model through sourcing feedstock.)	PO/BC	Upstream	Systemic	Covered by ESRS disclosure requirements

Impact E2 – Pollution / Pollution of Water, Soil, Living organisms and Food resources (NaDiVeG: Environmental matter)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Leaks, emission of harmful substances, drilling fluids and release of chemicals during operations and transportation (e.g. oil), vibrations	Soil and water pollution including oceans, impacting marine species and potential consequences for human health, living organisms and food resources (This impact is indirectly connected to Borealis' business model as incidents may occur in the upstream value chain.)	PO/BC	Upstream	Widespread	Covered by ESRS disclosure requirements

Impact E2 – Pollution / Microplastics (NaDiVeG: Environmental matter)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Unintentional pellet loss from Borealis' operations	Environmental pollution (water, soil), potential harm to marine life and consequently living organisms and food, impacting well-being of local communities and biodiversity (This impact originates in Borealis' business model through core business activities.)	PO/BC	Own Operations	Widespread	Covered by ESRS disclosure requirements and company specific disclosures
Actual	Plastic waste including pellets and microplastics, if not collected, sorted and disposed of properly, can end up in the environment	Environmental pollution, harming biodiversity (living organisms) and ultimately ending up as microplastics in drinking water and food, with impact on human health (via food), economic development and tourism, putting jobs at risks in certain industries, such as the fishing industry. (This impact is connected to Borealis' business model through core business activities.)			Downstream	Widespread	Covered by ESRS disclosure requirements	

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Impact E5 – Circular Economy / Resource outflows / Products based on renewable or recycled resources (NaDiVeG: Environmental matter)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Positive	Short-Term	Actual	Borealis has developed a program to support (Project STOP)downstream value chain (municipalities, waste management *companies*, recyclers, consumers) to establish circular waste management systems	Improved resource efficiency, reduction of harmful impact on environment and public health (e.g. emissions to air, water and soil from landfill or improper *incineration*), protects tourism and fisheries and creates new green jobs in the waste management and recycling business. (This impact is connected to Borealis' strategy to offer sustainable material solutions.)	PO	Downstream	Systemic	Covered by ESRS disclosure requirements

Impact E5 – Circular Economy / Resource outflows/ Overall (NaDiVeG: Environmental matter)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Actual	Plastic waste ending up in the environment	Environmental pollution caused by dumped or burned plastic waste impacts economic development and tourism, puts jobs at risk in certain industries, such as the fishery industry, and causes costs to society from plastic pollution, including environmental clean-up and ecosystem degradation (This impact is connected to Borealis' business model as Borealis' products end up in the environment.)	PO	Downstream	Widespread	Covered by ESRS disclosure requirements

Impact E5 – Circular Economy / Resource outflows / Products based on fossil resources (NaDiVeG: Environmental matter)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Medium-Term	Actual	Majority of products today are still based on fossil resources	Environmental pollution, global warming (This impact is connected to Borealis' business model as the products are based on fossil resources.)	PO	Downstream	Systemic	Covered by ESRS disclosure requirements

Impact E5 – Circular Economy / Resource inflows / Non-renewable resources (fossil) (NaDiVeG: Environmental matter)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Long-Term	Actual	Borealis' suppliers continue using a majority of non-renewable or fossil resources	Resource exploitation, continued high GHG emissions, potentially land-use change triggered by oil and gas exploration, and consequently an impact on biodiversity and unavailability of resources to society. (This impact is connected to Borealis' business model through usage of non-renewable sources for production.)	PO/BC	Upstream	Systemic	Covered by ESRS disclosure requirements

Impact E5 – Circular Economy / Resource inflows / Renewable resources (bio-based) (NaDiVeG: Environmental matter)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Positive	Short-Term	Potential	Borealis replacing procurement of fossil resources with renewable feedstock	Beneficial impact on the environment, including GHG emission savings and preventing fossil resource exploitation (This impact is connected to Borealis' strategy to accelerate circularity.)	PO/BC	Upstream	Systemic	Covered by ESRS disclosure requirements

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Impact E5 – Circular Economy / Resource inflows / Recycled feedstock (mechanically, chemically) (NaDiVeG: Environmental matter)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Positive	Short-Term	Potential	Borealis sourcing feedstock for chemically or mechanically recycled plastics	Resource efficiency, reduced GHG emissions from keeping carbon in the loop, fossil fuel savings and less plastic waste in the environment (This impact is connected to Borealis' strategy to accelerate circularity and significantly reduce CO_2 foodprint.)	PO/BC	Upstream	Systemic	Covered by ESRS disclosure requirements

Risk/Opportunity E5 – Circular Economy / Resource outflows / Product based on fossil resources (NaDiVeG: Environmental matters)

Time Horizon	Magnitude of financial effect	Probability of occurrence	Trigger	Risk/ Opportunity for Borealis	Business Division	Risk/ Opportunity	Current financial effects	Type of disclosure
Medium-term	High	Likely (recurrent but not frequent)	Borealis cannot achieve a rapid transformation as a large part of its product portfolio consists of non-renewable and non-recycled (fossil) material	Decrease in demand for Borealis' products , loss of reputation and market share	PO	Risk	EUR 19 mn	Covered by ESRS disclosure requirements
Short-Term		Guaranteed	Value chain partners support Borealis in the development of more circular products	Discovering new market opportunities (co-design and design for circularity)		Opportunity	EUR 19 mn	Covered by ESRS disclosure requirements and company specific disclosures

Risk/Opportunity E5 – Circular Economy / Resource outflows / Product based on renewable or recycled resources (NaDiVeG: Environmental matters)

Time Horizon	Magnitude of financial effect	Probability of occurrence	Trigger	Risk/ Opportunity for Borealis	Business Division	Risk/ Opportunity	Current financial effects	Type of disclosure
Short-Term	High	Guaranteed	Advanced mechanical recycling provides high-quality ('near to virgin') recyclate, better matching customer requirements than standard mechanical recycling Chemical recycling provides food contact quality recyclates, as well as a drop-in solution for critical products in automotive, infrastructure and medical businesses	Borealis generating additional market opportunities by putting new solutions on the market untapped by competitors	PO	Opportunity	n/a	Covered by ESRS disclosure requirements and company specific disclosures
Medium	Very likely (occurs frequently)		Consumers, end-users and value chain partners are not prepared to pay a premium price for products based on recycled plastics	Loss of market share, no return on investment (RoI) or returns delayed to the long term, not achieving the Group's transformation and circularity targets on time		Risk	EUR 19 mn	Covered by ESRS disclosure requirements
Medium-Term			Borealis leads the transformation to a circular economy, offering a broad range of circular product solutions	Increase of market share as the demand for such products is increasing and the legislative standards are changing in favor		Opportunity	EUR 19 mn	Covered by ESRS disclosure requirements and company specific disclosures
Short-Term		Guaranteed	Unclear legislative situation, as new laws and regulations are under development	Long-term investments are difficult and risky (not earning RoI), slowing down Borealis' innovation projects. CAPEX projects could be delayed and their costs increased, limiting Borealis' volume scale-up and impacting its ability to achieve its circular economy targets in time	PO	Risk	EUR 11mn	Covered by ESRS disclosure requirements

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Risk/Opportunity E5 – Circular Economy / Resource inflows / Non-renewable resources (fossil) (NaDiVeG: Environmental matters)

Time Horizon	Magnitude of financial effect	Probability of occurrence	Trigger	Risk/ Opportunity for Borealis	Business Division	Risk/ Opportunity	Current financial effects	Type of disclosure
Short-Term	High	Likely (recurrent but not frequent)	Borealis continues to procure fossil feedstock for the majority of its products	Loss of license to operate, loss of market share, potential financial impact	PO/BC	Risk	EUR 19 mn	Covered by ESRS disclosure requirements
		Very likely (occurs frequently)	Non-renewable feedstock is currently still cheaper than renewable feedstock	Higher profitability for Borealis		Opportunity	n/a	

Risk/Opportunity E5 – Circular Economy / Resource inflows / Renewable resources (bio-based) (NaDiVeG: Environmental matters)

Time Horizon	Magnitude of financial effect	Probability of occurrence	Trigger	Risk/ Opportunity for Borealis	Business Division	Risk/ Opportunity	Current financial effects	Type of disclosure
Short-Term	Medium	Very likely (occurs frequently)	Renewable feedstock of the right quality is not available at an affordable price	Higher competition, lower margin or higher prices for customers, inability to achieve Borealis' circularity targets, loss of trust and negative reputation, unavailability of feedstock when needed, leading to disruption of supply	PO/BC	Risk	n/a	Covered by ESRS disclosure requirements and company specific disclosures

Risk/Opportunity E5 – Circular Economy / Resource inflows / Recycled feedstock (mechanically, chemically) (NaDiVeG: Environmental matters)

Time Horizon	Magnitude of financial effect	Probability of occurrence	Trigger	Risk/ Opportunity for Borealis	Business Division	Risk/ Opportunity	Current financial effects	Type of disclosure
Short-Term	High	Very likely (occurs frequently)	Suppliers who convert plastic waste into oil (such as OMV Reoil) face limited availability of plastic waste feedstock volumes, due to lack of infrastructure for collection and sorting	Slower upscaling of recycling volumes, missed market opportunities, increased market price for recycled plastics versus fossil-based plastic raw materials	PO/BC	Risk	EUR 44 mn	Covered by ESRS disclosure requirements
		Likely (recurrent but not frequent)	Borealis faces limited sourcing of feedstock for mechanically recycled plastics, due to lack of infrastructure for collection and sorting	Borealis cannot fulfill the demand for mechanical recycle, thus losing market share, including for fossil business as a consequence			EUR 10 mn	
			Borealis increases sourcing of feedstock for chemically recycled plastics	Borealis can use feedstock for practically all product applications, as the quality is similar to virgin. Borealis receives additional subsidies from the EU, national or regional level for green initiatives, especially for investments in the field of circular economy		Opportunity	n/a	
	Medium	Guaranteed	Plastic waste ending up in the environment	Loss of reputation, consumers shifting to alternative materials, additional costs as Borealis will be made responsible to finance the clean-up of its own packaging		Risk	n/a	
Short-Term	High		Borealis has developed a program (Project STOP) to support downstream value chain (municipalities, waste management companies, recyclers, consumers) to establish circular waste management systems	Enhanced reputation and a leadership role in driving the circular economy	PO	Opportunity	EUR 26 mn	

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Impact G1 – Business Conduct / Corporate Culture (NaDiVeG: Employee-related matters, Social matters)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Positive	Medium-Term	Potential	Existence of a strong corporate culture	Increased employee retention, engagement and well-being (This impact originates from Borealis' strategy to sustain strong growth through safety, people and culture.)	PO, BC	Upstream	Widespread	Covered by ESRS disclosure requirements

Impact G1 – Business Conduct / Corruption and bribery / Incidents of corruption and bribery (NaDiVeG: Corruption prevention)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Medium-Term	Potential	Incidents of corruption and bribery caused by suppliers	Hinders economic development, undermines institutions, rule of law is dysfunctional, society has no trust in its governments and institutions, increasing social inequality, social and economic instability, and rising hardship (This impact is connected to Borealis' business model through supplier relationships.)	PO, BC	Upstream	Widespread	Covered by ESRS disclosure requirements and company specific disclosures
			Incidents of corruption and bribery caused by customers			Downstream	Widespread	

Impact G1 – Business Conduct / Corruption and bribery / Prevention and detection of corruption and bribery including training (NaDiVeG: Corruption prevention)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Positive	Medium-Term	Potential	A solid anti-corruption and anti-bribery culture and legal enforcement is in place	Fosters society's trust in its institution, social justice, fair distribution of wealth, economic and social welfare (This impact is connected to Borealis' strategy to sustain strong growth through culture and related Borealis ethics policy.)	PO, BC	Upstream	Widespread	Covered by ESRS disclosure requirements and company specific disclosures

Risk/Opportunity G1 - Business Conduct/ Corruption and bribery/ Prevention and detection of corruption and bribery including training (NaDiVeG: Corruption prevention)

Time Horizon	Magnitude of financial effect	Probability of occurrence	Trigger	Risk/ Opportunity for Borealis	Business Division	Risk/ Opportunity	Current financial effects	Type of disclosure
Short-Term	Medium	Very likely (occurs frequently)	Borealis having a solid anti-corruption and bribery policy with functioning tools, including training of its employees and their suppliers	Mitigation of risks of incidents of corruption and bribery, strengthening of Borealis' reputation, increased supplier and employee confidence in how to act in case of unethical offers and increased confidence and trustful relationships with business partners	PO/BC	Opportunity	n/a	Covered by ESRS disclosure requirements and company specific disclosures
			A strong applied ethics culture is in place, with clear policies, processes and effective training of employees	Enhances reputation, ensures legal compliance, avoids financial and reputational damage and increases employees' confidence			n/a	

Risk/Opportunity G1 - Business Conduct/ Management of relationships with suppliers including payment practices (NaDiVeG: Corruption prevention, social matters, respect for human rights)

Time Horizon	Magnitude of financial effect	Probability of occurrence	Trigger	Risk/ Opportunity for Borealis	Business Division	Risk/ Opportunity	Current financial effects	Type of disclosure
Short-Term	Medium	Guaranteed	Borealis fosters sustainable and ethical business practices and engages with suppliers to improve sustainability of products and solutions	Borealis is recognized as reliable and a partner suppliers want to do business with, fosters a stable and reliable supply chain, and provides opportunity to codevelop sustainable products and solutions	PO/BC	Opportunity	n/a	Covered by ESRS disclosure requirements and company specific disclosures
	High		Implementation of CSDDD requirements	Increased costs for implementing requirements, risk of non-compliance		Risk	n/a	
	Medium	Very likely (occurs frequently)	A central procurement function is installed across OMV-Petrom-Borealis	Uniform practices provide equal treatment of suppliers during selection, and a more diversified supplier base improves quality of supply and mitigates risk of supply disruptions		Opportunity	n/a	

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Impact S1 – Own Workforce / Working Conditions / Working Time (NaDiVeG: Employee-related matters)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Positive	Short-Term	Actual	Borealis offers flexible working times and hybrid working, where feasible	Positive impact and increased work-life balance (This impact originates from Borealis' strategy and People & Culture policy.)	PO/BC	Own Operations	Widespread	Covered by ESRS disclosure requirements

Impact S1 – Own Workforce / Working Conditions / Secure employment (NaDiVeG: Employee-related matters)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Borealis fails to address economic and social consequences of staff release e.g. when needed due to organizational changes	Employees dependent on income might not be able to pay back their loans or meet other responsibilities, or not be able to get a new job on the market, leading to significant economic loss and impacting their mental health. (This impact is not connected to Borealis' strategy and business model.)	PO/BC	Own Operations	Systemic	Covered by ESRS disclosure requirements

Impact S1 – Own Workforce / Working Conditions / Freedom of Association (NaDiVeG: Employee-related matters)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Borealis fails to respect freedom of association and does not allow for or does not have in place work councils or alternative employee representations	Decreases employees' ability to speak-up and fight for their rights. (This impact is not connected to Borealis' strategy and business model.)	PO/BC	Own Operations	Widespread	Covered by ESRS disclosure requirements

Impact S1 – Own Workforce / Working Conditions / Adequate Wages (NaDiVeG: Employee-related matters)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Positive	Short-Term	Actual	Borealis offers attractive salaries for skilled workers	Economic wealth of its employees. (This impact originates from Borealis' strategy to sustain growth through safety, people and culture.)	PO/BC	Own Operations	Widespread	Covered by ESRS disclosure requirements

Impact S1 – Own Workforce / Working Conditions / Social Dialogue (NaDiVeG: Employee-related matters)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Positive	Short-Term	Potential	Borealis offers a range of platforms for social dialogue and actively promotes a "speak-up" culture	Employees trust that their needs, concerns and opinions are heard . (This impact originates from Borealis' strategy to sustain growth through safety, people and culture.)	PO/BC	Own Operations	Widespread	Covered by ESRS disclosure requirements

Impact S1 – Own Workforce / Working Conditions / Health & Safety (NaDiVeG: Employee-related matters)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Positive	Short-Term	Potential	A strong safety culture and safe and healthy workplace are provided	Improves employees' safety and their behavior, including in their private lives, creates a good workplace that employees enjoy working at and reduces psychological distress. (This impact originates from Borealis' strategy to sustain growth through safety, people and culture and.)	PO/BC	Own Operations	Widespread	Covered by ESRS disclosure requirements and company specific disclosures
Negative			Insufficient occupational health and safety and process safety management	Impact on employees' and workers' health and safety. (This impact is connected to Borealis' business model as health and safety incidents may occur to insufficient health & safety management.)				

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Impact S1 – Own Workforce / Equal Treatment & Opportunities for all / Diversity / Employment and inclusion of persons with disabilities (NaDiVeG: Employee-related matters, respect for human rights)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Failure to promote diversity and inclusion	Social injustice and unemployment of people with disabilities or unequal treatment or discrimination against people, substantially impacting their wellbeing and ability to live a decent life. (This impact is not connected to Borealis' strategy and business model.)	PO/BC	Own Operations	Systemic	Covered by ESRS disclosure requirements and company specific disclosures

Impact S1 – Own Workforce / Equal Treatment & Opportunities for all / Gender equality / Equal pay for work of equal value (NaDiVeG: Employee-related matters, respect for human rights)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Failure to pay equally for equal work	Inequality among employees and/or discrimination and frustration, and increased injustice among employees affecting their well-being and motivation. (This impact is not connected to Borealis' strategy and business model.)	PO/BC	Own Operations	Widespread	Covered by ESRS disclosure requirements

Impact S1 – Own Workforce / Equal Treatment & Opportunities for all / Measures against violence and harassment in the workplace (NaDiVeG: Employee-related matters, respect for human rights)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Failure to ensure no violence and harassment in the workplace	Employees feeling unsafe and potentially increased incidents. (This impact is not connected to Borealis' strategy and business model.)	PO/BC	Own Operations	Widespread	Covered by ESRS disclosure requirements

Impact S1 – Own Workforce / Equal Treatment & Opportunities for all / Training and skills development (NaDiVeG: Employee-related matters)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Positive	Short-Term	Potential	Offering training and skills development	- Contributes to employees' professional and personal growth and provides career opportunities. - Employees can access newly emerging roles as a result of the transformation of the business towards circularity (This impact originates in Borealis' strategy to focus on performance excellence.)	PO/BC	Own Operations	Widespread	Covered by ESRS disclosure requirements

Impact S1 – Own Workforce / Other work related rights / Human Rights (Child Labor, Forced Labor, Human Trafficking, Adequate housing, Water and Sanitation) (NaDiVeG: Employee-related matters, respect for human rights)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Borealis fails to ensure its employees' human rights are protected	Impact on employees' mental health and dignity, and on economic development. (This impact is not connected to Borealis' strategy and business model.)		Own Operations		Covered by ESRS disclosure requirements

Risk/Opportunity S1 – Own Workforce / Working conditions / Secure Employment (NaDiVeG: Employee-related matters)

Time Horizon	Magnitude of financial effect	Probability of occurrence	Trigger	Risk/ Opportunity for Borealis	Business Division	Risk/ Opportunity	Current financial effects	Type of disclosure
Short-Term	Medium	Very likely (occurs frequently)	Borealis provides high job security	Access to highly skilled staff results in a competitive advantage	PO/BC	Opportunity	n/a	Covered by ESRS disclosure requirements
Medium-Term	High	Likely (recurrent but not frequent)	Key functions are not filled or there is only a short handover period, for example when an employee retires or leaves their job	Production sites are unable to operate reliably or business declines		Risk		

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Risk/Opportunity S1 – Own Workforce / Working conditions / Adequate Wages (NaDiVeG: Employee-related matters)

Time Horizon	Magnitude of financial effect	Probability of occurrence	Trigger	Risk/ Opportunity for Borealis	Business Division	Risk/ Opportunity	Current financial effects	Type of disclosure
Short-Term	Medium	Very likely (occurs frequently)	Borealis pays for performance, based on transparent performance evaluation	Supports strong business results and increases employees' retention, increasing reputation on the labor market	PO/BC	Opportunity	EUR 50 mn	Covered by ESRS disclosure requirements

Risk/Opportunity S1 – Own Workforce / Working conditions / Health & Safety (NaDiVeG: Employee-related matters)

Time Horizon	Magnitude of financial effect	Probability of occurrence	Trigger	Risk/ Opportunity for Borealis	Business Division	Risk/ Opportunity	Current financial effects	Type of disclosure
Short-Term	Medium	Guaranteed	Borealis maintains a strong safety culture	Increases employees' productivity and engagement, reinforces Borealis' reputation as a responsible company, avoids financial damage, and safeguards Borealis' profitability	PO/BC	Opportunity	EUR 35 mn	Covered by ESRS disclosure requirements and company specific disclosures

Risk/Opportunity S1 – Own Workforce / Equal Treatment & Opportunities for all / Diversity / Employment and inclusion of persons with disabilities (NaDiVeG: Employee-related matters, respect for human rights)

Time Horizon	Magnitude of financial effect	Probability of occurrence	Trigger	Risk/ Opportunity for Borealis	Business Division	Risk/ Opportunity	Current financial effects	Type of disclosure
Medium-Term	High	Very likely (occurs frequently)	Borealis ensures and promotes gender equality, diversity, equal pay for work of equal value, and the employment and inclusion of people with disabilities	Helps Borealis to be an employer of choice, fostering respectful relationships among colleagues, increasing employee engagement, retention and wellbeing, and supporting diverse leadership styles	PO/BC	Opportunity	n/a	Covered by ESRS disclosure requirements and company specific disclosures

Risk/Opportunity S1 – Own Workforce / Equal Treatment & Opportunities for all / Training and skills development (NaDiVeG: Employee-related matters)

Time Horizon	Magnitude of financial effect	Probability of occurrence	Trigger	Risk/ Opportunity for Borealis	Business Division	Risk/ Opportunity	Current financial effects	Type of disclosure
Short-Term	Medium	Very likely (occurs frequently)	Borealis offers appropriate training and development opportunities	Supports Borealis' transformation journey, increases employee engagement, performance and productivity, makes Borealis a more attractive employer and reduces its dependence on external training, thus saving costs and increasing flexibility.	PO/BC	Opportunity	n/a	Covered by ESRS disclosure requirements

Impact S2 - Workers in the value chain / Working conditions / Social injustice (NaDiVeG: Social matters)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Grievance channels are inaccessible or ineffective	Employees are unable to raise their voice and take action to improve their situation, resulting in lower employee engagement, productivity and performance (This impact is indirectly connected to Borealis' business model through supplier relationships.)	PO/BC	Upstream	Widespread	Covered by ESRS disclosure requirements and company specific disclosures

Impact S2 - Workers in the value chain / Working conditions / Adequate wages (NaDiVeG: Social matters)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Salaries can vary between local workers, migrant workers, and contract workers	Increased social injustice and an adverse impact on well-being and work-life balance, as workers might have to work more hours to earn what they need for living. (This impact is indirectly connected to Borealis' business model through supplier relationships.)	PO/BC	Upstream	Widespread	Covered by ESRS disclosure requirements and company specific disclosures

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Impact S2 - Workers in the value chain / Working conditions / Secure employment (NaDiVeG: Social matters)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Suppliers suddenly close sites or businesses, for example as a result of a major drop in the oil price	Job losses, with all the related financial and wellbeing consequences for the affected workers, increasing pressure on remaining workers. (This impact is indirectly connected to Borealis' business model through supplier relationships.)	PO/BC	Upstream	Widespread	Covered by ESRS disclosure requirements and company specific disclosures

Impact S2 - Workers in the value chain / Working conditions / Freedom of association (NaDiVeG: Social matters)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Workers are unable to receive support and raise their voice via their unions	Irregular and long work shifts, including many night shifts without decent breaks, impact workers' physical and mental health. Unfair salaries may impact social justice. (This impact is indirectly connected to Borealis' business model through supplier relationships.)	PO/BC	Upstream	Widespread	Covered by ESRS disclosure requirements and company specific disclosures

Impact S2 - Workers in the value chain / Working conditions / Social Dialogue (NaDiVeG: Social matters)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Workers are unable to raise their voice towards their employer, inform their employer about concerns including health and safety risks, or recommend improvement actions	Reduced dignity, social injustice, and increased risk of health and safety incidents in the workplace. (This impact is indirectly connected to Borealis' business model through supplier relationships.)	PO/BC	Upstream	Widespread	Covered by ESRS disclosure requirements and company specific disclosures

Impact S2 - Workers in the value chain / Working conditions / Health & Safety (NaDiVeG: Social matters)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Actual	Lack of health and safety measures, such as appropriate safety equipment, safety rules and training, especially when handling SOC/SVHC, working at heights or with energized equipment. Lack of proper health protection, especially in times of pandemics	Accidents (including road accidents for logistics suppliers) and process safety incidents, such as the sudden and uncontrolled release of explosive material, for example due to vessel or tube ruptures, resulting in injuries or fatalities, or work-related illnesses. (This impact is indirectly connected to Borealis' business model through supplier relationships.)	PO/BC	Upstream	Widespread	Covered by ESRS disclosure requirements and company specific disclosures

Impact S2 - Workers in the value chain / Equal treatment and opportunities for all / Gender equality and equal pay for work of equal value (NaDiVeG: Social matters)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Actual	Failure to pay equally for equal work	Increased injustice among employees, affecting their well-being and motivation. (This impact is indirectly connected to Borealis' business model through supplier relationships.)	PO/BC	Upstream	Widespread	Covered by ESRS disclosure requirements and company specific disclosures

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Impact S2 - Workers in the value chain / Equal treatment and opportunities for all / Employment and inclusion of persons with disabilities / Diversity (NaDiVeG: Social matters, respect for human rights)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Failure to employ and *include* persons with disabilities, or to ensure diversity among employees	Social and economic *injustice*, with employees or potential employees being marginalized, with an impact on their mental health and wellbeing and ability to live a decent life. Exclusion of certain employee *groups from* pursuing a career and increasing their salaries, leading to frustration and lower living standards. (This impact is indirectly connected to Borealis' business model through supplier relationships.)	PO/BC	Upstream	Systemic	Covered by ESRS *disclosure* requirements and company specific disclosures

Impact S2 - Workers in the value chain / Equal treatment and opportunities for all / Measures against violence and harassment in the workplace (NaDiVeG: Social matters, respect for human rights)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Failure to prevent violence and harassment at work, or to prevent retaliation upon reporting	Employees feel unsafe and unprotected, with an impact on their mental health and potentially their physical health, in the event of an incident. (This impact is indirectly connected to Borealis' business model through supplier relationships.)	PO/BC	Upstream	Widespread	Covered by ESRS disclosure requirements and company specific disclosures

Impact S2 - Workers in the value chain / Equal treatment and opportunities for all / Training and skills development (NaDiVeG: Social matters)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Medium-Term	Potential	Employer does not provide adequate training and skills development	Limited development opportunities make it difficult for employees to increase their salaries and living standards, leading to lower employee engagement and retention. (This impact is indirectly connected to Borealis' business model through supplier relationships.)	PO/BC	Upstream	Widespread	Covered by ESRS disclosure requirements and company specific disclosures

Impact S2 - Workers in the value chain / Other Work Related Rights / Child Labor (NaDiVeG: Social matters, respect for human rights)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Suppliers do not respect human rights and employ and exploit child workers	Children cannot attend school and develop the way they should, with an impact on their physical and mental health including traumatization, restricting their hope for a prosperous future. (This impact is indirectly connected to Borealis' business model through supplier relationships.)	PO/BC	Upstream	Widespread	Covered by ESRS disclosure requirements and company specific disclosures

Impact S2 - Workers in the value chain / Other Work Related Rights / Forced Labor (NaDiVeG: Social matters, respect for human rights)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Suppliers do not respect human rights and use violence, intimidation or other means, such as retention of identity papers, delayed payments or threats of denunciation to immigration authorities, to force people to work for them, mostly under miserable conditions	Loss of dignity, economic exploitation, impact on physical and mental health including traumatization caused by the maltreatment. (This impact is indirectly connected to Borealis' business model through supplier relationships.)	PO/BC	Upstream	Widespread	Covered by ESRS disclosure requirements and company specific disclosures

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Impact S2 - Workers in the value chain / Other Work Related Rights / Adequate housing / Privacy (NaDiVeG: Social matters)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Suppliers accommodate their employees in substandard housing, leading to little or no sleep without the possibility to recover from daily stress, and with little or no privacy	Loss of dignity and privacy, unhygienic housing, and no possibility to recover from work. (This impact is indirectly connected to Borealis' business model through supplier relationships.)	PO/BC	Upstream	Widespread	Covered by ESRS disclosure requirements and company specific disclosures

Impact S2 - Workers in the value chain / Working conditions / all sub-sub-topics (NaDiVeG: Social matters)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Same as upstream	Same as upstream	PO/BC	Downstream		Covered by ESRS disclosure requirements

Risk/Opportunity S2 – Workers in the value chain / Working conditions (NaDiVeG: Social matters, respect for human rights)

Time Horizon	Magnitude of financial effect	Probability of occurrence	Trigger	Risk/ Opportunity for Borealis	Business Division	Risk/ Opportunity	Current Financial effects	Type of disclosure
Short-Term	High	Very likely (occurs frequently)	Borealis'suppliers do not adhere to Borealis principles for ethical business conduct or legal compliance (EU mobility package defining stricter rules for road transport or ILO fundamental conventions on rights at work), including human trafficking and other violations of human rights and threaten their workers so they do not dare to use the Borealis Ethics Hotline for grievances.	If Borealis sources from suppliers with low working standards, Borealis will be exposed to the risk of being blamed for accepting those conditions and/or even benefiting from them as prices are lower, leading to reputation and image loss, and demoralization of the Group's employees	PO/BC	Risk	n/a	Covered by ESRS disclosure requirements and company specific disclosures

Impact S3 - Affected communities / Communities' economic, social and cultural rights / Adequate Food / Water and sanitation/ Land-related impacts (NaDiVeG: Social matters, respect for human rights)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Production of renewable and fossil feedstock pollutes water and/or soil	Limited or no access to safe drinking water, impacting health and well-being. (This impact is connected to Borealis' business model through sourcing feedstock.)	PO, BC	Upstream	Widespread	Covered by ESRS disclosure requirements

Impact S3 - Affected communities / Communities' economic, social and cultural rights / Land-related impacts (NaDiVeG: Social matters, respect for human rights)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Competition for land use, including failure to compensate adequately and inability to avoid involuntary resettlements	Social injustice, economic impact, loss of dignity, access to housing and land for agricultural use. (This impact is connected to Borealis' business model through supplier activities.)	PO, BC	Upstream	Widespread	Covered by ESRS disclosure requirements

Impact S3 - Affected communities / Civil and political rights / Freedom of assembly / Freedom of expression (NaDiVeG: Social matters)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Potential	Suppliers fail to consult the community and/or restrain or suppress community protests	Community members have no opportunity to refuse or negotiate a compromise to avoid a potential negative impact on their well-being and quality of life. Protests or threats may also affect their mental and physical health, or cause trauma. (This impact is connected to Borealis' business model through supplier relationships.)	PO, BC	Upstream	Widespread	Covered by ESRS disclosure requirements

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Impact S3 - Affected communities / Civil and political rights / Grievance mechanisms (NaDiVeG: Social matters, respect for human rights)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Short-Term	Actual	Suppliers do not offer adequate grievance mechanisms to local communities	Community members' interests and concerns are not heard, resulting in them having little to no power or influence to fight for their rights. (This impact is connected to Borealis' business model through supplier relationships.)	PO, BC	Upstream	Widespread	Covered by ESRS disclosure requirements

Impact S3 - Affected communities / Right of indigenous (NaDiVeG: Social matters, respect for human rights)

Positive Impact Negative Impact	Time horizon	Actual Potential	Trigger	Impact on Environment/ Society	Business Division	Value Chain	Widespread/ Systemic	Type of disclosure
Negative	Medium-term	Potential	Supplier causes *disturbance of* cultural heritage sites	Impact on mental health, loss of *cultural heritage* and traditional lifestyle. (This impact is connected to Borealis' business model through supplier relationships.)	PO, BC	Upstream	Widespread	Covered by ESRS *disclosure* requirements

[ESRS 2-SBM-3.48b] In general, Borealis updates its strategy every three to five years and its business plan each year. Within the reporting year, the Group identified and assessed material *impacts, risks and opportunities for the first time. So far, Borealis has not identified major* current and anticipated effects of the material impacts, risks and opportunities on its business model, value chain, strategy and decision-making, and therefore no changes were made to the strategy or business model in 2024.

[ESRS 2-SBM-3.48d] Disclosures of current financial effects of material risks and opportunities are included in the table above.

[ESRS 2-SBM-3.48f] Borealis is in the process of performing a formal resilience analysis, this is not yet finalized. For 2024, Borealis has not assessed the resilience of its strategy and business model regarding its capacity to address the material impacts and risks to take advantage of the material opportunities, other than as part of its DMA process, please refer to [ESRS-2 IRO-1.53a-h].

E1 – Climate Change

[E1-SBM-3.19a, AR 6] Borealis is aiming to conduct a more in-depth analysis of the potential, climate-related physical risks the Group's assets might face including their financial impacts. This analysis will be carried out in 2025.

S1 – Own Workforce

[S1-SBM-3.13a i] The impacts on the Group's own workforce are connected to Borealis' People & Culture (P&C) Strategy 2030, which is titled "People Make it Happen". The P&C Strategy

consists of four pillars (employee experience, new ways of working, organizational evolution and growing talent), all of which are powered by transformational leadership.

Borealis' global P&C organization provides people-related support and guidance to leaders and employees throughout their careers and ensures proper administration of all P&C processes and P&C data. See [S1-1.19a to g] for more information. [S1-SBM-3.13a ii] Together with the Executive Board, the VP P&C identifies how P&C can best support the Group's strategy and initiatives.

[S1-SBM-3.13b] Some of Borealis' material risks and opportunities arise from impacts and dependencies on the own workforce. For example, if key functions are not filled or are filled with only short handover periods, production sites may not be able to operate reliably, causing business decline.

There is a direct relationship between positive impacts on the Group's own workforce (for example, positive impacts on health and safety) and opportunities, as these positive impacts can increase employees' productivity and engagement, as well as Borealis' attractiveness as an employer.

[S1-SBM-3.14] All people in Borealis' own workforce who could be materially impacted by Borealis are included in the scope of its disclosure under ESRS 2.

[S1-SBM-3.14a] The types of employees and non-employees that are subject to material impacts in Borealis' operations are:

- Employees

  People that have a contract with Borealis and receive a salary, wage or compensation from Borealis:

  - Permanent and temporary employees, including summer workers
  - Apprentices
  - Trainees, including summer trainees

- Non-employees

  People employed by a third party or who are self-employed and paid via an invoice:

  - Leasing employees
  - Contractors
  - Freelancers

[S1-SBM-3.14b i] The classification of widespread or systemic material negative impacts can be found in table [ESRS 2-SBM-3.48a, c i, c iii, c iv, g]. [S1-SBM-3.14b ii] The identified material negative impacts do not relate to individual incidents.

[S1-SBM-3.14c] Borealis' employee training and development programs result in material positive impacts for employees.

Borealis looks to routinely train and develop employees, as well as external people who work with and for the Group. Providing appropriate training for technical, functional and workplace skills that are rooted in Borealis' values, safety and ethics ambitions helps the Group to protect the health and safety of all employees, conduct business ethically and ensure relevant competencies for its production processes and product compliance. It also helps employees to advance their skills, competences and careers within Borealis.

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Some training programs are developed and delivered jointly across the OMV Group, such as the top talent program Leading Ahead. Other joint programs include cross-company succession and development discussions, global coaching and language offers, and the Online Learning Library provided by LinkedIn Learning.

Offering meaningful learning opportunities and ways to unlock people's potential is essential for attracting and retaining a highly skilled, qualified and diverse workforce. The Borealis Talent Management process focuses on attracting, identifying, promoting and developing people with the potential for critical leadership and expert positions. The Group's leadership and expert talent management programs focus on developing the tools, skills and experiences the employee needs for their future role, along with the respective core competencies and expectations. A strong link between talent management and succession planning secures an appropriate pipeline for the Group's key positions.

At all locations, Safety centers have been opened providing experience-based training on nine lifesaving rules. The training addresses the major aspects of each rule and its practical implementation in the field. The training is provided to a group a maximum of 15 people (both Borealis' own employees and contractors) by a person experienced in the life saving rules. The participants can discuss with each other their practical challenges when applying the rule in the field. A three-year program has been established to train all operational personnel through the Safety centers. In addition, a virtual training application has been developed using game-based technology to reach a broader community.

[S1-SBM-3.14d] The material risks and opportunities arising from the impacts and dependencies on Borealis' own workforce are as follows:

Material Risks:

- Working conditions
    - Secure employment
      Borealis faces material risks that production sites are not able to operate reliably, resulting in a decline in business, if key functions are not filled or only have a short handover.

Material Opportunities:

- Working conditions
    - Secure employment
      Borealis provides high job security, which gives the Group access to highly skilled staff, which is a competitive advantage.
    - Adequate wages
      Borealis pays for performance based on transparent performance evaluations. This supports strong business results and increases employees' retention, enhancing the Group's reputation in the labor market.
    - Occupational health and safety
      Borealis' strong safety culture safeguards the people working on its sites, increases their productivity, reinforces the Group's reputation as a responsible company, and avoids financial damage.
- Equal treatment and opportunities
    - Diversity, employment and inclusion of people with disabilities

Borealis promotes gender equality and ensures equal pay for work of equal value. The Group also fosters diversity, including the employment and inclusion of people with disabilities. Borealis is therefore an employer of choice, fostering respectful relationships among colleagues, increasing employee engagement, retention and wellbeing, and supporting diverse leadership styles.

- Training and skills development
  Borealis offers appropriate training and development opportunities, with the aim of supporting the Group's transformation journey, and increasing employees' engagement, performance and productivity. This enhances Borealis' attractiveness as an employer and reduces its dependence on external training, thereby saving costs and increasing flexibility.

[S1-SBM-3.14e] Borealis has not identified any material impacts on its own workforce that arise from its transition plans for reducing negative impacts on the environment and achieving greener and climate-neutral operations.

[S1-SBM-3.14f i] Borealis is committed to respecting any local labor laws and to working in accordance with its internal Ethics Policy. As a result, there is no operation at significant risk of forced or compulsory labor.

[S1-SBM-3.14f ii] Borealis maintains the same standards in countries without relevant local legislation, which means there are no countries or areas with operations considered at risk of forced or compulsory labor.

[S1-SBM-3.14g i] None of Borealis' operations are at significant risk of incidents of child labor. The Group does not allow people under the age of 16 to enter its production locations. The only exception might be apprentices who enter an educational relationship with the Group. These apprentices are mainly in Austria and Germany and fall under special legal protection.

[S1-SBM-3.14g ii] Borealis maintains the same standards in countries without relevant local legislation, which means there are no countries or areas with operations considered at risk of incidents of child labor.

[S1-SBM-3.15] Borealis has a vision to become an organization where differences are embraced, and diversity of thought and experience is used as a catalyst for growth and creativity. The Group aims to actively remove barriers to providing equitable opportunities, allowing each individual to grow and contribute to its success.

Borealis has determined that groups of people in its own workforce with particular characteristics may be at greater risk of harm:

- Identification of at-risk groups:
  - Gender
  - Generations
  - Disability
  - LGBTQIA+
  - Cross culture and ethnicity
  - Parents and care givers
- Methodology for identifying risks:
  - Pulse Check and feedback
  - Data analysis

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  - Ethics hotline
  - Works council
- Measures implemented to mitigate risks:
  - Training and awareness programs
  - Grievance mechanisms and reporting, through the Ethics hotline
  - DE&I playbook
- Monitoring and continuous improvement:
  - Regular assessments via the pulse check
  - Reporting and transparency

[S1-SBM-3.16] Some of Borealis' risks and opportunities relate to specific groups of people. For example:

- Ensuring and promoting gender equality and equal pay for work of equal value relates specifically to women;
- The Group looks to foster employment and inclusion of people with disabilities, and has set a target to increase support for employees with disabilities as part of its DE&I vision; and
- The Group's approach to DE&I also focuses on (but is not limited to) Generations; Cross Culture & Ethnicity; Disability; Parents & Care Givers; and LGBTQI+ colleagues.

S2 – Workers in the value chain

[S2-SBM-3.11] All workers in the value chain materially impacted by Borealis are included in the scope of the disclosure under ESRS 2.

The types of workers Borealis materially affects are situated in the upstream value chain. Borealis' workforce in its own operations is covered in S1. [S2-SBM-3.11a iii] Based on the materiality assessment, Borealis does not materially impact downstream value chain workers.

[S2-SBM-3.11a *i, ii*] Workers materially affected by Borealis in the upstream value chain are divided into the following categories:

- Services: Workers of Tier 1 contractors and their subcontractors performing services at Borealis' sites or at other locations on Borealis' behalf. These services may include transportation, maintenance, engineering, facilities management, catering, security, and consultants working from their own offices.
- Products: Workers of Tier 1 suppliers delivering goods and materials to Borealis, such as feedstock, raw materials such as additives, or technical parts such as pipes or engines.

A contractor is a company which has been selected based on its bid, and has the necessary expertise and specific knowledge to provide the services or works in the scope of the contract, in a safe and efficient manner.

A subcontractor is an entity engaged by the contractor to perform services or work packages that are part of the contract between Borealis and the contractor, without being a party to this contract.

A supplier is a third-party company delivering goods or materials to Borealis, but no services are associated with it.

[S2-SBM-3.11a iv] Workers in Borealis' joint ventures who are potentially vulnerable to negative impacts are:

- Migrant workers
- People with special needs
- Minorities
- Women
- Young and elderly workers
- Workers from indigenous communities
- Workers in hazardous roles
- Workers in high-risk locations, such as conflict zones or remote areas
- Workers with care responsibilities
- Workers who are LGBTQIA+

[S2-SBM-3.11a v] Workers who are particularly vulnerable to negative impacts are migrant workers.

[S2-SBM-3.11b] For workers in the value chain, Borealis considers high-risk countries from a human rights perspective to be those where the Maplecroft risk score is below 3.4, namely India and China.

[S2-SBM-3.11c] The classification of widespread or systemic material negative impacts can be found in table [ESRS 2-SBM-3.48a, c i, c iii, c iv, g].

Some impacts are individual incidents that can occur, for example related to health and safety conditions or harassment.

[S2-SBM-3.11e] The identified material risk does not arise from impacts and dependencies on value chain workers, as it refers to suppliers with low working standards.

[S2-SBM-3.12] To understand how workers with particular characteristics may be at greater risk of harm, Borealis uses surveys and analysis of data from supplier risk reports and monitoring, and the Group's incident reporting system. This has enabled Borealis to identify the risk groups listed below, all of which are more likely to be exposed to harm in the contexts of poorly regulated or monitored labor laws and standards:

- Migrant workers might be at greater risk of harm because of their dependency on a specific job to keep their residence permit and because of the higher likelihood of not having their supporting social and family network close.
- People with special needs might depend on separate precautions to have equal opportunities which are not automatically provided, for example barrier-free access to facilities.
- Minorities, women, LGBTQIA+ people or workers from indigenous communities might face unequal opportunities and conditions of work in contexts where they are structurally or routinely discriminated against.
- Young workers are often more dependent on their job because they lack experience. Similarly, elderly workers may have limited options to find an alternative job if needed, which heightens their vulnerability.
- Lone workers lack the opportunities for professional exchange and are thus more at risk of harm.

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- Workers exposed to substances of concern, working at heights, at offshore platforms or in other challenging contexts are more exposed to health and safety impacts than others.
- Workers in high-risk locations such as conflict zones or remote areas face risks of harm to their security, and their physical and mental health.
- Workers with care responsibilities are more vulnerable because of the challenge of balancing professional and care responsibilities, especially when caring for the elderly or for someone with a permanent or long-term illness, or where a single caretaker bears the sole responsibility for their dependent.

Borealis looks to protect the interests of these groups through monitoring and regular assessments, such as workplace audits, supplier and contractor audits and employee feedback.

[S2-SBM-3.13] Borealis has not broken down the risks and opportunities relating to specific groups of workers in the value chain. Thus, the material risks and opportunities that arise from impacts and dependencies on the value chain relate to all value chain workers.

S3 – Affected Communities

[S3-SBM-3.9a i-iv] Communities which are subject to material impacts in the upstream value chain include:

- Local communities (residents in areas adjacent to oil & gas drilling sites, refineries, and pipeline routes, directly impacted by suppliers' operations);
- Remote communities (populations situated further from suppliers' primary operational sites but within the broader geographic region, and are therefore indirectly affected by the suppliers' activities); and
- Indigenous peoples in the proximity of Borealis' suppliers.

The material impacts originate from activities related to oil & gas exploration, refining and production, as well as new paths for transformation to low and zero carbon business.

As suppliers operate in rural landscapes and offshore, affected communities are largely farming neighbors, indigenous tribes with connections to the land and sea, and neighboring tribes whose areas may be negatively affected in the unlikely event of a spill.

[S3-SBM-3.9b] The classification of widespread or systemic material negative impacts can be found in table [ESRS 2-SBM-3.48a, c i, c iii, c iv, g].

Impacts in relation to individual incidents can occur, due to the production of renewable and fossil feedstock polluting water and/or soil, which limits or prevents access to safe drinking water, impacting health and well-being.

[S3-SBM-3.10] Borealis has not implemented a structured process to assess and understand how affected communities within the entire upstream value chain may be at greater risk. The Double Materiality Assessment (DMA) assessment 2023/2024 upstream evaluation was therefore mainly based on the assessment of OMV Group.

Impact, risk and opportunity management

DR IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

[ESRS 2-IRO-1.53a] Borealis' DMA considered all entities where Borealis is the operator or has a stake of more than 50% and exerts controlling influence. The DMA is therefore based on the same entities as the rest of the non-financial report.

The DMA was conducted in five steps, which considered the impacts, risks, and opportunities, (IROs) as well as stakeholder expectations. These steps were:

- Developing a long list and short list of topics to review;
- Interviews with subject matter experts to identify IROs, alongside consulting different sector and industry standards;
- Engagement with stakeholder groups, to understand their material issues;
- Workshops with subject matter experts, to assess and score the IROs; and
- Prioritization of topics.

The assessment and scoring of IROs was based on the scales listed below:

Scales impact materiality

Scale: 1-5: Catastrophic – 5, Widespread – 4, Medium – 3, Concentrated-2, Limited – 1

Scope: 1-5: Global – 5, high – 4, Medium – 3, Low – 2, Minimal – 1

Likelihood: 1-5: Guaranteed – 5, Very likely – 4, Likely – 3, Possible – 2, Unlikely – 1

Remendability 1-5: Irreversible – 5, Very difficult to remedy or long-term – 4, Difficult to remedy or mid-term – 3, Remediable with effort - 2, Relatively easy to remedy - 1

In addition, a Human Rights factor was factored in for social and environmental impacts linked to Human Rights

Scales financial materiality

Magnitude: 1-3: High – 3, Medium – 2, Low -1

Probability: 1-5: Guaranteed – 5, Very likely – 4, Likely – 3, Possible – 2, Unlikely 1

Each IRO was assessed using the most appropriate time horizon, either short-term (up to one year medium-term (one to five years) or long-term (more than five years).

[ESRS 2-IRO-1.53h] The DMA was completed for the first time for Borealis' Annual Report 2024 according to the ESRS requirements and therefore there are no changes in the process compared with previous periods.

[ESRS 2-IRO-1.53b i, ii] The DMA focused on specific business relationships, in the form of Borealis' upstream and downstream value chains. Within the upstream value one of the main suppliers is OMV, so Borealis therefore put special focus on its owner.

Within its own operations, Borealis distinguished between the two business divisions, Polyolefins and Base Chemicals.

For the downstream value chain, the following categories have been included:

- Transport, distribution
- Customers and converters

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- Brand owners
- Retailers
- End of life (recycling, incineration and landfill)
- Contractors
- End-users

During the 2024 assessment, for the time being, Borealis did not focus on specific markets (geographies, product applications), both a top-down as well as a bottom-up approach were taken. Over the coming years Borealis intends to deepen its assessment in its upstream and downstream value chain.

[ESRS 2-IRO-1.53b iii] Stakeholder groups were engaged by each entity through an online survey, to inform the impact assessment process by inviting stakeholders to share their views and feedback. The input was used for validation purposes and for reviewing the Group's internal impact assessment, if stakeholders gave other topics high priority.

Borealis' various business functions were asked to identify relevant stakeholders by evaluating the impact of the entity on the stakeholder and the impact of the stakeholder on the entity. Additionally, feedback from community grievance mechanisms was considered in the assessment of impacts, as well as input from subject matter experts based on their contacts with stakeholders such as the media, authorities and universities. The interests of these stakeholders were considered in the process, even if they did not respond to the online survey.

The stakeholder groups engaged with during the process were:

- Employees
- Customers
- Suppliers, contractors and business partners
- Capital market partners
- NGOs
- Authorities
- Communities
- Associations and networks
- Media
- Science and research

[ESRS 2-IRO-1.53b iv] Borealis prioritized the negative impacts considered in the materiality assessment based on their relative severity and likelihood (as described in [ESRS 1 section 3.4]). In cases of potential negative human rights impacts, the severity of the impact took precedence over its likelihood. Positive impacts were prioritized based on their relative scale, scope and likelihood.

During the evaluation of the online survey results, Borealis applied a weighting to the stakeholder groups to avoid distortions due to group membership. Employees were given a 50% weighting, while a 50% weighting was applied to the average of the other stakeholder groups. The weighted average was used for further analysis.

[ESRS 2-IRO-1.53c i] During the DMA process, Borealis implicitly considered the connections of all impacts and dependencies with risks and opportunities, by initially defining the impacts and

subsequently, if appropriate, deriving the risks and opportunities arising from the impacts and dependencies.

[ESRS 2-IRO-1.53c iii] Borealis did not prioritize different types of risk in its assessment. All risks were treated in the same way.

[ESRS 2-IRO-1.53c ii] The existing risk management principles were applied in the Risk and Opportunities assessment process. As described in [ESRS 2-IRO-1.53a], the ROs were qualitatively analyzed based on a basic scale using a risk matrix consisting of probability of occurrence and the magnitude of the financial effect.

Appropriate thresholds are necessary to determine which risks and opportunities are material for reporting purposes. Borealis has defined its financial materiality threshold as 1.5, which classes high financial effects and the upper range of medium financial effects as material.

[ESRS 2-IRO-1.53d] The decision-making process involved different internal and external experts in workshops, where topics were identified, assessed and discussed.

In Q1 2024, the results and the process of the materiality analysis were presented at the CSRD Steering Committee, where the most relevant Vice Presidents (for example from Health, Safety, Environment and Quality, People & Culture and Procurement) are represented. After that step, the results of the materiality analysis were presented to the Executive Board.

[ESRS 2-IRO-1.53e, f] Borealis has established a Group Risk Management process and tool, in compliance with its Risk Management Policy. The IRO assessment and the enterprise risk management (ERM) process have different objectives and consequently different scopes and assessment granularity. While certain ESRS topics are already covered by the ERM, the ERM for example does not include the value chain or an in-depth impact assessment and mainly focuses on the outside-in perspective.

For the time being, Borealis does not therefore intend to fully integrate the ESRS IRO assessment process and methodologies into its existing ERM process. Instead, the Group plans to adopt the existing process and tools where feasible and needed, to ensure sufficient alignment, leverage synergies, avoid discrepancies and allow cross-information, as well as complementing each other where feasible and necessary.

[ESRS 2-IRO-1.53g] To prepare the long-list of sustainability topics, Borealis used the list of relevant (sub-sub-) topics from [ESRS 1, Appendix B, AR 16] as a basis. In addition, topics were added to the long list by consulting the ESRS ED – Oil and Gas (Draft 3.2023), GRI 11 Oil and Gas, SASB Standards (Oil & Gas: Refining and Marketing), SASB Standards (Oil & Gas: Exploration and Production), SASB Standards (Chemicals), IPIECA and SBTN Sector Materiality by UNEP-WCMC.

Each topic on the list was discussed with the OMV AG, OMV Petrom and Borealis topic experts in a workshop, to determine for each entity if the topic was relevant for the next steps in the materiality assessment process.

E1 – Climate Change

[E1-IRO-1.20a] Impacts have been identified within the sub-topics “Climate change adaptation”, “Climate change mitigation” and “Energy” within the upstream, core and downstream value chain.

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As described under [ESRS 2-IRO-1.53a-h], the impacts caused by Borealis' GHG emissions were assessed against the following categories: scale, scope, remendability and likelihood. Within these categories, the highest possible level of evaluation was assumed.

[E1-IRO-1.20b], [E1-IRO-1.AR 11a-d] Borealis commissioned a study on climate risks at site level for its own operations in 2022. It assessed hazards, vulnerabilities and risks, with regard to physical risks such as extreme temperature, drought, wildfire, coastal flooding, fluvial flooding, water stress and tropical cyclones, combined with a sophisticated understanding of the vulnerability of 17 production sites to each type of hazard. The scenarios modeled were RCP 8.5, RCP 6.0, RCP 4.5 and RCP 2.6 with the 2030, 2050 and 2070 decades in focus. Therefore the identification of climate related hazards and the assessment of exposure and sensitivity, including consideration of likelihood and magnitude, has been informed by a high emissions climate scenario.

The methodology is built on principles similar to catastrophe risk models, but is also driven by climate model and socioeconomic model data, which are relevant for Borealis. Inputs include terabytes of climate and socioeconomic data on hazards from public (including IPCC, NASA, NOAA), academic and commercial sources, and proprietary TCS models.

The time horizons used for the climate vulnerability study were 10, 30 and 50 years. These horizons reflect the most relevant cornerstones for the different IPCC climate scenarios as well as the long-term characteristic of Borealis' asset strategies. Capital allocation plans were out of scope.

The most-affected sites and the types of physical risks are shown in the table below:

Climate Vulnerability Study – most affected sites

Type of physical Risk	2030	2050	2070
Temperature Extremes	Linz	Linz	Linz
Coastal Flooding	Kallo	Kallo	Kallo
Tropical Cyclone	DYM	DYM	DYM
Wildfire	Wildon	Wildon	Wildon
Drought	Wildon	Linz	Linz
Water Stress	Geleen	Rockport	Rockport
Fluvial Flooding	DYM	DYM	DYM

The study has been taken into consideration during the double materiality assessment. No material physical risks were identified and Borealis' business activities were not considered in detail.

Borealis plans to conduct a more indepth climate-risk and vulnerability study covering the physical risks on all Borealis assets during 2025, based on a desktop analysis followed by on-site deep dives at selected production sites over the following years.

[E1-IRO-1.20c], [E1-IRO-1.AR 12a-d] When conducting the study on climate risks for Borealis' own operations, transitional risks and opportunities were not assessed. However, the DMA identified material transitional risks and opportunities within the sub-topics "Climate change adaptation", "Climate change mitigation" and "Energy", including the assessment of Borealis' assets and business activities, such as the sourcing of fossil-based feedstock and new

innovative low emission solutions. As shown in [IRO-1.53a], the long-term horizon covers more than five years.

The planned climate-risk and vulnerability study in 2025 will include a detailed analysis considering, as a minimum, a climate scenario in line with limiting global warming to 1.5°C with no or limited overshoot, as well as a thorough assessment of the Group's assets and business activities.

To be compatible with a transition to a climate-neutral economy, Borealis is reducing its Scope 1 GHG emissions by investing in energy efficiency projects and replacing components reaching end of life with more carbon-friendly solutions until 2030. Furthermore, Borealis is increasing the share of renewable electricity to 100% by 2030. On the path towards climate neutrality, new technologies such as electrification of crackers need to be developed and assessed for their feasibility in large-scale chemical plants. For hard-to-abate emissions, carbon capture technologies will be needed to reach net-zero by 2050.

[E1-IRO-AR 15] Based on the planning data, Borealis Group will need to purchase additional emission certificates from 2028 onward. These costs are incorporated into the Mid-Term Plan (MTP) 2025-2030 and allocated to the respective CGUs for the impairment test. Furthermore, Borealis' management projects higher margins starting from 2028 to partly offset carbon-related expenses.

The only place where critical climate-related assumptions are used in the financial statements is in the context of impairment testing.

The climate scenarios used are currently not fully aligned with the critical climate related assumptions made in the financial statements.

E2 - Pollution

[E2-IRO-1.11a] Borealis has not performed a specific IRO assessment on individual operational sites or business areas. The IRO assessment was informed by Borealis' continuously monitoring its emissions to air, water and soil at all its production locations. These emissions are documented and shared with location management, who take action where needed. This information and learning consolidated across all operational sites fed into the IRO assessment.

Borealis has not conducted a specific IRO/ESRS assessment for the value chain for this report. The IRO assessment was informed as follows:

- The IRO assessment on E2 for the upstream value chain for fossil-based suppliers is mainly based on information provided by OMV, which is generally valid for all fossil-based suppliers.
- The IRO assessment on E2 for the upstream value chain for renewable-based suppliers is based on common knowledge of the potential negative impacts of agricultural activities.
- The IRO assessment on E2 for downstream value chain regarding the impact of plastic waste on the environment is based on common knowledge based on multiple studies from renowned institutions such as the UN, and IUCN, as well as national environmental agencies.

[E2-IRO-1.11b] No additional formal consultation beyond the regular interaction between location management and communities has been conducted with affected communities during the DMA, in relation to Borealis' actual or potential impact on pollution. However, discussions with representatives relating to Operation Clean Sweep (specifically the EU Commission, NGOs

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and other EU Member States, as they are part of the OCS SteerCo) were held as described in chapter E2.

[E2-IRO-1.AR 9] The list of site locations and business activities associated with material IROs can be found in [E2.2.18].

E3 – Water and marine resources

[E3-IRO-1.8a], [E3 AR 1.15] The assessment of impacts, risks and opportunities was conducted as described under [IRO-1.53a-h]. In carrying out the assessment: assets, activities, geographical areas, marine resource related commodities and sectors and segments were screened implicitly, but not in a more detailed and structured process.

[E3-IRO-1.8b] No consultations with affected communities beyond the regular interaction between location management and communities have been conducted during the double materiality analysis.

E4 - Biodiversity and ecosystems

[E4-IRO-1.17a, c], [E4-AR 4-6] The assessment of impacts, risks and opportunities was conducted as described under [IRO-1.53a-h]. The contribution to direct impact drivers on biodiversity loss, impacts on the state of species, impacts on the extent and condition of ecosystems and impacts and dependencies on ecosystem services has not been included within the process in a more detailed and structured way.

[E4-IRO-1.17b] The following dependencies on biodiversity and ecosystems and their services have been identified during the DMA. In the upstream and core value chain (as mentioned above, the process was not carried out in a more detailed way):

- Water cycles
- Soil functions
- Ecosystem services (for example, the fishery industry, tourism or farmers who need pollination)

[E4-IRO-1.17e i-iii] No consultations beyond the regular ongoing interactions, that are not specific for key issues and or projects, between location management and communities were conducted with affected communities.

[E4-IRO-1.19a] Borealis is committed to understanding and mitigating its environmental impact, including potential effects on biodiversity-sensitive areas. The Group has started a project to evaluate how its activities might impact biodiversity-sensitive areas.

[E4-IRO-1.17d] Systemic risks relating to biodiversity were not considered within the double materiality assessment. [E4-IRO-1.19b] As Borealis has not identified any material IROs referring to biodiversity no mitigation measures have been set up.

E5 - Resource use and the circular economy

[E5-IRO-1.11a], [E5- AR 1-13] The assessment of impacts, risks and opportunities was conducted as described under [IRO-1.53a-h]. Sub-topics related to resource use and circular economy have been considered as part of the double materiality assessment. Assets and activities as well as impacts and risks of staying in business as usual have been screened implicitly, but not in a more detailed and structured process.

[E5-IRO-1.11b] No consultations were conducted with affected communities beyond the regular interactions between location management and communities.

G1 – Business Conduct

[G1-IRO-1.6] The assessment of impacts, risks and opportunities in relation to business conduct matters was conducted as described under [IRO-1.53a-h].

DR IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

[ESRS 2-IRO-2.56] Disclosure of a list of the Disclosure Requirements complied with in the sustainability statement, following the outcome of the materiality assessment, including a table of the datapoints that derive from other EU legislation.

Disclosure requirement	Datapoint	Paragraph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	
ESRS 2								
GOV-1	Board's gender diversity	paragraph 21 (d)	Indicator number 13 of Table 1 of Annex 1		Commission Delegated Regulation (EU) 2020/181627, Annex II		material	22
GOV-1	Percentage of board members who are independent	paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		material	
GOV-4	Statement on due diligence	paragraph 30	Indicator number 10 Table 3 of Annex 1				material	
SBM-1	Involvement in activities related to fossil fuel activities	paragraph 40 (d) i	Indicators number 4 Table 1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/245328Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		not material	30
SBM-1	Involvement in activities related to chemical production	paragraph 40 (d) ii	Indicator number 9 Table 2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		not material	
SBM-1	Involvement in activities related to controversial weapons	paragraph 40 (d) iii	Indicator number 14 Table 1 of Annex 1		Delegated Regulation (EU) 2020/181829, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not material	
SBM-1	Involvement in activities related to cultivation and production of tobacco	paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not material	
E1								

Disclosure requirement	Datapoint	Paragraph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
E1-1	Transition plan to reach climate neutrality by 2050	paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	material	
E1-1	Undertakings excluded from Paris-aligned Benchmarks	paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		material	96
E1-4	GHG emission reduction targets	paragraph 34	Indicator number 4 Table 2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: *alignment metrics*	Delegated Regulation (EU) 2020/1818, Article 6		material	113-116
E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	paragraph 38	Indicator number 5 Table 1 and Indicator number 5 Table 2 of Annex 1				material	117
E1-5	Energy consumption and mix	paragraph 37	Indicator number 5 Table 1 of Annex 1				material	117
E1-5	*Energy* intensity associated with activities in high climate impact sectors	paragraphs 40 to 43	Indicator number 6 Table 1 of Annex 1				material	117-118
E1-6	Gross Scope 1, 2, 3 and Total GHG emissions	paragraph 44	Indicators number 1 and 2 Table 1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		material	118-119
E1-6	Gross GHG emissions intensity	paragraphs 53 to 55	Indicators number 3 Table 1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		material	123

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Disclosure requirement	Datapoint	Paragraph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
E1-7	GHG removals and carbon credits	paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	material	
E1-9	Exposure of the benchmark portfolio to climate-related physical risks	paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		not material	
E1-9	Disaggre-gation of monetary amounts by acute and chronic physical risk	paragraph 66 (a)		Article 449a Regulation (EU) No 575/2013; Commis-sion Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			not material	
E1-9	Location of significant assets at material physical risk	paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commis-sion Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			not material	
E1-9	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commis-sion Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			not material	
E1-9	Degree of exposure of the portfolio to climate-related opportunities	paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		not material	
E2								
E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	paragraph 28	Indicator number 8 Table 1 of Annex 1 Indicator number 2 Table 2 of Annex 1 Indicator number 1 Table 2 of Annex 1 Indicator number 3 Table 2 of Annex 1				not material	132

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Disclosure requirement	Datapoint	Paragraph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
E3							not material	
E3-1	Water and marine resources	paragraph 9	Indicator number 7 Table 2 of Annex 1				not material	
E3-1	Dedicated policy	paragraph 13	Indicator number 8 Table 2 of Annex 1				not material	
E3-1	Sustainable oceans and seas	paragraph 14	Indicator number 12 Table 2 of Annex 1				not material	
E3-4	Total water recycled and reused	paragraph 28 (c)	Indicator number 6.2 Table 2 of Annex 1				not material	
E3-4	Total water consumption in m3 per net revenue on own operations	paragraph 29	Indicator number 6.1 Table 2 of Annex 1				not material	
E4							not material	
SBM-3 – E4		paragraph 16 (a) i	Indicator number 7 Table 1 of Annex 1				not material	
SBM-3 – E4		paragraph 16 (b)	Indicator number 10 Table 2 of Annex 1				not material	
SBM-3 – E4		paragraph 16 (c)	Indicator number 14 Table 2 of Annex 1				not material	
E4-2	Sustainable land / *agriculture* practices or policies	paragraph 24 (b)	Indicator number 11 Table 2 of Annex 1				*not material*	
E4-2	Sustainable oceans/ seas practices or policies	paragraph 24 (c)	Indicator number 12 Table 2 of Annex 1				not material	
E4-2	Policies to address deforestation	paragraph 24 (d)	Indicator number 15 Table 2 of Annex 1				not material	
E5								
E5-5	Non-recycled waste	paragraph 37 (d)	Indicator number 13 Table 2 of Annex 1				not material	
E5-5	Hazardous waste and radioactive waste	paragraph 39	Indicator number 9 Table 1 of Annex 1				not material	
S1								
SBM-3 – S1	Risk of incidents of forced labour	paragraph 14 (f)	Indicator number 13 Table 3 of Annex I				material	66
SBM-3 – S1	Risk of *incidents of* child labour	paragraph 14 (g)	Indicator number 12 Table 3 of Annex I				*material*	*66*
S1-1	Human rights policy commitments	paragraph 20	Indicator number 9 Table 3 and Indicator number 11 Table 1 of Annex I				material	139, 140, 156, 158, 163, 170, 185

Disclosure requirement	Datapoint	Paragraph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
S1-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		material	140
S1-1	Processes and measures for preventing trafficking in human beings	paragraph 22	Indicator number 11 Table 3 of Annex I				material	140
S1-1	Workplace accident prevention policy or management system	paragraph 23	Indicator number 1 Table 3 of Annex I				material	140, 157
S1-3	Grievance/complaints handling mechanisms	paragraph 32 (c)	Indicator number 5 Table 3 of Annex I				material	159
S1-14	Number of fatalities and number and rate of work-related accidents	paragraph 88 (b) and (c)	Indicator number 2 Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		material	168
S1-14	Number of days lost to injuries, accidents, fatalities or illness	paragraph 88 (e)	Indicator number 3 Table 3 of Annex I				material	168
S1-16	Unadjusted gender pay gap	paragraph 97 (a)	Indicator number 12 Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		material	153
S1-16	Excessive CEO pay ratio	paragraph 97 (b)	Indicator number 8 Table 3 of Annex I				material	153
S1-17	Incidents of discrimination	paragraph 103 (a)	Indicator number 7 Table 3 of Annex I				material	154
S1-17	Non-respect of UNGPs on Business and Human Rights and OECD	paragraph 104 (a)	Indicator number 10 Table 1 and Indicator n. 14 Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		material	154
S2								
SBM-3 – S2	Significant risk of child labour or forced labour in the value chain	paragraph 11 (b)	Indicators number 12 and n. 13 Table 3 of Annex I				material	68
S2-1	Human rights policy commitments	paragraph 17	Indicator number 9 Table 3 and Indicator n. 11 Table 1 of Annex 1				material	170, 172

Disclosure requirement	Datapoint	Paragraph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
S2-1	Policies related to value chain workers	paragraph 18	Indicator number 11 and n. 4 Table 3 of Annex 1				material	172
S2-1	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	paragraph 19	Indicator number 10 Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		material	172
S2-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		material	172
S2-4	Human rights issues and incidents connected to its upstream and downstream value chain	paragraph 36	Indicator number 14 Table 3 of Annex 1				material	180
S3								
S3-1	Human rights policy commitments	paragraph 16	Indicator number 9 Table 3 of Annex 1 and Indicator number 11 Table 1 of Annex 1				material	184-185
S3-1	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		material	184
S3-4	Human rights issues and incidents	paragraph 36	Indicator number 14 Table 3 of Annex 1				material	186
S4								
S4-1	Policies related to consumers and end-users	paragraph 16	Indicator number 9 Table 3 and Indicator number 11 Table 1 of Annex 1				not material	
S4-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	paragraph 17	Indicator number 10 Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		not material	

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Disclosure requirement	Datapoint	Paragraph	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
S4-4	Human rights issues and incidents	paragraph 35	Indicator number 14 Table 3 of Annex 1				not material	
G1								
G1-1	United Nations Convention against Corruption	paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				material	
G1-1	Protection of whistle-blowers	paragraph 10 (d)	Indicator number 6 Table 3 of Annex 1				material	190
G1-4	Fines for violation of anti-corruption and anti-bribery laws	paragraph 24 (a)	Indicator number 17 Table 3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		material	194
G1-4	Standards of anti-corruption and anti-bribery	paragraph 24 (b)	Indicator number 16 Table 3 of Annex 1				material	194

[ESRS 2-IRO-2.58] Substances of concern and substances of very high concern, as well as pollution of air (NOx, VOC, dust and hydrocarbons) and pollution of water, soil, living organisms and food resources (e.g. PFAS) are not material for Borealis because of the low likelihood of incidents due to high process safety standards, prevention of contamination and strict regulatory requirements. This assessment is based on data and information such as incidents data, as well as, taking EU legislation into account. Furthermore, regulatory conditions (e.g., permits and inspections) and mitigation measures are also in place and governed by Seveso requirements at locations.

All Borealis' produced and purchased products are certified, and safety datasheets are publicly disclosed on the Group's website.

[ESRS 2-IRO-2.59] To determine which of the ESRS data points Borealis has to report, the material impacts, risks and opportunities are assigned to the sustainability material matter and disclosure requirements of the ESRS topic standards. EFRAG (European Financial Reporting Advisory Group) guidance was taken into account.

Matters and disclosures to which none of the identified material impacts, risks and opportunities can be assigned are considered not material, which means that Borealis is not required to disclose any information on them.

Matters and disclosures that can be attributed to one or more of the identified material impacts, risks and opportunities are classified as material to Borealis and are further analyzed and considered in the reporting process. The data points were reviewed for applicability to Borealis and company-specific data points were defined where necessary.

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Environmental Information

EU Taxonomy

Regulation (EU) 2020/852 established an EU classification system for ecologically sustainable economic activities (EU Taxonomy) which came into force on July 12, 2020. The EU Taxonomy is part of the European Commission's Sustainable Growth Financing Action Plan and a key instrument for the EU to encourage companies, investors and policymakers to channel investments to where they are most needed for sustainable development. The EU Taxonomy Regulation will therefore play an important role in scaling up sustainable investments and implementing the European Green Deal.

The EU Taxonomy has six environmental goals:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control; and
- protection and restoration of biodiversity and ecosystems.

The EU Taxonomy delegated acts established the technical screening criteria for determining when an economic activity contributes substantially to one of these goals. They also determine if that economic activity does not cause any significant harm to any of the other environmental objectives.

Following a request from the European Parliament, the so-called minimum safeguards stated in point c) of Article 3 of the EU Taxonomy Regulation have been implemented. These safeguards ensure that entities carrying out taxonomy-aligned activities also meet certain minimum governance standards and do not violate social norms, as laid out in Article 18 of the EU Taxonomy Regulation. In other words, companies claiming taxonomy-alignment must comply with certain fundamental social and human rights, labor principles and minimum governance standards. If companies cannot show that they have adopted adequate measures to reduce human rights concerns in accordance with international standards, their "green activities" will not be considered as environmentally sustainable (taxonomy-aligned).

Reporting Requirements According to Regulation (EU) 2020/852

Applying the EU Taxonomy enables Borealis to be transparent about its sustainable economic activities and to demonstrate the sustainability performance of all business areas within the Group. According to the EU Taxonomy Regulation, Borealis must disclose how, and to what extent, its activities are classified as sustainable. For the Annual Report 2024, Borealis needs to distinguish between three types of economic activities:[2)]

- taxonomy-aligned economic activity, which means an economic activity that complies with the requirements laid down in Article 3 of Regulation (EU) 2020/852;
- taxonomy-eligible economic activity, which means an economic activity that is described in the delegated acts, irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in the delegated acts; and

1) See: Regulation (EU) 2021/2178

– taxonomy-non-eligible economic activity, which means any economic activity that is not described in the delegated acts.

Approach

Borealis' figures for taxonomy-related activities are derived from the Group's consolidated IFRS financial statements. Subsidiaries that are not fully consolidated and joint ventures are excluded, as required by the EU Taxonomy Regulation. Turnover, CAPEX and OPEX avoid double counting by making sure each posting that is in the scope of the EU Taxonomy is assigned only once. For example, the figures exclude maintenance cost centers that are later allocated to production cost centers.

Turnover

The turnover KPI is based on Borealis' Consolidated Net Sales (see: Consolidated Income Statement). Government grants have been excluded according to ESMA's Advice on Article 8 of the EU Taxonomy Regulation.[3)] In general, turnover was linked to the revenue streams of the products or services and assigned to the respective economic activity in the EU Taxonomy Regulation.

CAPEX

CAPEX was derived according to the definition in the Summary of Significant Accounting Policies. CAPEX was assigned to economic activities at project level, based on the Borealis CAPEX reporting. Projects with CAPEX below EUR 0.5 million in 2024 were automatically allocated to the economic activity of the associated location.

OPEX

The OPEX KPI consists of R&D expense, building renovation measures, maintenance and repair costs, other direct expenditure related to day-to-day servicing of assets and short-term leases. Every OPEX category was evaluated individually in the EU Taxonomy assessment.

Minimum Social Safeguards

Additional information on the minimum social safeguards can be found in chapters G1 and S1. The Supervisory board and Executive Board diversity information can be found in chapter ESRS 2. Gender pay gap is described in chapter S1.

Taxonomy-Alignment Assessment

Borealis assessed the taxonomy alignment for its activities using available data wherever possible. If the necessary documentation was not available, it was obtained via interviews with Borealis' experts. Borealis' economic activities included in the EU Taxonomy alignment assessment are all related to the environmental objective of climate change mitigation.

Eligible Activities for Borealis and Performance 2024

Borealis' core business consists primarily of economic activities 3.17 "Manufacture of plastics in primary form" (in the Polyolefin (PO) segment) and 3.14 "Manufacture of organic base chemicals" (in the Base Chemicals segment). The Group also derives revenue from activity 5.9 "Material recovery from non-hazardous waste".

2) See: ESMA Final Report, 2021 – note 58

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For Borealis:

- activity 3.17 represents the manufacturing of resins, plastics materials and non-vulcanizable thermoplastic elastomers, as well as the mixing and blending of resins on a custom basis;
- activity 3.14 mainly relates to the production of high-value chemicals (ethylene and propylene); and
- activity 5.9 refers to the turnover for accepting plastic waste as input material for the mechanical recycling of plastics, at mtm plastics GmbH and Ecoplast Kunststoffrecycling GmbH.

The leasing of company cars falls under economic activity 6.5 "Transport by motorbikes, passenger cars and light commercial vehicles".

Parts of Base Chemicals production are non-eligible economic activities, namely the phenol and acetone business, as well as Borealis' catalyst business and technology transfer.

Turnover

For Borealis' turnover KPI, 84% can be classified as taxonomy-eligible. The largest share of turnover relates to economic activity 3.17 and reflects the activities of the Polyolefins segment. The second largest turnover share stems from economic activity 3.14, which reflects part of the external revenue of the Base Chemicals business.

Non-eligible activities include the trading of Borouge products, feedstock trading and the manufacture of non-eligible products, such as phenol and acetone, catalysts or turnover from technology transfer.

Of the eligible turnover, 0.3% (0.3% of total turnover) are taxonomy-aligned. Activities contributing to the taxonomy-aligned turnover are driven by the sales of circular products by Ecoplast. During 2023, Borealis obtained previously missing data related to the DNSH criteria for its mechanical recycling sales from Ecoplast, and therefore reports the relevant revenues as taxonomy-aligned under activity 3.17.

The fossil-based revenue reported under activity 3.17 cannot be claimed as taxonomy-aligned. The eligible turnover reported under activity 3.14 is not taxonomy- aligned, as either the substantial contribution criterion is not fulfilled or the necessary evidences for the DNSH criteria are not available. Borealis will continue to work on this matter in 2025.

CAPEX

For the CAPEX KPI, 85% of Borealis' total CAPEX can be classified as taxonomy-eligible. A major part of CAPEX can be allocated to economic activities 3.14 and 3.17. The capitalized leasing of company cars represents another investment of Borealis into a taxonomy-eligible activity.

Of the eligible investments, 41% (35% of total CAPEX) are taxonomy-aligned. The taxonomy-aligned investments are the investments for the Kallo (Belgium) Propane Dehydrogenation Unit 2 (PDH2), the CAPEX for another mechanical recycling plant in Europe as well as the CAPEX for the mechanical recycling plant Ecoplast in Wildon (Austria). Compared to 2023, activities 3.14 (16.3% vs. 27.0%) and 3.17 (32.8% vs. 35.6%) have a lower share of taxonomy-eligible CAPEX. This is mainly driven by the high taxonomy-aligned CAPEX for the Kallo PDH2 project (33.7% of total CAPEX).

Environmental objective [1]	Economic activity	CAPEX 2024 in EUR mn	CAPEX 2025-2027 in EUR mn
Climate change mitigation	3.14 Manufacture of organic base chemicals	323	30
Climate change mitigation	3.17 Manufacture of plastics in primary form	11	4

1) CAPEX plan numbers are based on the latest approved business plan whereas time horizon reflects the maximum five-year period for a CAPEX plan mentioned in Annexes 1–5 to the commission delegated regulation (EU) 2020/852.

All of the taxonomy-aligned CAPEX is registered as an addition to property, plant and equipment. According to the definition in point 1.1.2.2. of Annexes 1–5 to Regulation (EU) 2020/852, the CAPEX for Ecoplast belongs to "(a) related to assets or processes that are associated with Taxonomy- aligned economic activities" whereas the Kallo PDH2 and the new mechanical recycling plant belong to "(b) part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned". The remaining 59% of taxonomy-eligible investments (50% of total CAPEX) cannot be claimed as aligned, as the majority of investments do not fulfill the substantial contribution criterion.

Aligned and eligible CAPEX can be split into additions to the different asset classes as per the table below.

EUR mn	Aligned	Eligible (not-aligned)	Not eligible	Total
Additions to property, plant & equipment	335	444	62	**841**
Additions to capitalized development costs	0	15	18	**33**
Additions to other intangible assets	0	16	69	**86**

As the Kallo PDH2 and the new mechanical recycling plant projects are still in the construction phase, there is no turnover or OPEX linked to them.

OPEX

For operational expenditures, 88% within the scope of the EU Taxonomy Regulation are related to taxonomy-eligible activities. For the OPEX KPI, the different cost types were assessed separately, so the shares of OPEX attributable to eligible activities vary between the different cost types.

Plant maintenance and repair costs account for the largest share of the taxonomy-eligible OPEX (EUR 219 million). Short-term leases amount to EUR 1.5 million which are assigned to eligible activities, with the difference from the reported figure in note 6. Leases (in the Notes to the Consolidated Financial Statements) stemming mainly from eliminations of short-term leases for Group functions. R&D costs total EUR 9 million, matching the non-capitalized R&D cost as part of the R&D cost reported in note 3. Research and Development (in the Notes to the Consolidated Financial Statements) excluding impairment costs, and 44% is assigned to eligible

activities. In line with the turnover KPI, Borealis declares the OPEX of Ecoplast as taxonomy-aligned (0.8% of the taxonomy-eligible OPEX and 0.7% of total OPEX).

Summary

Location	KPI share			Substantial contribution	DNSH	Minimum social safeguards
	CAPEX	OPEX	TO			
Kallo PDH2	39.8%	-	-	✓	✓	✓
Mechanical recycling	1.4%			✓	✓	✓
Ecoplast	0.2%	0.8%	0.3%	✓	✓	✓

Outlook

Borealis' Executive Board has a clear commitment to sustainability, as embedded in the Strategy 2030, forming the core of all Borealis' current and future operations. This commitment will be reflected in the taxonomy-aligned numbers over the coming years, as they are projected to increase steadily.

One of Borealis' key goals for the following years is to obtain any missing information, in order to raise the taxonomy-alignment further. The Group also intends to keep involving key supporters in the relevant business and production functions to further increase awareness of taxonomy criteria in the decision making process. Another medium-term goal beyond 2025 is to evaluate opportunities for digitalizing the EU Taxonomy reporting process.

The biggest lever to increase taxonomy-alignment in the long run is making taxonomy-aligned investments, which lead to taxonomy-aligned turnover and OPEX. Looking at the years 2022 until 2024, Borealis has increased its taxonomy-aligned investments steadily from 16% in 2022 to 35% in 2024.

The publication of the EU Taxonomy KPIs according to the reporting forms as specified in Delegated Regulation 2023/2486 can be found in the chapter EU Taxonomy KPIs.

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EU Taxonomy KPIs

EU Taxonomy overview

in EUR mn	2024					
	Turnover		CAPEX		OPEX	
Environmentally sustainable (taxonomy-aligned) activities	21	0.3%	336	35.0%	2	0.8%
Taxonomy-eligible, but not taxonomy-aligned activities	6,595	84.0%	476	49.6%	223	89.0%
Taxonomy-non-eligible activities	1,236	15.7%	149	15.5%	29	10.2%
Total	7,852	100.0%	960	100.0%	254	100.0%

in EUR mn	2023					
	Turnover		CAPEX		OPEX	
Environmentally sustainable (taxonomy-aligned) activities	24	0.3%	279	22.9%	2	0.8%
Taxonomy-eligible, but not taxonomy-aligned activities	6,054	85.5%	764	62.9%	218	89.4%
Taxonomy-non-eligible activities	1,004	14.2%	173	14.2%	24	9.8%
Total	7,082	100.0%	1,216	100.0%	244	100.0%

EU Taxonomy – summary per environmental objective

Environmental objectives: climate change mitigation (CCM); climate change adaptation (CCA); sustainable use and protection of water and marine resources (WTR); transition to a circular economy (CE); pollution prevention and control (PPC); protection and restoration of biodiversity and ecosystems (BIO).

in %	2024					
	Proportion of turnover/Total turnover		Proportion of CAPEX/Total CAPEX		Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.3	84.3	35.0	84.6	0.7	88.4
CCA	0.0	0.0	0.0	84.6	0.0	88.4
WTR	0.0	0.0	0.0	0.0	0.0	0.0
CE	0.0	0.0	0.0	0.0	0.0	0.0
PPC	0.0	0.0	0.0	0.0	0.0	0.0
BIO	0.0	0.0	0.0	0.0	0.0	0.0

in %	2023					
	Proportion of turnover/Total turnover		Proportion of CAPEX/Total CAPEX		Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.3	85.8	22.9	85.8	0.7	90.1
CCA	0.0	0.0	0.0	85.8	0.0	90.1
WTR	0.0	0.0	0.0	0.0	0.0	0.0
CE	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
PPC	0.0	0.0	0.0	0.0	0.0	0.0
BIO	0.0	0.0	0.0	0.0	0.0	0.0

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Proportion of turnover from products or services associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of the Taxonomy Regulation – disclosure covering year 2024

	2024			Substantial contribution criteria					
Economic activities (1)	Code(s) (2)	Turnover (3)	Proportion of turnover 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)
		EUR mn	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. Taxonomy-eligible activities									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of plastics in primary form	CCM 3.17.	21.4	0.3	Y	N	N/EL	N/EL	N/EL	N/EL
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**21.4**	**0.3**	**Y**	**N**	**N/EL**	**N/EL**	**N/EL**	**N/EL**
Of which Enabling									
Of which Transitional		21.4	0.3	100					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**
Manufacture of organic base chemicals	CCM 3.14.	954.7	12.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of plastics in primary form	CCM 3.17.	5,633.1	71.7	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Material recovery from non-hazardous waste	CCM 5.9.	7.2	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**6,595.0**	**84.0**						
A. Turnover of Taxonomy- eligible activities (A.1 + A.2)		**6,616.3**	**84.3**						
B. Taxonomy-non-eligible activities									
Turnover of Taxonomy-non-eligible activities (B)		1,235.5	15.7						
Total (A + B)		**7,851.9**	**100.0**						

Y: Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective // N: No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective // EL: eligible, Taxonomy-Eligible but not environmentally sustainable activities // N/EL: not eligible, Taxonomy non-eligible activity for the relevant environmental objective
Comment: numbers are rounded to the nearest hundred thousand Euro for all three tables.

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	DNSH criteria (Does not significantly harm)									
	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover year 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
		Y	Y	Y	Y	Y	Y	0.3		T
		Y	**Y**	**Y**	**Y**	**Y**	**Y**	**0.3**		
								0.3		T
								11.1		
								74.3		
								0.1		
								85.5		
								85.8		

Proportion of CAPEX from products or services associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of the Taxonomy Regulation – disclosure covering year 2024

		2024		Substantial contribution criteria					
Economic activities (1)	Code(s) (2)	CapEx (3)	Proportion of CAPEX (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)
		EUR mn	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. Taxonomy-eligible activities									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of organic basic chemicals	CCM 3.14.	323.1	33.7	Y	N	N/EL	N/EL	N/EL	N/EL
Manufacture of plastics in primary form	CCM 3.17.	12.5	1.3	Y	N	N/EL	N/EL	N/EL	N/EL
Electricity generation using solar photovoltaic technology	CCM 4.1.			Y	N	N/EL	N/EL	N/EL	N/EL
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**335.6**	**35.0**	**Y**	**N**	**N/EL**	**N/EL**	**N/EL**	**N/EL**
Of which Enabling									
Of which Transitional		335.6	35.0	100					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Manufacture of organic base chemicals	CCM/CCA 3.14.	156.4	16.3	EL	EL	N/EL	N/EL	N/EL	N/EL
Manufacture of plastics in primary form	CCM/CCA 3.17.	315.3	32.8	EL	EL	N/EL	N/EL	N/EL	N/EL
Transport by motorbikes, passenger cars, light commercial vehicles	CCM/CCA 6.5.	3.9	0.4	EL	EL	N/EL	N/EL	N/EL	N/EL
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**475.6**	**49.6**						
Total (A.1 + A.2)		**811.2**	**84.5**						
B. Taxonomy-non-eligible activities									
CAPEX of Taxonomy-non-eligible activities (B)		148.7	15.5						
Total (A + B)		**959.9**	**100.0**						

Y: Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective // N: No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective // EL: eligible, Taxonomy-Eligible but not environmentally sustainable activities // N/EL: not eligible, Taxonomy non-eligible activity for the relevant environmental objective

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	DNSH criteria (Does not significantly harm)									
	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy *aligned (A.1.)* or eligible (A.2.) CapEx year 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) 20)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
		Y	Y	Y	Y	Y	Y	22.8		T
		Y	Y	Y	Y	Y	Y	0.1		T
		Y	Y	Y	Y	Y	Y	0.1		
		Y	**Y**	**Y**	**Y**	**Y**	**Y**	**22.9**		
								22.9		T
								27.0		
								35.6		
								0.2		
								62.9		
								85.8		

Proportion of OPEX from products or services associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of the Taxonomy Regulation – disclosure covering year 2024

	2024			Substantial contribution criteria					
Economic activities (1)	Code(s) (2)	OPEX (3)	Proportion of OPEX (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)
		EUR mn	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. Taxonomy-eligible activities									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of plastics in primary form	CCM 3.17.	1.9	0.7	Y	N	N/EL	N/EL	N/EL	N/EL
Electricity generation using from solar photovoltaic technology	CCM 4.1.	0.0	0.0	Y	N	N/EL	N/EL	N/EL	N/EL
OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1.9**	**0.7**	**Y**	**N**	**N/EL**	**N/EL**	**N/EL**	**N/EL**
Of which Enabling									
Of which Transitional		1.9	0.7	98					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Manufacture of organic base chemicals	CCM/CCA 3.14.	56.0	22.0	EL	EL	N/EL	N/EL	N/EL	N/EL
Manufacture of plastics in primary form	CCM/CCA 3.17.	166.7	65.6	EL	EL	N/EL	N/EL	N/EL	N/EL
OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**222.7**	**87.7**						
Total (A.1 + A.2)		**224.6**	**88.4**						
B. Taxonomy-non-eligible activities									
OPEX of Taxonomy-non-eligible activities (B)		29.5	11.6						
Total (A + B)		**254.1**	**100.0**						

Y: Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective // N: No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective // EL: eligible, Taxonomy-Eligible but not environmentally sustainable activities // N/EL: not eligible, Taxonomy non-eligible activity for the relevant environmental objective

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	DNSH criteria (Does not significantly harm)									
	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OPEX year 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) 20)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
		Y	Y	Y	Y	Y	Y	0.7		T
		Y	Y	Y	Y	Y	Y			
		Y	**Y**	**Y**	**Y**	**Y**	**Y**	**0.7**		
								0.7		T
								20.4		
								69.0		
								89.4		
								90.2		

ESRS E1 Climate Change

Over the last century, the burning of fossil fuels such as coal and oil has increased the concentration of atmospheric greenhouse gases (GHGs). These changes to the atmosphere's GHG composition are having major effects on the environment and society. Most importantly, our planet will become warmer, extreme weather events such as storms and flooding will become more common, and the sea level will rise.

As one of the largest and most diversified industries in Europe, and a significant emitter of GHGs, the chemical industry plays an important role in helping to achieve long-term GHG emission reductions in Europe and globally. Borealis is therefore committed to reducing emissions from its operations, as well as reducing and avoiding emissions in its value chain, during the life cycle of its products.

Strategy

DR E1-1 – Transition plan for climate change mitigation

[E1-1.16a] Borealis has adopted a transition plan for Scopes 1 and 2 considering its largest production sites and is currently developing a transition plan for Scope 3 (see [E1-1.17]). As Borealis has not yet defined a Scope 3 target, its targets are not compatible with limiting climate change to 1.5°C.

As Borealis is part of OMV Group the actual and forecasted emissions of all Scopes (1, 2 and 3) are included in the reporting, roadmap and transition plan of OMV Group, where increases in Borealis' emissions are expected to be compensated with the OMV Group decrease.

[E1-1.16b] Borealis' decarbonization levers and key actions planned are described in section [E1-1.17].

As Borealis does not have a complete transition plan (as smaller production sites still need to be included), it cannot disclose information on:

- [E1-1.16c] Its investments and funding supporting the implementation of its transition plan;
- [E1-1.16d] The potential locked-in GHG emissions from its key assets and products;
- [E1-1.16e] Objectives or plans for aligning its economic activities with the criteria established in Commission Delegated Regulation 2021/2139(29);
- [E1-1.16f] Significant CAPEX amounts invested during the reporting period related to coal, oil and gas-related economic activities;
- [E1-1.16g] Whether or not Borealis is excluded from the EU Paris-aligned Benchmarks;
- [E1-1.16h] How the transition plan is embedded in and aligned with its overall business strategy and financial planning;
- [E1-1.16i] Whether the transition plan is approved by Borealis' administrative, management and supervisory bodies; and
- [E1-1.16j] Its progress with implementing the transition plan.

[E1-1.17] Borealis sees many opportunities as its customers, value chain partners and society demand more sustainable solutions. The Group's vision is therefore to become a global leader in advanced and sustainable chemicals and materials solutions. This puts sustainability at the center of Borealis' Strategy 2030, guiding all its strategic decisions. The other three strategic pillars are: a strong foundation, geographic expansion and transformation. Within the transformation pillar, Borealis aims to:

- Lead the transformation of the chemical industry to a truly circular economy across all its applications;

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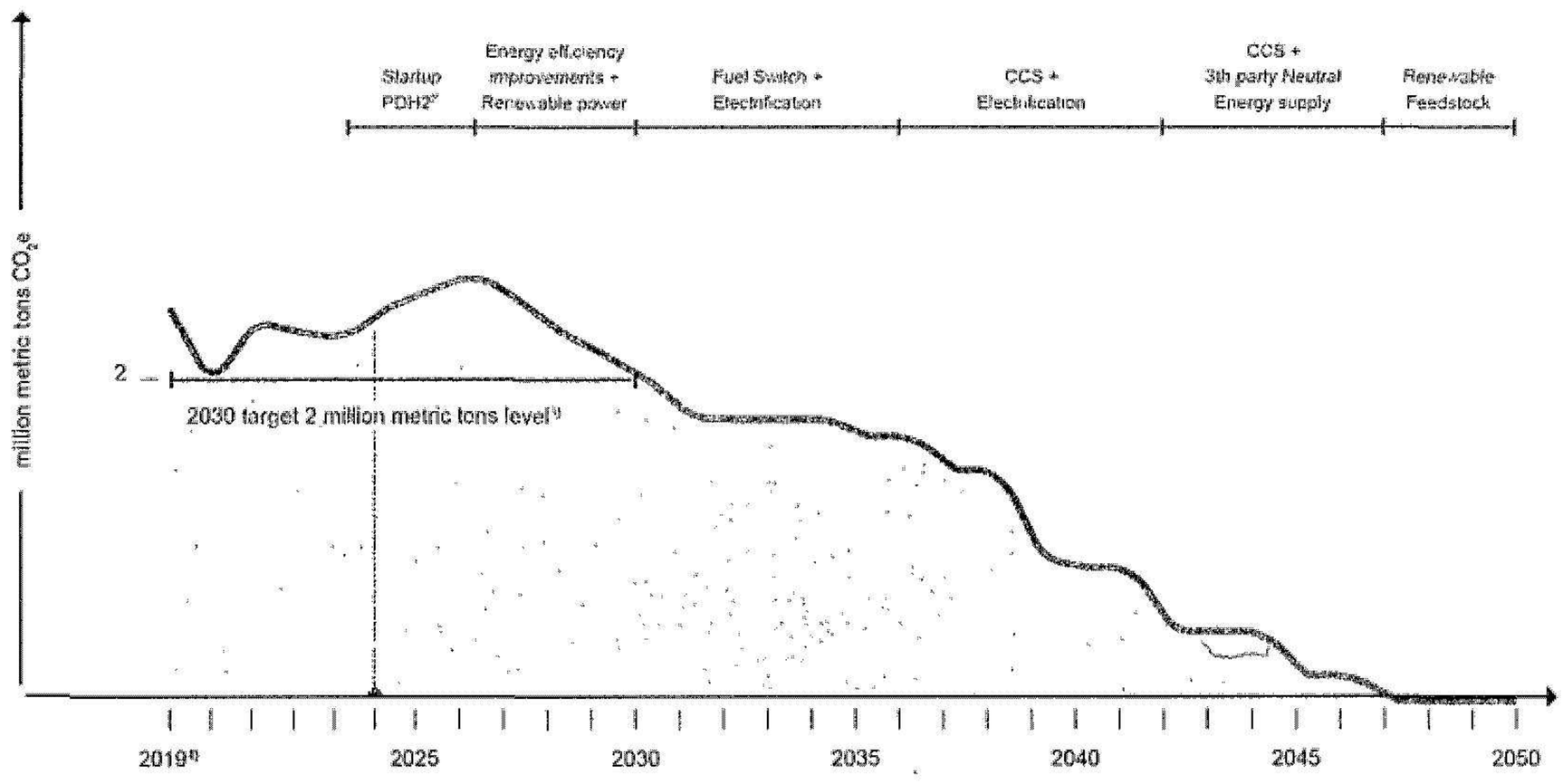
- Increase its bio-feedstock and circular production capacities;
- Build a full portfolio of circular product offerings and technologies; and
- Grow its share in value-add solutions, with a focus on energy, automotive and healthcare applications. Borealis actively contributes to the energy transition by providing polyolefin solutions required for renewable power generation and power transmission.

Implementing this strategy will improve Borealis' GHG emissions performance across Scopes 1, 2 and 3. In Scopes 1 and 2, Borealis is fully committed to reducing the carbon footprint of its operations and to achieving net-zero operations by 2050. As part of this journey, the Group Strategy 2030 states Borealis' ambition to reduce absolute Scope 1 and 2 emissions to around 2 million metric tons CO_2e by 2030[1]. The Scope 1 and 2 emissions target corresponds to a reduction in emissions of 18% by 2030 against Borealis' base year of 2019, despite significant organic business growth due to the completion of a new dehydrogenation plant (Kallo, Belgium) planned for 2025. The base year emissions and the reduction target were recalculated after the divestment of the Fertilizers, Melamine and Technical Nitrogen (TEN) business in 2023. Excluding the emissions of the divested business, the base year emissions were approximately 2.4 million metric tons CO_2e.

The Executive Board and the Supervisory Board have approved the implementation of the Scope 1 and 2 transition plan up to 2030, as part of Borealis' overall business strategy. This includes the associated CAPEX frame included in the business plan for 2025-30.

Borealis has identified the following levers to enable it to implement its roadmap for Scopes 1 and 2 in the period to 2050(*):

Climate neutrality roadmap: Borealis Operation – Scope 1 + Scope 2[1)]



Locked in emissions ▭ Potential negative emissions as result of BECCS[5)] Emissions assuming no reduction initiatives and unchanged power grid intensity // 1) Calculated as defined in GHG protocol – Scope 2 market based Fertilizer, melamine and technical nitrogen (NITRO) division is excluded. Value chain emissions excluded. // 2) Dehydrogenation plant Kallo (Ramp up TBD) // 3) 2 million metric tons target is calculated without emissions of shipping. // 4) 2019 is Borealis Base year // 5) BECCS = Bio Energy carbon capture and storage

(*) Roadmap shows Borealis' potential to become climate neutral for its own emissions and emissions related to sourced energy. There is even the potential for Borealis to become a modest carbon sink. This is not shown in E1-3, as accuracy and assumptions do not allow this to be taken as a target.

[E1-4.AR 30c] Borealis did not develop roadmaps in line with different climate scenarios.

[E1-1.17] **Scope 1**

Energy Efficiency

Energy efficiency is a major driver to implement Scope 1 reductions, as it will lead to less CO_2 being emitted. Energy consumption accounts for a significant proportion of Borealis' total production costs. The Group sees energy efficiency as a cornerstone of its climate ambition, in line with the energy efficiency first principle, which is a priority for the EU and is supported by EU Commission recommendation (EU) 2021/1749. Borealis' initiatives include energy teams at each production location that drive the location's energy planning process, increase awareness, act as a forum for energy issues and ensure ISO 50001 compliance. To progress beyond this baseline, all Borealis locations run energy screening programs at least every four years, often with third-party support, to evaluate their performance and identify ways to improve.

Electrification

Borealis is looking toward electrification of its boilers, heaters and furnaces at multiple sites. To achieve this, it is important to have safe and technically secure solutions, with affordable renewable power. Borealis believes that more renewable power as well as futureproof electrical grids will be needed if industries such as petrochemicals are to electrify further.

Carbon Capture and Storage (CCS)

Borealis sees this technology as an enabler after 2030 for its major sites, especially at locations with direct access to maritime transport. To enable the deployment of CCS, a supportive legislative framework is key. Carbon capture and utilization (CCU) can be an addition for CCS. Borealis will evaluate the possibilities when technologies mature and become economically feasible. In addition to a supportive legislative framework, applying CCU also requires Borealis to find the right industrial and business partners.

Hydrogen and Biofuels

Borealis is looking to switch to low-carbon energy sources, such as hydrogen and biofuels, as heat input for its cracking processes. Hydrogen can be produced on-site as a byproduct of cracking processes. Borealis is also exploring options for sourcing green hydrogen externally and for increasing the use of bio-based feedstocks in its crackers, which produce biogenic methane as a byproduct. Using biogenic methane for heating the cracking process can significantly reduce CO_2 emissions compared to traditional methane derived from fossil fuels.

The final choice of the lever will depend on enabling conditions, such as the extension of the power grid, infrastructure for transporting and storing CO_2, hydrogen pipelines, CO_2 pricing, commodity pricing, and relevant legislation.

Resource Efficiency

A small part of Borealis' Scope 1 emissions are the result of flaring. Reducing flaring benefits resource efficiency, by avoiding unnecessary combustion of feedstock or product, and reduces CO_2 emissions.

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Scope 2

100% Renewable Power

Borealis' current ambition is to source 40% of its electricity from renewable sources by 2025 and 100% by 2030. To achieve this goal, the Group will use on-site investments where technically possible and economically feasible, as well as long-term contracts known as power purchase agreements (PPAs), which source power from as close as possible to the Borealis locations where the power is used. Where this is not possible, Borealis will purchase high-quality Guarantees of Origin and Renewable Energy Certificates.

Less CO2-Intensive Steam and Heat

Scope 2 emissions will also be reduced by encouraging external suppliers of heat and steam to decarbonize their production processes. This may also involve changing suppliers.

Scope 3

[ESRS 2.81] For Scope 3, Borealis currently does not have a target or roadmap for reducing emissions. The main challenges include a limited demand for products with circular materials (bio-based or recycled). For further information see ESRS E5. Data availability from suppliers and customers and transparency along the value chain are also important limitations.

[E1-1.17] Borealis is working on establishing sub-targets for specific Scope 3 categories or sub-categories. The table below summarizes the target scopes and the main decarbonization levers to achieve these targets. Each target is intended to have a sponsor at Executive Board level and a responsible leader in the organization. More information on the decarbonization levers can be found in section [E1-3.28].

Looking forward, Borealis aims to set an overall Scope 3 target and transition plan for inclusion in the 2026 Annual Report, which will be released in 2027.

Scope 3 (Sub-)Category	Decarbonisation Lever
Scope 3.1 cracker feedstock	– Increase data accuracy – Request supplier-based emission factors
Scope 3.1 monomer sourcing	– Assess suppliers' transition plans
Scope 3.1 polymer sourcing	– Shift to less CO_2-intensive suppliers
Scope 3.1 other purchased goods and services	– Require SBTi approved target or ISO14068 certification from suppliers
Scope 3.4 upstream transportation of base chemicals	– Close data gaps on transportation emissions – Request real emission data from transport service providers
Scope 3.4 upstream transportation of polymers	– Shift to intermodal and low-emission transport
Scope 3.10 processing of sold products	– Increase data accuracy
Scope 3.11 use of sold products	– Request customer-specific emission factors
Scope 3.12 end-of-life treatment of sold products	– Increase circular content in final product – Increase biogenic content in final product
Scope 3.15 joint ventures	– Drive transparency on corporate carbon footprint and product carbon footprint of major joint ventures – Assess transition plans of joint ventures

Impact, risk and opportunity management

DR E1-2 – Policies related to climate change mitigation and adaptation

Borealis has several policies that relate to climate change mitigation and adaptation. Their key contents and the related impacts, risks and opportunities are set out below.

Responsible Care Policy

[E1-2.24a] This policy commits Borealis to adhere to the Responsible Care Global Charter (see below). The Responsible Care Policy statement, along with the guiding principles for the Group-wide implementation of Responsible Care at Borealis, reflect the Group's commitment to protecting people and the environment, by enhancing HSE standards in its facilities, processes, and technologies, and cultivating a leadership culture that prioritizes safe chemical management.

The key objectives of the policy include:

- Corporate Leadership Culture: Supporting safe chemical management globally.
- Safeguarding People and the Environment: Improving performance (including environmental and energy efficiency performance) and safety throughout the supply chain.
- Strengthening Chemicals Management Systems: Participating in developing and implementing chemical safety legislation and best practices.
- Influencing Business Partners: Promoting safe chemical management in their operations.
- Engaging Stakeholders: Understanding their concerns, communicating openly on performance and product safety.
- Contributing to Sustainability: Improving performance (including improvement in waste management, GHG emissions and the efficient use of resources), economic opportunities, and developing innovative solutions to societal challenges.

Key elements of the monitoring process are:

- Sustainability and Responsible Care (S-RC) Committee: The S-RC Committee sets the strategic direction and guiding principles for Responsible Care, and decides on and reviews key programs and issues, to further improve Borealis' approach to Responsible Care. The Committee ensures the availability of all information needed to take strategic decisions and the necessary resources to achieve objectives and targets. This Committee is chaired by the CEO and includes the whole Executive Board, the Vice President of Health, Safety, Environment & Quality (HSEQ) and the Director Sustainability & Public Affairs. The Committee periodically reviews the Group's Responsible Care performance and monitors the implementation of Borealis' Responsible Care programs and initiatives.
- CEO: The CEO owns the policy and is accountable for implementing Responsible Care, setting related targets and evaluating the results. The CEO also reports to the Supervisory Board on Borealis' Responsible Care performance against its targets if needed.

Related impact and risks:

- Impacts: The policy relates to the material impact of GHG emissions from Borealis' own operations and from its upstream value chain.
    - Borealis suppliers continue to mainly produce fossil-based feedstock and energy and continue their business as usual, with the majority of their business model based on

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fossil resources, resulting in the continuation of GHG emissions and increased global warming, with all the known consequences for the environment and society;

- Borealis continues to mainly source fossil-based feedstock and energy and/or fails to put in place investments and actions to reduce its carbon footprint and achieve climate neutrality, thereby contributing to global warming;
- Borealis' carbon footprint, especially Scope 3, remains significant and Borealis' products continue to significantly contribute to GHG emissions; and
- Suppliers' energy sources remain predominantly based on fossil energy, continuing their GHG emissions and contribution to global warming;

– Risk:

- Borealis continues to supply mainly fossil-based energy (steam, natural gas and electricity), resulting in reputational damage, loss of customers, and failure to achieve its climate targets, as its product footprint and Scope 3 emissions remain high.

[E1-2.24c] The CEO is accountable for implementing the Responsible Care Policy. [E1-2.24b] The policy applies to all Borealis entities and affiliates where Borealis' Executive Board decides if the policy applies. For entities where Borealis does not have direct management control, such as joint ventures, Borealis will work with the joint venture to ensure the key objectives of this policy are met through the locally directed management system.

The scope of the policy extends beyond Borealis' own operations. It also aims to drive improvement in chemical product safety and stewardship throughout the supply chain and to influence business partners to promote the safe management of chemicals within their own operations. It also emphasizes engaging stakeholders to understand and respond to their concerns and expectations for safer operations and products, as well as communicating openly on Borealis' performance and products.

[E1-2.24d] The policy is aligned with the Responsible Care® Global Charter (RCGC), an industry initiative to promote safe chemicals management and excellence in HSE and sustainability. Borealis signed the RCGC in 2006 and the updated version in 2014. In the policy, Borealis also commits to managing the safety of chemical products in accordance with the expectations of the International Council of Chemical Associations' (ICCA) Global Product Strategy (GPS).

[E1-2.24f] Borealis communicates all of its policies through internal channels, to ensure all employees are aware of and understand their contents. Certain policies and certifications are also published on Borealis' website, including the Responsible Care Policy.

HSE Management System Policy

[E1-2.24a] This policy emphasizes Borealis' commitment to the highest standards of responsibility in its operations, to safeguard the environment, climate, assets, public health, and employee safety. It highlights Borealis' ambition to be a recognized leader in HSE performance within the industry and establishes the framework for an integrated HSE management system, which is required to fulfil this ambition.

The key objective of the policy is that each legal entity within Borealis establishes an HSE management system with identified owners for processes and documents, in line with the Borealis Responsible Care Policy.

Related impact and risks:

- Impact: The policy relates to the material impact of GHG emissions from Borealis' own operations.
    - Borealis continues to mainly source fossil-based feedstock and energy and/or fails to put in place investments and actions to reduce its carbon footprint and achieve climate neutrality, thereby contributing to global warming;
- Risks:
    - Borealis continues to supply mainly fossil-based energy (steam, natural gas and electricity), resulting in reputational damage, loss of customers, and failure to achieve its climate targets, as its product footprint and Scope 3 emissions remain high; and
    - Borealis fails to improve its energy efficiency, leading to higher costs as a result of potential abatement costs, as well as increased energy consumption as Borealis increases its production in response to rising demand for plastics.

[E1-2.24b] This policy applies to all Borealis' entities and affiliates. The scope of the integrated management system is described as: the design, development, manufacturing, and marketing and sales of polyolefin products, its compounds, olefins and base chemicals.

[E1-2.24c] The VP HSEQ is accountable for implementing the HSE management system at Borealis. The VP HSEQ is responsible for ensuring that HSE management system requirements are established, implemented, maintained and continually improved, for reporting on HSE performance and the performance of the HSE management system to top management, and for promoting awareness of the Responsible Care Policy and HSE objectives at all levels of the organization.

[E1-2.24d] The policy incorporates the requirements of ISO 14001 for environmental management systems, ISO 50001 for energy management systems, and ISO 45001 for occupational health and safety management systems.

[E1-2.24e] Borealis' HSE management system is collaboratively developed with local HSE teams and internal key stakeholders, guided by a core team of subject matter experts. Borealis incorporates a thorough approval and review process before the official release of any processes and procedures. Additionally, each location has a designated individual responsible for overseeing the implementation and updates of these HSE practices, ensuring they are effectively rolled out and maintained across Borealis' operations.

Energy Management System Policy

[E1-2.24a] This policy underscores Borealis' commitment to tackling climate change, achieving world-class energy performance and minimizing its environmental impact. The key objective of the policy is to implement an effective energy management system, in line with the Responsible Care Policy. [E1-2.24d] The policy describes how energy management is embedded in the organization to comply with ISO 50001 requirements for energy management systems and to deliver continuous energy improvements.

[E1-2.24b, f] The locations to which this policy applies are published on the Borealis corporate website under Standards & Certifications. The scope of the energy management system is aligned with the scope of the integrated management system, as described above. [E1-2.24c] The VP HSEQ is accountable for implementing the energy management system at Borealis.

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Commercial Operations for Energy, Utilities and CO_2 Emission Allowances Policy

[E1-2.24a] This policy highlights Borealis' commitment to growing the share of renewable energy within its energy consumption. Its key objective is to provide the required quantities of energy to Borealis' sites at the optimal combination of sustainability, security of supply, quality and cost. It describes different processes within energy sourcing, including renewable energy sourcing through PPAs and trading of emission allowances.

The Energy Management System Policy and the Commercial Operations for Energy, Utilities and CO_2 Emission Allowances Policy are addressing the following related impact, risks and opportunity:

- Impact:
  - Shifting to low-carbon energy sources will reduce Borealis' GHG emissions, and the impacts of global warming on the environment and society;
- Risks:
  - Borealis faces administrative complexity when shifting to renewable energy, as it has to contract with an increased number of utility suppliers;
  - Borealis continues to supply mainly fossil-based energy (steam, natural gas and electricity), resulting in reputational damage, loss of customers, and failure to achieve its climate targets, as its product footprint and Scope 3 emissions remain high;
  - *Conditional grid connection could result in Borealis not having electricity* available to drive its journey towards climate neutrality; and
  - The price of renewable energy may go up because demand for it is growing faster than supply, leading to increased OPEX for Borealis.
- Opportunity:
  - Borealis' support for the transition from fossil fuels to renewable energy production, through partnerships and with its products and solutions, could lead to increased profit and market share.

[E1-2.24b] The policy covers Borealis' energy sourcing activities for all its Hydrocarbons and Polyolefin sites in Europe. [E1-2.24c] The SVP Base Chemicals is accountable for implementing the sourcing processes covered in this policy. [E1-2.24d] The policy is not aligned to any third-party standards.

Mergers and Acquisitions (M&A) Policy

[E1-2.24a] The objective of this policy is to outline the minimum requirements for the planning, approval and execution of M&A projects at Borealis. It also includes requirements around climate change mitigation and adaptation during an M&A project. According to the policy, the impact of the M&A project on Borealis' corporate carbon footprint, transition plan and climate change mitigation and adaptation risks needs to be assessed during the due diligence phase.

Related risk:

- Borealis continues to supply mainly fossil-based energy (steam, natural gas and electricity), resulting in reputational damage, loss of customers, and failure to achieve its climate targets, as its product footprint and Scope 3 emissions remain high.

[E1-2.24b] The policy scope applies to the following M&A projects within Borealis:

- Acquisition of all or parts of the shares or assets of entities not under the control of Borealis;
- Divestments of Borealis-controlled tangible and intangible assets or shares; and
- Mergers involving contribution of shares or existing assets.

[E1-2.24c] The Vice President for Strategy & Group Development is accountable for implementing the policy. Any material deviation from the procedure must be brought forward by the project owner and approved by the Executive Board.

[E1-2.24d] This policy does not refer to third-party standards.

[E1-2.25c] The following policies address Borealis' approach to energy efficiency:

- Responsible Care Policy: Addresses energy efficiency as part of its commitment to continuously improving energy efficiency in Borealis' facilities, processes, and technologies.
- HSE Management Policy: Addresses energy efficiency by establishing a framework for an integrated health, safety and environmental management system.
- Energy Management Policy: Addresses energy efficiency by defining a process for an energy management system, with the goal to achieve continuous energy efficiency improvement. It includes process steps such as executing energy screenings, identifying significant energy uses and developing energy improvement potentials.

[E1-2.25d] The Commercial Operations for Energy, Utilities and CO_2 Emission Allowances Policy addresses renewable energy deployment by defining a process for sourcing renewable energy through PPAs.

[E1-2.25a, b] The policies listed above positively contribute to climate change mitigation through improving energy efficiency and increasing renewable energy deployment. In addition, the Mergers and Acquisitions Policy requires the due diligence phase of an M&A project to assess its impact on Borealis' corporate carbon footprint, transition plan and risks related to both climate change mitigation and adaptation.

[E1-2.25e] No other areas were identified.

DR E1-3 – Actions and resources in relation to climate change policies

[E1-3.28a-c] The following tables describe Borealis' most important decarbonization levers, along with their scope and their time horizon:

General actions

Decarbonization lever	Key actions	Scope (Activity & Geography)	Status	Time horizons	Expected outcomes	Achieved outcomes
General actions	Set up a climate strategy implementation and governance team	Group	Implemented	2024	Coordinated efforts between several emission scopes over Borealis' value stream and long-term development.	Team has been set up under the lead of the Director Sustainability & Public Affairs and coordinates the implementation of Borealis' climate strategy
	Participation in SBTi advisory team for the development of the Chemical Sector Guidance	Group	Implemented	2024	Contribute to the development of the chemical sector's approach, as defined by SBTi	Borealis contributed to the development of the SBTi sector guidance for the chemical sector, with the final version being prepared by SBTi for publication after

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Decarbonization lever	Key actions	Scope (Activity & Geography)	Status	Time horizons	Expected outcomes	Achieved outcomes
						a public consultation
	Set up an asset strategy team	Group	Implemented	2024	Align the development of assets to Borealis' climate neutrality roadmap	Team has been set up under the lead of the VP Manufacturing Excellence & Transformation and an assessment of Scope 1 and Scope 2 reduction has been conducted
	Selection of digital platform for reporting on climate and energy topics	Group	Implemented	2024	Identify digital platform for future transparent ESG reporting	Supplier was selected for implementation.
	Implementation of Carbon Border Adjustment Mechanism (CBAM) registration and reporting for locations that import goods from CBAM sectors	All eligible locations	Implemented	2024	Ensure legal compliance	A reporting framework was created for CBAM reporting.
	Submission of Baseline data report (BDR report) for EU ETS eligible locations to determine historical allocation level	All eligible locations	Implemented	2024	Ensure legal compliance	Data was provided to the EU to determine the product CO_2 intensity benchmark levels for EU ETS 2026-2030
	Define location-specific energy and Scope 1 and 2 emission targets	Locations	Implemented	2024	Increased ownership at location level	Increased ownership at location level
General actions	Implement a digital platform for reporting on climate and energy topics, supporting the principle of single source of truth reporting	Group	Planned	2025	Transparent calculation and reporting on ESG parameters, in line with ESRS requirements	
	Expand scope of available product carbon footprints	Group	Planned	2025	Development of advanced version of existing tool, to create transparency for customers on the product carbon footprints for most grades produced by Borealis	
	Set internal Scope 3 sub-targets	Group	Planned	2025	Scope 3 internal sub-targets for selected categories (see [E1-1.17] for further information)	
	Finalize the analysis of the resilience of Borealis' strategy and business model, in relation to the physical, transitional and financial risks of climate change	Group	Planned	2025	Align on requirements of [E1-SBM-3.19a, AR 6]	
	Assess feasibility to align with SBTi Chemical Sector Guidance (once finalized)	Group	Planned	2025	Decision on implementation of SBTi Chemical Sector Guidance	
	Assess economic potential of ISO14068 implementation	Group	Planned	2025	Decision on implementation of ISO14068	
	Assess climate adaptation desk exercise for all of Borealis' assets and define locations with significant risks	Group	Planned	2025	Overview of the locations with significant physical risks of climate change to Borealis' assets.	
	Develop overall scope 3 target and transition plan	Group	Planned	2026	Overall scope 3 target and transition plan	
	Determine the Group-wide carbon balance	Group	Planned	2026	Overview of how carbon enters the Group (attributed by amount, type and origin) and how it leaves the Group (CO_2 emitted, stored, in products) as defined in applicable legislation.	

Scope 1

See [E1-1.17] for a description of each of Borealis' Scope 1 decarbonization levers. Specific actions relating to these levers are set out below:

Energy Efficiency

Decarboniza-tion lever	Key actions	Scope (Activity & Geography)	Status [1]	Time horizons	Expected energy savings (GWh/year)	Expected GHG emission reduction ($ktCO_2e$/year) [2]	Significant CAPEX required for implemen-tation (M€)	Significant OPEX required for implemen-tation (until 2030) [3]
Energy efficiency	Process improvements	Europe	Implemented	2024	22.7	8.6	/	/
Energy efficiency	Project improvements	Europe	Implemented	2024	8.9	0	17.6	/
Energy efficiency	Process improvements	Europe	Planned	2025-2030	105	15	/	/
Energy Efficiency	Project improvements	Europe	Planned	2025-2030	341	52	205	/
Energy efficiency	Project improvements	Europe	Scouting	2031-2040	/	5.9	/	/
Energy efficiency	Project improvements	Europe	Scouting	2041-2050	/	0	/	/

1) Implemented = action implemented in reporting period. Planned = firmly planned action or action that will be executed if study is successful. Scouting = action that will be potentially studied in the future. // 2) Expected GHG emission reductions are calculated compared to a 2030 business-as-usual scenario, to demonstrate the quantitative contribution of these actions to the achievement of Borealis' GHG emission reduction targets. // 3) OPEX figures are calculated on a cumulative basis until 2030. OPEX figures are not calculated for actions after 2030.

Electrification

Decarboniza-tion lever	Key actions	Scope (Activity & Geography)	Status	Time horizons	Expected energy savings (GWh/year)	Expected GHG emission reduction ($ktCO_2e$/year)	Significant CAPEX required for implemen-tation (M€)	Significant OPEX required for implemen-tation (until 2030)
Electrification	Technology Change	Europe	Planned	2025-2030	41	43	37	/
Electrification	Technology Change	Europe	Scouting	2031-2040	/	169	/	/
Electrification	Technology Change	Europe	Scouting	2041-2050	/	30	/	/

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Resource Efficiency

Decarbonization lever	Key actions	Scope (Activity & Geography)	Status	Time horizons	Expected energy savings (GWh/year)	Expected GHG emission reduction ($ktCO_2e$/year)	Significant CAPEX required for implementation (M€)	Significant OPEX required for implementation (until 2030)
Flaring	Process improvements	Europe	Implemented	2024	0.0	0.4	/	/
Flaring	Project improvements	Europe	Implemented	2024	4.0	6.8	3.7	/
Flaring	Process improvements	Europe	Planned	2025-2030	3.4	3.2	/	/
Flaring	Project improvements	Europe	Planned	2025-2030	0.0	1.5	4.0	/
Flaring		Europe	Scouting	2031-2040	/	3.8	/	/
Flaring		Europe	Scouting	2031-2050	/	12.8	/	/

Carbon Capture and Storage (CCS)

Decarbonization lever	Key actions	Scope (Activity & Geography)	Status	Time horizons	Expected energy savings (GWh/year)	Expected GHG emission reduction ($ktCO_2e$/year)	Significant CAPEX required for implementation	Significant OPEX required for implementation (until 2030)
CCS	Pre and post combustion CCS	Europe	Scouting	2031-2040	/	921	/	/
CCS	Pre and post combustion CCS	Europe	Scouting	2041-2050	/	372	/	/

Hydrogen and Biofuels

Decarbonization lever	Key actions	Scope (Activity & Geography)	Status	Time horizons	Expected energy savings (GWh/year)	Expected GHG emission reduction ($ktCO_2e$/year)	Significant CAPEX required for implementation	Significant OPEX required for implementation (until 2030)
Hydrogen and biofuels		Europe	Scouting	2031-2040	/	115	/	/
Hydrogen and biofuels		Europe	Scouting	2041-2050	/	231	/	/
Emissions of ships		/	Scouting	2031-2050	/	107	/	/

Scope 2

See [E1-1.17] for a description of each of Borealis' Scope 2 decarbonization levers. Specific actions relating to these levers are set out below:

100% Renewable Power

Decarboniza-tion lever	Key actions	Scope (Activity & Geography)	Status	Time horizons	Expected energy savings (GWh/year)	Expected GHG emission reduction ($ktCO_2e$/ year)	Significant CAPEX required for implemen-tation	Significant OPEX required for implemen-tation (until 2030)
Renewable power	Sourcing	World	Implemented	2024	/	50	/	/
Renewable power	Sourcing	World	Planned	2025-2030	/	610	/	/
Renewable power	Sourcing	World	Scouting	2030-2050	/	All increased used – TBD in projects	/	/

Less CO_2-Intensive Purchased Steam and Heat

Decarboniza-tion lever	Key actions	Scope (Activity & Geography)	Status	Time horizons	Expected energy savings (GWh/year)	Expected GHG emission reduction ($ktCO_2e$/ year)	Significant CAPEX required for implemen-tation	Significant OPEX required for implemen-tation (until 2030)
Less CO2-intensive purchased steam and heat	Sourcing	Europe	Scouting	2041-2050	/	200	/	/

Scope 3

Purchased Goods and Services (Scope 3.1)

Borealis is aiming to collaborate closely with suppliers to receive supplier-specific emission factors, which will allow the Group to use CO_2 emissions as a selection criterion in the procurement process for feedstocks, monomers and polymers. Additionally, this approach will facilitate the integration of suppliers' decarbonization roadmaps into Borealis' climate transition plan.

Borealis is also investigating whether to ask its suppliers to have an SBTi-approved target or ISO 14068 certification. However, since a significant portion of feedstock comes from the U.S., this presents a considerable challenge. There is limited data available from Borealis' feedstock suppliers, and currently, transition roadmaps have not yet been available. The switch to bio-based or renewable feedstock might also be beneficial, if the climate impact of these feedstocks can be proven to be less intensive.

Transportation and Logistics (Scope 3.4)

Borealis is collaborating with transport providers to receive real emissions data and to transition to low-carbon transportation methods. This involves shifting to less CO_2-intensive modes of

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transport (for example, through electrification) and utilizing intermodal solutions which combine different modes of transport.

Processing of Sold Products (Scope 3.10)

Borealis' customers process its products utilizing technologies that are highly electricity-intensive. As the power market transitions to renewable energy sources, Borealis expects emissions to decrease accordingly. In addition, Borealis is aiming to collaborate with customers to increase data accuracy through customer-specific emission factors.

Use of Sold Products (Scope 3.11)

Some of Borealis' products are put on the market as fuels, although this is not a core business. Borealis expects that demand for these fossil-based fuels will decline. Furthermore, Borealis wants to increase data accuracy, obtain customer emission factors and offer bio-based products.

End-of-Life Treatment of Sold Products (Scope 3.12)

Borealis expects that the future demand for recycled plastics will lead to higher recycling rates. Recycling plastics helps avoid emissions associated with their end-of-life disposal, in particular incineration. Borealis itself is implementing mechanical recycling solutions, as well as investing in chemical recycling. While mechanical recycling is more energy efficient, it has limitations regarding product quality. In contrast, chemical recycling consumes more energy but is expected to produce quality comparable to virgin feedstocks, allowing recycled polymers to be used even in sensitive applications such as food packaging and healthcare. Additionally, Borealis is working to increase the biogenic carbon content in its products, which also reduces Scope 3.12 emissions.

Investments (Scope 3.15)

Borealis can influence Scope 3.15 emissions by promoting decarbonization in the companies where it holds a minority stake. This can be achieved through training and coaching, as well as sharing experiences and best practices. Having a presence on the boards of these companies will also provide opportunities to drive decarbonization initiatives. Additionally, an assessment of climate impact has been integrated into Borealis' M&A approach, to ensure that the effects on all emission scopes are understood before making any M&A decisions (see [E1-2.24a-f]).

[ESRS 2 MDR-A.69a] Borealis has access to a broad range of attractive funding instruments. To meet its financing needs in 2025 and beyond, Borealis will continue to explore various suitable financial instruments when needed, including sustainable finance options, aligning with its strategy. Additionally, Borealis maintains a robust and diversified liquidity position through its fully committed EUR 1 billion Syndicated Revolving Credit Facility (RCF), which remained undrawn at the year-end.

[ESRS 2 MDR-A.69b] The amount of current financial resources

Category	Amount (EUR)
CAPEX (2024)	690,355,000
OPEX (2024)	7,609,441,000

[ESRS 2 MDR-A.69c] the amount of future financial resources:

Scope 1

Borealis' focus until 2030 is on energy efficiency projects.

CAPEX allocated to decarbonization levers in Scope 1 until 2030:

Category	Amount (EUR) [1]
CAPEX (2025-2030)	250,000,000

1) Estimates from projects in study for implementation until 2030. Projects will be executed when economically feasible.

From 2030 to 2050 Borealis will invest in larger electrification and CCS projects as needed to reach climate neutrality by 2050. Due to the preliminary status of these projects, Borealis is not publishing the related CAPEX.

Scope 2

CAPEX allocated to decarbonization levers in Scope 2 between 2025 and 2030:

Category	Amount (EUR)
CAPEX	0

Financial resources allocated to action plan:

	Current	Short-term	Medium-term	Long-term
Financial resources allocated to action plan (OPEX)		No disclosure required – see [E1-3.28a]		
Financial resources allocated to action plan (CAPEX)				

Section [E1-3.28a] contains information on:

- [E1-3.29a] Key actions by decarbonization lever; and
- [E1-3.29b] Achieved and expected GHG emission reductions.

[E1-3.29c i] See [ESRS 2 MDR-A.69b]

[E1-3.29c ii] Investments in reporting year:

Future investments: Borealis' activities in the area of base chemicals production are covered by "3.14 Manufacturing of Organic Chemicals" under the Taxonomy Regulation (Commission Delegated Regulation 2021/2139). By reducing the GHG emissions of its crackers and dehydrogenation plants in accordance with its transition plan. Borealis will reduce the emissions intensity of high-value chemicals (HVC) production and will drive alignment. (However it is to be expected that the benchmark values as published in EU-ETS will decline). For 2030, Borealis anticipates that approximately 50% of its turnover will align with these criteria with the threshold

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defined in 2024. Additionally, a key component of Borealis' growth strategy involves expanding its mechanical and possible chemical recycling activities, covered by "3.17 Manufacturing Plastics in Primary Form" under the Taxonomy Regulation. By enhancing its mechanical recycling operations, Borealis aims to increase the alignment of its plastic production activities with EU Taxonomy criteria.

[E1-3.AR 19d] Borealis has initiated a program on climate change adaptation. This program started in 2022 with an initial high level desk exercise. A more in-depth desk analysis will be delivered in 2025 that will result in a plan to screen sites with bigger risks.

[E1-3.AR 21] Borealis has access to a wide range of financing options, as described in [ESRS 2 MDR-A.69a].

Competitiveness in the international market, including the EU zone, is crucial for Borealis. To maintain its market competitiveness, Borealis can only invest in financially feasible projects or actions. To drive climate mitigation, a stable legislative framework and adequate CO_2 pricing schemes are therefore essential. This is particularly the case for the EU market but also relevant for international markets.

For circularity, R&D in mechanical and chemical recycling technologies that are economically feasible is key. Developing the market and increasing the supply of recycled materials is necessary (see chapter E5 for more information).

For electrification, stable power grids with sufficient supply of renewable electricity are important. Additionally, the development of CO_2 grids and transportation options for storage facilities is needed for CCS to be part of Borealis' transition plan.

Metrics and targets DR from ESRS E1

[ESRS 2 MDR-M77a] Borealis evaluates its performance and effectiveness using the following metrics:

- Corporate carbon footprint (CCF);
- Energy consumption and mix; and
- Energy savings implemented by 2025.

See [E1-6.AR 39b] for a description of the CCF calculation methodology.

[E1-5]: Energy Consumption and Mix

Energy consumption is continuously monitored in Borealis' plants. The figures are processed locally and then uploaded each month to a Group environmental database, where they are aggregated to calculate the Group's monthly energy performance and allow follow-up of any variations.

For smaller sites, where complete information on energy consumption was not available due to absence of metering, estimations/calculations were based on the available data as such as produced volumes.

For each electricity origin, which is not claimed with a Guarantee of origin, Borealis uses the published factor for the residual mixes of the grid according to AIB (2023). For the non-European locations, information out from database Ecoinvent© was used.

[E1-4.32b]: Energy Savings Implemented

For planned projects, the savings estimation is based on the business case calculation, compared with business as usual.

[ESRS 2 MDR-M77b] There is no independent validation of the CCF calculation, other than from the assurance provider. Borealis is implementing a new reporting tool, which will enable it to evaluate the calculation through an independent third-party audit and potentially obtain certification of the calculation.

The validation of figures related to energy performance monitoring is part of the third-party ISO 50001 audit. Energy measures which are used for ETS reporting are described in the monitoring plan. These measurements are part of the yearly ETS verification audit.

DR E1-4 – Targets related to climate change mitigation and adaptation

[E1-4.32a] All targets described under [E1-4.32b] support the policy objective of the Responsible Care Policy to improve Borealis' performance with regards to GHG emissions, energy efficiency and the efficient use of resources.

The energy efficiency targets specifically support the policy objective of the Energy Management Policy, which aims to achieve world-class energy performance through implementing an effective energy management system.

The renewable energy targets specifically support the policy objective of the Commercial Operations for Energy, Utilities and CO_2 Emission Allowances Policy, to grow the share of renewable energy within Borealis' energy consumption.

[E1-4.32b] and [E1-4.33] Borealis' target levels for GHG emissions are shown below, along with:

- [E1-4.32c] Their scope;
- [E1-4.32d] Their baseline values and base year; and
- [E1-4.32e] The period for each target.

Target	Scope (activity & geography)	Base year	Baseline value	2024 performance
Limit ETS emissions to 1.477 million metric tons of CO_2e in 2024	Europe, activities as defined in EU-ETS 1 for industry	n/a	n/a	1.467 million metric tons of CO_2e
Limit ETS emissions to 1.510 million metric tons of CO_2e in 2025	Europe, activities as defined in EU-ETS 1 for industry	n/a	n/a	n/a
Limit CO_2 intensity for Scope 1 to 0.764 tCO_2e/ton of high-value chemicals (HVC) in 2024	Production of HVC in crackers and dehydrogenation plant I in Kallo			0.754 t CO_2e/ton of high value chemicals
Limit CO_2 intensity for Scope 1 to 0.728 tCO_2e/ton of HVC in 2025	Production of HVC in crackers and dehydrogenation plant I in Kallo			
Stay below Scope 1 and 2 emissions of 2,050 kTon in 2025	All Scope 1 and 2 - Excluding emissions of Dehy II plant in Kallo and leased ships	2019	2.43 million metric tons CO_2e	
Stay below Scope 1 and 2 emissions of 1,900 kTon in 2026	All Scope 1 and 2 - Excluding emissions of Dehy II plant in Kallo and leased ships	2019	2.43 million metric tons CO_2e	

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Target	Scope (activity & geography)	Base year	Baseline value	2024 performance
Stay below Scope 1 and 2 emissions of 1,900 kTon in 2027	All Scope 1 and 2 - Including emissions of Dehy II plant in Kallo and excluding emissions of leased ships	2019	2.43 million metric tons CO_2e	
Stay below 2.0 million metric tons of CO_2e emissions in Scopes 1 and 2 by 2030	All Scope 1 and 2 [1)]	2020	2.43 million metric tons CO_2e	
Achieve net-zero for Scopes 1 and 2 by 2050 [2)]	All Scope 1 and 2	2019	2.43 million metric tons CO_2e	
Source 40% renewable power by 2025	All sites, electricity sourced from public grids and private lines	n/a	n/a	By end of 2024, Borealis already achieved >50% of renewable power sourced, being well ahead of the 2025 target
Source 100% renewable power by 2030	All sites, electricity sourced from public grids and private lines	n/a	n/a	
Implement projects in 2025 resulting in an expected 115 GWh annual energy savings	All sites within the ISO 50001 energy management system as defined by QUA2001 and published on Borealis' website.	n/a	n/a	Implemented projects in 2024 resulting in an expected 35 GWh annual savings.
Implement energy savings of 10% of 2015 consumption, by 2030	All sites within the ISO 50001 energy management system as defined by QUA2001 and published on Borealis' website.	2015	n/a	Borealis realized 5.5% savings of the 2015 energy consumption by the end of 2024

1) Excluding leased ships, since these were only moved from Scope 3 to Scope 1 in 2024, after the target-setting process was completed. // 2) Net-zero means a 90% reduction in GHG emissions and 10% neutralization through GHG removals.

Yearly Targets

[E1-4.32f, g] Yearly targets (for example, targets related to ETS emissions and CO_2 intensity) are based on actual forecasts of production levels and planned actions for the upcoming year and are therefore not based on conclusive scientific evidence.

Mid-term Target (2030)

[E1-4.32f] Borealis' GHG emission reduction target for 2030 is based on the actions Borealis assumes will be economically feasible, considering its mid-term planning and the growing market demand for Borealis' products. [E1-4.32g] The target of 2 million metric tons for Scope 1 and 2 (market based) is not in line with the Paris Agreement. See [E1-4.34e, AR 26] for further information.

[E1-4.32 i] Leased ships were moved from the Scope 3 GHG inventory to Scope 1 in 2024. However, they were not included in the Scope 1 and 2 GHG emission reduction targets.

Long-Term Target (2050)

[E1-4.32g] Borealis' net-zero Scope 1 and 2 target for 2050 is set in line with the goal of the Paris Climate Agreement to be net climate neutral in 2050.

[E1-4.32h] All strategic targets have been approved by the S-RC Committee (see [E1-2]) and were aligned with Borealis' Supervisory Board.

[E1-4.32j] Monitoring, Review and Performance Analysis of the targets

Yearly targets

Target: Limit ETS emissions to 1.477 million metric tons of CO_2e (BC&E and PO) in 2024

- Monitoring: Borealis monitors its emissions by following the regulated framework, as set up by the local authority in line with EU legislation. Emissions are calculated monthly.
- Review: The target is reviewed by the Climate Coordination Team and is part of the HSE database.
- Performance Analysis: Achievement over 2024 was slightly better than target.

Target: Limit CO2 intensity to 0.7637 tCO_2e/metric ton HVC production in 2024

- Monitoring: Three Borealis plants produce HVC. Their emissions are calculated monthly. Scope 1 emissions (both ETS and non-ETS emissions) are divided by the production of HVC.
- Review: The target is reviewed by the Climate Coordination Team and is part of the sustainability target embedded into the Group Scorecard.
- Performance Analysis: achievement over 2024 was better than target

Targets: Implement 115 GWh of energy savings in 2025, and energy savings of 10% of 2015 consumption by 2030

- Monitoring: Borealis uses a dashboard that displays the energy improvements that are implemented, to monitor its progress towards this target. Energy savings are expressed in terms of final energy savings per year, compared with a business-as-usual scenario. The savings are accumulated through to the end of 2030.
- Review: The Operations Leadership team reviews performance on a quarterly basis.
- Performance analysis: Borealis realized 5.5% savings of the 2015 energy consumption by the end of 2024.

Mid-term target

Target: Achieve around 2.0 million metric tons of CO_2e emissions in Scope 1 and 2 by 2030

- Monitoring: Monitoring is partly based on the EU-ETS emissions scheme, with the addition of non-ETS emissions that are calculated based on information derived from each location on a monthly basis.
- Review: A yearly management review assesses the realization of measures in the roadmap to 2030.
- Performance Analysis: In 2020, the Scope 1 and 2 emissions were significantly lower than in the base year 2019 due to the outage of the cracker in Stenungsund. In 2024 Scope 1 and 2 emissions were slightly lower than in the base year 2019, due to the increased level of renewable power. One challenge Borealis is encountering is the significant increase in electricity-related emissions at locations where it currently cannot source renewable power, due to the deteriorating residual mix emission factor.

Long-term target

Target: Achieve net-zero for Scopes 1 and 2 by 2050

- Monitoring: Emissions are calculated yearly.

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- Review: The review process will start after achieving the mid-term target.
- Performance analysis: See mid-term target.

See the table in [E1-4.32b] for more information on target performance in 2024.

[E1-4.34a, AR 23]: GHG emission reduction targets shall be disclosed in absolute value (either in tons of CO_2e or as a percentage of the emissions of a base year) and, where relevant, in intensity value:

Target (absolute value)	Scope	Base Year	Baseline emissions	Target Year	Target (%)
Stay below 2.6 million metric tons of CO_2e emissions in Scopes 1 and 2 by 2025 [1)]	Scope 1 and 2 (market-based) [2)]	2019	2.43 million metric tons CO_2e	2025	7%
Stay below 2.0 million metric tons of CO_2e emissions in Scopes 1 and 2 by 2030	Scope 1 and 2 (market-based) [2)]	2019	2.43 million metric tons CO_2e	2030	-18%
Achieve net-zero for Scope 1 and 2 by 2050 [3)]	Scope 1 and 2 (market-based)	2019	2.43 million metric tons CO_2e	2050	-90% (ESRS reporting is mandatory in Gross emissions – Net emissions will be 0)

1) Absolute Scope 1 and 2 emissions will increase until 2025 despite the implementation of decarbonization actions. This is due to significant organic business growth, due to the planned completion of a new dehydrogenation plant. Without the new plant, Scope 1 and 2 emissions would decrease by 32% by 2030. // 2) Excluding leased ships, since these were only moved from Scope 3 to Scope 1 in 2024, after the target-setting process was completed. // 3) Net-zero means a 90% reduction in GHG reduction and 10% neutralization through GHG removals.

[E1-4.34b AR 24] The targets include all Scope 1 and 2 emissions as reported under [E1-6], with the exception of leased ships which were only moved from Scope 3 to Scope 1 in 2024. The targets are gross targets, not including GHG removals, carbon credits or avoided emissions as a means of GHG emission reduction.

[E1-4. AR 25a] Borealis has chosen 2019 as its base year. This year is considered representative because it was the last year before the COVID-19 pandemic, without any major turnarounds at the Group's plants, and the plants were operating at design capacity. This base year also aligns with that of Borealis' majority shareholder, OMV. [E1-4.34c] More information on the base year and baseline values is disclosed in [E1-4.34a, AR 23].

[E1-4. AR 25b] In 2023, Borealis divested its Fertilizers, Melamine, and TEN business, prompting a recalculation of the base year emissions. This divestment is not considered to be a climate change mitigation action.

[E1-4.34e, AR 26] Borealis' Scope 1 and 2 reduction target for 2030 is currently not in line with limiting global warming to 1.5°C, as defined in the Absolute Contraction Approach by the Science Based Targets Initiative (SBTi) or the Chemicals Pathway by the One Earth Climate Model (OECM). This is due to rising demand for Borealis' products, including polyolefin solutions required for technologies driving the energy transition, as well as the slow progress in recycling technologies and markets. However, Borealis' Scope 1 and 2 reduction ambitions are nearly aligned with the reduction requirements outlined in SBTi's Draft Chemical Sector Guidance. Borealis will work to further align its reduction targets with a 1.5°C pathway when the sector guidance is finalized.

[E1-4.34f]: Expected decarbonization levers until 2030 are mainly energy efficiency and use of renewable energy, while beyond 2030 electrification will be the key major lever.

[E1-4.34f] and [E1-4.AR 30a] GHG Emission Reduction Targets:

	2019	2030 Business as usual	2030 target	2050 target
GHG Scope 1 [$ktCO_2e$]	1,570	3,046	2,000	Net zero for Scopes 1and 2, including removals and offsetting. Gross zero is 90% reduction compared to the base year
GHG Scope 2 market-based [$ktCO_2e$]	860			
Energy efficiency (Scope 1)	-	-	111	Borealis has adopted the "energy efficiency first" principle. The outcomes post-2030 will depend on technological developments, heat integration, and other opportunities. Being ISO 50001 certified, Borealis will identify these opportunities through energy efficiency screenings.
Energy efficiency (Scope 2)				117
Electrification (Scope 1)	-	-	43	242
Resource efficiency (Scope 1)	-	-	14.9	31.53
CCS (Scope 1)	-	-		1,293
Hydrogen & biofuels (Scope 1)	-	-		346
Renewable power (Scope 2)	-	-	820	820
Less CO_2-intense purchased heat and steam (Scope 2)	-	-		200
Other	-	-		

[E1-4.AR 30b] Borealis monitors the development of new technologies and their respective technology readiness levels, to assess their potential inclusion in its climate transition plan.

The Group's transition plan to 2050 includes CCS. While CCS is an established technology in other sectors, its application in the chemical industry is very new. The sequestration aspect of CCS is still under development, and transporting CO_2 to storage sites also remains a technological challenge.

Additionally, Borealis aims to electrify crackers for the production of HVC. However, this technology has not yet been developed on a commercial scale.

[E1-4.AR 30c] Borealis did not develop roadmaps in line with different climate scenarios.

[ESRS 2.81] For Scope 3, Borealis currently does not have a target for reducing emissions. More information on the Group's plans for setting Scope 3 targets can be found in sections [E1-1.17] and [E1-3.28a].

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DR E1-5 – Energy consumption and mix

[E1-5.39]: Non-renewable energy production and renewable energy production in MWh

- [E1-5.37a] Fossil sources, broken down by:
  - [E1-5.38a] Coal and coal products;
  - [E1-5.38b] Crude oil and petroleum products;
  - [E1-5.38c] Natural gas;
  - [E1-5.38d] Other fossil sources;
  - [E1-5.38e] Purchased or acquired electricity, heat, steam, or cooling from fossil sources;
- [E1-5.37b] Nuclear sources; and
- [E1-5.37c] Renewable sources.

Energy consumption and mix	**2024**
(1) Fuel consumption from coal and coal products (MWh)	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	8,241,476
(3) Fuel consumption from natural gas (MWh)	607,411
(4) Fuel consumption from other fossil sources (MWh)	0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	1,993,289
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	**10,842,176**
Share of fossil sources in total energy consumption (%)	85.00%
(7) Consumption from nuclear sources (MWh)	226,483
Share of consumption from nuclear sources in total energy consumption (%)	2.00%
(8) Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	1,636,567
(10) Consumption of self-generated non-fuel renewable energy (MWh)	3,722
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	**1,640,289**
Share of renewable sources in total energy consumption (%)	13.00%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11) [1)]	**12,708,948**

1) Company car fuel consumption data for the year 2023 has been utilized, as data for 2024 was yet not available (represents approximately +/- 0.1% of the total).

[E1-5.40], [E1-5.41], [E1-5.AR 36a-e] Information on the energy intensity associated with activities in high climate impact sectors. [E1-5.42] The high climate impact sector used to calculate this metric is C.20.16 - manufacture of plastics in primary forms.

[E1-5.AR 37] The quantitative information may be presented in the following table:

[E1-5.AR 37] Energy intensity

Energy intensity per net revenue	[redacted] **2024**
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/M€) [1]	1,619

1) Split based on NACE code is not available for 2024, intensity is calculated on total revenue and total energy consumption.

[E1-5.43; AR 38] Disclosure of reconciliation to relevant line item or notes in financial statements of net revenue from activities in high climate impact sectors

Total net revenue (EUR) (Financial Statements) [2)]	7,851,864,000

2) Split based on NACE code is not available for 2024, intensity is calculated on total revenue and total energy consumption.

DR E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

[E1-6.AR 39b] Borealis calculates its corporate carbon footprint following the GHG Protocol, taking into account all consolidated companies. Borealis' GHG reporting is in line with the requirements of ESRS, covering operational and financial boundaries.

[E1-6.AR 43c e] The calculation includes EU ETS emissions, which totaled 1,467 kilotons CO_2e, in 2024, equating to 92% of total Scope 1 emissions.

[E1-6.AR 43c b] The Group uses a broad range of emission factors, which are a means to calculate the GHG emissions produced by a given source. Each EU member state has its own emission factors, so natural gas use in Austria, for example, would have the specific Austrian emission factor applied to it. Other emission factors are standard factors from scientific literature or inventories or are measured by a certified laboratory. All EU ETS emission factors are permitted and approved by the relevant authorities.

[E1-6.AR 39b] Scope 1 involves direct emissions from Borealis' sites and includes internally generated power and steam (before furnaces) and flaring, which make up a large part of Borealis' Scope 1 emissions. Borealis takes into account all greenhouse gases in the Scope 1 calculation, as defined in the GHG Protocol (CO_2, N_2O, SF_6, HFC, PCF and CH_4).

Scope 2 emissions involve indirect CO_2 equivalent emissions caused by Borealis' consumption of externally generated electricity, external steam and energy that the Group purchases and brings into its facilities from other sources. It is expressed as market-based or location-based emissions, as defined in the GHG Protocol. Some emissions from energy (Scope 2 – market-based) can only be estimated when data from suppliers are final, at the end of Q1 of the following year. Borealis therefore finalizes its corporate carbon footprint for the previous year by the end of June.

Borealis uses general mass and spend-based emissions factors to calculate Scope 3 emissions. In future reporting, the Group will strive to include supplier and customer-based emission factors, when they become available (see [E1-3.28a]).

[E1-6.AR 43c a] Borealis' GHG emissions from stationary combustion, mobile combustion, process emissions and fugitive emissions are shown in table [E1-6.44-52].

[E1-6.AR 43c c] The Group does not report direct biogenic CO_2 emissions because biomass in the feedstock is mostly allocated to the product using ISCC mass balancing. The remaining direct biogenic CO_2 emissions, for example from the biodiesel share of fuels used for the Group's car fleet, are negligible in 2024.

[E1-6.AR 43c d] Removals, carbon credits or GHG allowances were not included in the GHG inventory.

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[E1-6.47] Emissions of the Fertilizers, Melamine and TEN division were originally included in the base year emissions. As this part of the organization was divested, these emissions have been fully excluded from the base year emissions.

[E1-6.44-52]: Disclosure of gross Scope 1, 2 and 3 and Total GHG emissions in metric tons of CO2e.

[E1-6.48; AR 43-44]: Disclosure of gross Scope 1 GHG emissions

[E1-6.49; AR 45]: Disclosure of gross Scope 2 GHG emissions

[E1-6.51; AR 46]: Disclosure of gross Scope 3 GHG emissions

[E1-6.52; AR 47]: Disclosure of total GHG emissions

	Retrospective				Milestones and target years			
	Base year	Compa-rative	N	% N / N-1	2025	2030	2050	Annual % target / Base year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO_2e) [2]	1,569,016	1,345,701	1,599,059	119%	0	0	0	0
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%) [3]	99.00%	98.0%	91.70%	94%	0.00%	0.00%	0.00%	0.00%
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO_2e)	632,454	601,474	870,919	145%	0	0	0	0
Gross market-based Scope 2 GHG emissions (tCO_2e)	863,800	952,560	858,264	90%	0	0	0	0
Gross scope 1 and market-based Scope 2 GHG Emissions (tCO_2e)	**2,419,091**	**2,275,941**	**2,457,323**	**107.0%**	**0**	**2,000,000**	**0**	**82.68%**
Significant Scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO_2e)	48,841,469	44,522,640	49,679,052	107%	0	0	0	0
1 Purchased goods and services	9,284,691	10,568,088	10,590,931	100%	0	0	0	0
Optional sub-category: Cloud computing and data center services	0	0	0	0%	0	0	0	0
2 Capital goods	343,390	337,976	320,627	95%	0	0	0	0
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	145,896	147,673	104,161	71.0%	0	0	0	0
4 Upstream transportation and distribution	324,194	872,052	1,067,890	122%	0	0	0	0
5 Waste generated in operations	128,430	147,911	82,130	56%	0	0	0	0
6 Business traveling	0	0	0	0%	0	0	0	0
7 Employee commuting	0	0	0	0%	0	0	0	0
8 Upstream leased assets	0	41,819	62,229	149%	0	0	0	0
9 Downstream transportation	0	0	0	0%	0	0	0	0
10 Processing of sold products	2,366,726	2,034,543	4,143,546	204%	0	0	0	0
11 Use of sold products	0	796,026	844,014	106%	0	0	0	0
12 End-of-life treatment of sold products	11,752,165	9,715,479	10,551,266	109%	0	0	0	0
13 Downstream leased assets	0	0	0	0%	0	0	0	0
14 Franchises	0	0	0	0%	0	0	0	0

	Retrospective				Milestones and target years			
15 Investments	24,495,977	19,861,073	21,912,259	110%	0	0	0	0
Total GHG emissions								
Total GHG emissions (location-based) (tCO_2e)	51,042,939	46,469,815	52,136,374	112%	0	0	0	0
Total GHG emissions (market-based) (tCO_2e)	51,274,285	46,820,901	52,149,030	111%	0	0	0	0

1) Increase due to change in accounting methodology of direct lines. // 2) The calculation excludes biogenic emissions of CO2 from the combustion or biodegradation of biomass [E1-6 .AR 43c]. // 3) Emissions from sourcing of goods and services are extrapolated to cover full year.

[E1-6.50]: Disaggregation of information for Scope 1 and 2 emissions (in terms of fully consolidated vs not fully consolidated entities).

Scope 1 and 2 emissions, split into Consolidated Group and not fully consolidated entities with operational control

	Scope 1	Scope 2 (market-based)	Scope 2 (location-based)
Consolidated Group	1,599,059 t CO_2e	858,264 t CO_2e	870,919 t CO_2e
Not fully consolidated entities with operational control	22 t CO_2e	15 t CO_2e [1]	15 t CO_2e

1) Due to limited data availability for Scope 2 emissions the methodology for market and location based is equal

[E1-6.AR 45d] Borealis has the following contractual instruments related to the purchase of energy:

- Power Purchase Agreements:
  - Physical PPAs: 100%
  - Virtual PPAs: 0%

Energy attribute certificates: 1,810,252 MWh

- Guarantees of origin: 1,810,252 MWh
  - Bundled: 1,521,415 MWh
  - Unbundled: 269,310 MWh
  - Renewable energy certificates: 1,540,942 MWh

This information is assuming that Renewable energy certificates is to prove power is produced of renewable sources.

[E1-6.AR 45e] Emissions for Scope 2 market based approach are reported in Fossil CO_2e and Biogenic CO_2 emissions.

[E1-6.AR 46g] When calculating Scope 3 emissions, most activity data is retrieved from the Group's ERP system, energy reporting (ISO 50001) and environmental reporting (ISO 14001).

Emission factors are applied using a hierarchy of increasing accuracy:

- Supplier- or customer-based emission factors (primary data);
- Mass-based average emission factors from internationally recognized data sources, such as Ecoinvent©, Sphera and GLEC;

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- Spend-based average emission factors from an internationally recognized data source (DBEIS); and
- Estimates based on reference plants.

The share of emissions calculated with supplier- and customer-based emission factors (primary data) is 0%.

[E1-6.AR 46i] For Borealis, the following Scope 3 categories (out of 15 listed in the GHG Protocol) are material and therefore included in the calculation under the GHG Protocol:

- 1 Purchased goods and services
- 2 Capital goods
- 3 Fuel and energy-related activities not included in Scope 1 or 2
- 4 Upstream transportation and distribution
- 5 Waste generated in operations
- 8 Upstream leased assets
- 10 Processing of sold products
- 11 Use of sold products
- 12 End-of-life treatment of sold products
- 15 Investments

Categories 6, 7, 9, 13 and 14 are not included in the calculation, as they are not material for Borealis.

[E1-6.AR 46j] Biogenic CO_2 emissions are calculated for Scope 3.12 resulting from the combustion of bio-based plastics at their end-of-life. In 2024, biogenic CO_2 emissions in Scope 3.12 were 21.8 kilotons.

High-level estimates of Biogenic emissions where data is available:

Biogenic emissions (kilotons CO_2)		
Scope 1		0
Scope 2	Location based	267
Scope 2	Marked based	179
Scope 3	Category 1 [1)]	96
	Category 5	1
	Category 10	423
	Category 12	29

1) *No Biogenic emissions factors for spend based calculation methodology available. Extrapolation was made based on mass based biogenic emissions*

[E1-6.AR 46h] **Scope 3 Category 1**

For calculating Scope 3.1 emissions, the following sources are used:

- Procurement records: All purchases by Borealis are linked with the applicable emission factors (spend- or mass-based). This accounts for approximately 2% of overall Scope 3 emissions.

– ERP system: Feedstock (cracker feed, monomer and polymer) sourcing data is primarily multiplied by mass-based emission factors. This accounts for approximately 19.5% of overall Scope 3 emissions.

Scope 3 Category 2

Data is retrieved from Group Accounting for CAPEX investments over the year. The amount (in €) is multiplied by a spend-based emission factor.

Scope 3 Category 3

Energy data from the energy management system (ISO 50001 certified) is multiplied by appropriate emission factors from the IEA or other sources on a country basis. This calculation includes transmission losses and indirect emissions.

Scope 3 Category 4

Emissions from the transport of feedstock and final products are calculated based on registered movements of products, using tons and distance. Additionally, 3% of Scope 3.1 emissions are added to Scope 3.4 to account for the transportation of other supplied goods.

Scope 3 Category 5

Waste data from the environmental management system (ISO 14001 certified) is multiplied by appropriate emission factors. This also includes emissions from wastewater disposal.

Scope 3 Category 8

Information is retrieved from financial reporting under IFRS16 and multiplied by the applicable spend-based emission factor.

Scope 3 Category 10

Information from the sales department (ERP system) reflects sold products. Each product family is split based on the conversion technology used by customers, and amounts are multiplied by the applicable emission factors of the technology. This includes polymer products imported from affiliates. The amount of hydrocarbon products sold to customers is retrieved from the sales department (ERP system) and multiplied by an estimated emission factor.

Scope 3 Category 11

Sales amounts of fuels are retrieved from the sales department (ERP system) and multiplied by the specific emission factor. When fuels are attributed as biogenic, the emissions are reported as biogenic CO_2. When polymers are used in applications where CO_2 is generated from the direct use of plastic, the amount retrieved from the sales department (ERP) is multiplied by the applicable emission factor.

Scope 3 Category 12

The Group calculates Scope 3 category 12 (end-of-life treatment of sold products) based on the recycled and biogenic content of its products. This conservative and transparent approach, known as the circular product offering cut-off methodology, means that Borealis does not rely on the efforts of other organizations to achieve climate neutrality or drive its circularity, as it assumes the burden of recycling and end-of-life emissions in its own GHG calculation.

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Scope 3 Category 15

A major part of Borealis' Scope 3 emissions falls into category 15 (investments). This includes the Group's stake in Borouge, as a result of which 36% of Borouge's Scope 1, 2 and 3 emissions are taken into account. Borouge's Scope 3 emissions are extrapolated by using the same ratio of Scope 3 to the total of Scopes 1 and 2 as Borealis, while excluding category 15. A similar approach is taken for Borealis' financial stake in Baystar™ in Texas, US.

[E1-6.53-54, AR 53]: Disclosure of GHG emissions intensity (total GHG emissions per net revenue)

		CO_2 intensity
Scope 1	kg CO_2e/EUR	0.204
Scope 1+2 Location based	kg CO_2e/EUR	0.315
Scope 1+2 Market based	kg CO_2e/EUR	0.313
Scope 1+2 Location based + Scope 3	kg CO_2e/EUR	6.642
Scope 1+2 Market based + Scope 3	kg CO_2e/EUR	6.640

[E1-6.AR 55]: The reconciliation of the net revenue used to calculate GHG intensity to the relevant line item or notes in the financial statements:

Net revenue used to calculate GHG intensity	7,851,864,000
Net revenue (other)	0
Total net revenue (in financial statements)	7,851,864,000

DR E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

[E1-7.60] Borealis is fully committed to reducing the carbon footprint of its operations and to achieving net-zero for Scopes 1 and 2 by 2050 or sooner. Borealis will limit GHG neutralization to 10% of its current base year emissions. GHG neutralization will be achieved through purchasing high-quality GHG removal credits or generating GHG removals within Borealis' own operations through BECCS (Bio energy with carbon capture and storage).

DR E1-8 – Internal carbon pricing

[E1-8.62] and [E1-8.63a] Borealis has an internal carbon pricing scheme, which uses a shadow price to reflect future ETS prices and drive the financial benefit of projects that reduce CO_2 emissions covered in the ETS system. [E1-8.63c] Borealis uses CO_2 forecast prices as defined by its majority shareholder that described a base scenario and a net zero scenario. The base carbon scenario-process is informed by the IEA's Announced Pledges Scenario (APS) and other external and market analyses. Borealis assessments are done with the base scenario.

[E1-8.63b] Scope of internal carbon pricing scheme

Internal Carbon Prices

Types of internal carbon prices	Volume at stake (tCO_2e)	Prices applied ($€/tCO_2e$)	Perimeter description
CAPEX shadow price	1.467 million metric tons	129-162	EU-ETS

[E1-8.63d] Percentage of GHG emissions covered by the internal carbon pricing scheme

	CAPEX shadow price
GHG Scope 1	92.00%

[E1-8.AR 65]: Based on the planning data, Borealis will need to purchase additional emission certificates from 2028 onward. These costs are incorporated into the Mid-Term Plan (MTP) 2025-2030 and allocated to the respective cash generating units for the impairment test. Furthermore, Borealis' management projects higher margins starting from 2028 to partly offset carbon-related expenses.

ESRS E2 Pollution

Every Borealis polyolefin production site produces microplastics in the form of plastic pellets. Microplastics also occur as flakes, powder, "angel hair" and dust. Microplastics are usually smaller than 5 mm and tend to accumulate in the environment because they are not biodegradable, causing growing concern about the potential long-term negative impacts on both ecosystems and human health. The majority of microplastics produced leave Borealis' production sites as products packaged within primary containment. A loss of primary containment incident, leading to an unintentional and unrecovered pellet loss, may result in microplastics being emitted to the environment.

Impact, risk and opportunity management

DR E2-1 – Policies related to pollution

[E2-1.14a] Borealis has identified microplastic pollution through unintentional pellet loss from its operations as a material impact. The Group manages this impact through its Responsible Care policy.

Responsible Care Policy

Responsible Care is the chemical industry's standard for health, safety, and environmental (HSE) management. Borealis is a signatory of the Responsible Care Global Charter and has established a Responsible Care policy, which obliges the Group to continuously monitor and improve its HSE management performance, and includes guiding principles for Group-wide implementation. Borealis has also adopted an environmental management system (EMS) aligned with the ISO 14001 standard. The EMS is an integral part of Borealis' Responsible Care policy.

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The impacts of unintentional pellet loss from the Group's operations are specifically managed through the polyolefin (PO) production sites' compliance with the Operation Clean Sweep (OCS) standard. OCS is a voluntary industry initiative, specifically designed to reduce and prevent plastic pellet, flake, or powder loss throughout the entire plastics value chain, from production, to handling and transport. It does this by committing its participants to best practices when handling plastic pellets and requiring external certification of compliance with the standard. The requirements of the OCS standard are integral to Borealis' EMS and therefore its Responsible Care policy.

The policy aims to reduce the emission of plastic particles into the environment to the maximum extent. The key content and objectives of the policy include:

- Deploying the OCS standard at all of Borealis' PO sites;
- Obtaining external OCS certification of all PO sites in Europe (recycling plants are currently excluded from the certification process);
- Implementing the following pellet loss hierarchy, as a guiding principle for avoiding pellet spills to the environment:
    - Zero loss of pellets from primary containment;
    - Mitigation of impacts in case of pellet spills; and
    - Cleaning up spillage to prevent unrecoverable pellet loss to the environment;
- Implementing the six key OCS requirements at every PO site. These are:
    - Improving the worksite setup to prevent and address pellet spills;
    - Creating and publishing internal procedures to achieve zero pellet loss;
    - Providing employee training and accountability for spill prevention, containment, clean-up and disposal;
    - Auditing performance regularly;
    - Complying with all applicable local and national regulations governing pellet containment; and
    - Encouraging partners to pursue the same objectives.

[E2-1.14d] The policy is aligned to the third-party standards described in section [E2-1.14a]. [E2-1.14b] It covers all Borealis entities and affiliates that process, handle or manage polyolefins (PO sites). Newly acquired entities follow a detailed implementation plan, which includes Responsible Care and implementing the OCS standard. [E2-1.14c] The Chief Executive Officer (CEO) owns the policy and is therefore accountable for implementing it and the OCS standard at all PO sites.

Borealis has currently not adopted a policy to manage material impacts, risks and opportunities related to pollution occurring in the upstream value chain but it is covered within the OMV Group's HSSE Directive and Environmental Management Standard, covering the commitment to minimizing air, water, and soil pollution.

[E2-1.14e] In setting its Responsible Care policy, Borealis considered the interests of key stakeholders in the form of its owners, through consultation with the Supervisory Board, and its employees, through consultation with the Works Council.

The OCS standard is administered by a steering committee that consists of the European Commission, representatives of EU member states, and NGOs, and therefore takes account of their interests and views.

[E2-1.14f] Within Borealis, the OCS standard is implemented in the Group-wide management system as well as being translated to local languages and local contexts, so it is accessible and understandable for every employee. All employees are regularly trained on how to live up to the requirements and how to work pellet-loss free.

The policy is not accessible for external stakeholders.

[E2-1.15a] Pollution to air, water and soil through unintentional pellet loss is covered by the Group's Responsible Care policy and its adoption of the OCS standard. Furthermore, all environmental topics related to Borealis' operations are addressed in the Group's environmental management system, which is in line with the Responsible Care policy.

Borealis' management system consists of four levels. The first level, called "standard", sets the framework for the area. Environment, Health & Safety and Product Stewardship are all covered in the Responsible Care policy as well as in the handbook (level 2) called "HSE Management System". Level 3 describes processes and level 4 contains detailed instructions. Level 5 covers meeting charters.

[E2-1.15c] Avoiding incidents and emergency situations regarding unintentional loss of plastic pellets is controlled and mitigated by implementing the six key OCS requirements at every PO site, as outlined in the Group's operational instruction on implementing the OCS standard. See [E2-1.14a] for more information on the six key requirements.

Every location is also required to establish a risk management plan and review it each year. The plan includes protocols and procedures to prevent and address spills, for example:

- Preventive measures, such as preventive maintenance and double sealings;
- Containment measures, such as catch trays and housings; and
- Cleaning or reaction measures, including vacuum cleaners and street sweepers.

This plan also sets out responsibilities, actions, timeframes and documentation in case pellets are found outside the designated primary containment, so it is clear:

- Who is responsible;
- Who takes care of the cleanup and how; and
- Who reports and follows up within Borealis and externally, for example with the authorities.

DR E2-2 – Actions and resources related to pollution

[E2-2.18a], [E2-2.AR 15] One of the key objectives of the Responsible Care policy is that all PO sites must comply with the Operation Clean Sweep standard and all PO sites within Europe are OCS certified, excluding recycling plants. Since all sites that adhere to the OCS standard must implement the six key requirements, the following key actions were taken or are planned at site level:

- Borealis Antwerpen N.V. – Belgium
  - Action 1: Close open actions from the internal OCS audit, to pass the external OCS certification audit
  - Action 2: Purchase of leaf vacuum tool
- Borealis Polymers N.V. – Belgium
  - Action 1: Close open actions from the internal OCS audit, to pass the external OCS certification audit

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    - Action 2: Install speed bumps as an additional measure to shake off pellets before trucks leave the site
- Borealis Polymere GmbH – Germany
    - Action 1: Close open actions from the internal OCS audit, to pass the external OCS certification audit
    - Action 2: Improvements to the skimmer pits T-6770 and T-6001
- Borealis Plastomers B.V. –The Netherlands
    - Action 1: Close open actions from the internal OCS audit, to pass the external OCS certification audit
    - Action 2: Install additional filters to avoid pellet loss to the sewer
- Borealis Brasil S.A. – Brazil
    - Action 1: Not applicable
    - Action 2: Modification of the overflow pipe in TK-1109
- Borealis Kallo N.V. – Belgium
    - Action 1: Close open actions from the internal OCS audit, to pass the external OCS certification audit
    - Action 2: Installation of sieves in trenches
- Borealis Polyolefine GmbH – (Linz) Austria
    - Action 1: Close open actions from the internal OCS audit, to pass the external OCS certification audit
    - Action 2: Design, produce and introduce sieves into floor sweep drums, to better separate pellets from other waste fractions (22 pieces)
- Borealis Italia S.p.A. – Italy
    - Action 1: Close open actions from the internal OCS audit, to pass the external OCS certification audit
    - Action 2: Modification of a packaging line for bags and octabins
- Borealis Compounds Inc – United States
    - Action 1: Not applicable
    - Action 2: Purchase floor sweepers to improve internal clean up
- Borealis Polymers Oy Porvoo – Finland
    - Action 1: Close open actions from the internal OCS, audit to pass the external OCS certification audit
    - Action 2: Modifications to the pellet transfer lines in PE2 to avoid open container handling
- Borealis Polyolefine GmbH – (Schwechat) Austria
    - Action 1: Close open actions from the internal OCS audit, to pass the external OCS certification audit
    - Action 2: Roll out the previously developed washing carts with fitted filtering big bags to silo farm A120
- Borealis AB – Sweden
    - Action 1: Close open actions from the internal OCS audit, to pass the external OCS certification audit
    - Action 2: Define and implement new design for nozzle to improve filling of van boxes
- Ecoplast Kunststoffrecycling GmbH – Austria
    - Action 1: Not applicable

    - Action 2: Implementation of housekeeping-tours
- mtm compact GmbH – Germany
    - Action 1: Not applicable
    - Action 2: Develop and roll out new OCS instruction and training packages
- mtm plastics GmbH – Germany
    - Action 1: Not applicable
    - Action 2: Develop and roll out new OCS instruction and training packages

For newly acquired locations such as Rialti, Integra, Renasci and DYM, OCS is part of the integration plan and follows a risk-based approach.

- Rialti S.p.A. – Italy
    - Action 1: Not applicable
    - Action 2: Milestone plan for OCS has been developed and kicked off
- DYM Solution Co., LTD – South Korea
    - Action 1: Not applicable
    - Action 2: First assessment against internal requirements completed
- Renasci N.V. – Belgium
    - OCS is included in the plan for next year
- Integra Plastics EAD – Bulgaria
    - OCS is included in the plan for next year

[E2-2.18b] The key actions are focused on Borealis' own operations at its polyolefin production sites worldwide, where it has operational control. [E2-2.AR 13] There are no microplastics emissions upstream of Borealis' own operations. Borealis has therefore not taken action related to pollution occurring in the upstream value chain, other than conducting regular supplier assessments and ratings by external providers, covering pollution-related criteria. None of Borealis' actions in relation to microplastics extend to the downstream value chain.

[E2-2.19b] The OCS program is aimed at prevention and all actions are focused on avoiding plastic pellets leaking into the environment. However, zero pellet loss has not been achieved so far and all OCS activities therefore fall into the reduce pollution category.

[E2-2.18c] The time horizons for completing the key actions are:

- Borealis Antwerpen N.V. – Belgium
    - Action 1: due by 31.12.2024, completed by 06.12.2023
    - Action 2: due by 31.05.2024, completed by 17.04.2024
- Borealis Polymers N.V. – Belgium
    - Action 1: due by 31.12.2024, completed by 22.11.2024
    - Action 2: due by 31.12.2024, completed by 29.11.2024
- Borealis Polymere GmbH – Germany
    - Action 1: due by 31.12.2024, completed by 25.10.2024
    - Action 2: due by 31.08.2024, completed by 15.09.2024
- Borealis Plastomers B.V. – Netherlands
    - Action 1: due by 31.12.2024, postponed to 05.03.2025
    - Action 2: due by 30.09.2024, completed by 06.12.2024
- Borealis Brasil S.A. – Brazil
    - Action 1: not applicable

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    - Action 2: due by 30.09.2024, completed by 25.09.2024
- Borealis Kallo N.V. – Belgium
    - Action 1: due by 31.12.2024 completed by 04.12.2023
    - Action 2: due by 15.12.2024, completed by 20.11.2024
- Borealis Polyolefine GmbH – (Linz) Austria
    - Action 1: due by 31.12.2024 completed by 02.07.2024
    - Action 2: due by 30.06.2024, completed by 16.04.2024
- Borealis Italia S.p.A. – Italy
    - Action 1: due by 31.12.2024, completed by 25.11.2024
    - Action 2: due by 31.12.2024, completed by 16.12.2024
- Borealis Compounds Inc – United States
    - Action 1: not applicable
    - Action 2: due by 31.03.2024, completed by 10.01.2024
- Borealis Polymers Oy – Finland
    - Action 1: due by 31.12.2024, completed by 10.09.2024
    - Action 2: due by 31.12.2024, completed by 25.11.2024
- Borealis Polyolefine GmbH – (Schwechat) Austria
    - Action 1: due by 31.12.2024, completed by 25.10.2024
    - Action 2: due by 31.12.2024, completed by 13.12.2024
- Borealis AB – Sweden
    - Action 1: due by 31.12.2024, completed by 08.04.2024
    - Action 2: due by 31.12.2024, completed by 20.12.2024
- Ecoplast Kunststoffrecycling GmbH– Austria
    - Action 1: not applicable
    - Action 2: due by 31.10.2024, completed by 29.10.2024
- mtm compact GmbH – Germany
    - Action 1: not applicable
    - Action 2: due by 31.12.2024, completed by 25.10.2024
- mtm plastics GmbH – Germany
    - Action 1: not applicable
    - Action 2: due by 31.12.2024, completed by 25.10.2024

[ESRS 2 MDR-A 69a] All actions for OCS in 2024 were either small investments or without cost and therefore none of the actions, individually or cumulatively, exceeded the EUR 2.5 million threshold.

Metrics and targets DR from ESRS E2

[ESRS 2 MDR-M75]: The metric "Number of spills" is related to the identified material impact: Unintentional pellet loss from Borealis' operations. More information can be found in chapter [ESRS 2-SBM-3.48a]

Metric	Unit	Definition	Methodology
Number of spills	**Number**	The number of pellet spill incidents, which is an incident that leads to any accidental or unplanned release of more than 0.5 kg of pellets from primary containment or the recovery system into the environment outside of the fence.	The metric is measured by trained on-site personnel during investigation of an incident or during regular plant inspections. It is tracked in an incident investigation tool (Synergi Life) and followed up via a KPI sheet. The weight of the loss is primarily measured through estimation. In some cases, more precise weight metrics might be available (for example, when weighing street sweeper contents).

[ESRS 2 MDR-M77b] For all European PO sites, excluding recycling plants, the metrics are validated by an external auditor during the certification process.

DR E2-3 – Targets related to pollution

[E2-3.22a]

Target 1: Obtain external certification of all European PO sites (excluding recycling facilities) to the OCS certification scheme

This target relates to the policy objective of achieving zero loss of pellets from primary containment.

Target 2: Total number of pellet spills to the environment is no more than 1 per PO site per year

This target relates to the policy objective of mitigating impacts if pellet loss occurs.

Both targets link to Borealis' key objective, which is to reduce the emission of plastic particles to the environment to the maximum extent.

Borealis has not set pollution-related targets covering the upstream value chain.

[E2-3.22b-e]

Target 1: The target applies to all of Borealis' polyolefin production sites (excluding recycling facilities) in Europe, encompassing all activities related to processing and handling plastic pellets. This target therefore does not apply to our sites outside Europe and the recycling facilities.

The number of OCS certificates issued is used as a measurement. The baseline value for target 1 is the result for 2024: 9.

Target 2: The target applies to all of Borealis' polyolefin production sites around the world, encompassing all activities related to processing and handling plastic pellets. All incidents are tracked in Borealis' internal reporting tool, Synergi Life.

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The number of Synergi cases per year per site is used to measure performance against the target. The baseline value for target 2 is the result for 2024: 7.

Both targets have applied since 2024, which is their baseline year.

[E2-3.22f] The methodologies and assumptions used to define the targets are described below. Both targets have been evaluated and finalized by a steering committee of Borealis' senior managers and finally approved and set into force by the highest management body for operations.

Target 1: The data collection for this target is based on the number of OCS certificates issued by external certification bodies.

Target 2: The data collection for this target is based on apparent non-conformities with site-specific OCS procedures observed and documented during off-site inspections by local OCS teams and the observations of all site personnel, contractors and neighbors.

[E2-3.22i] As the targets were set in 2024, Borealis has not changed its targets, metrics or methodologies. The Group periodically reviews its methodologies for accuracy and alignment with evolving scientific and regulatory standards.

[E2-3.22g] The targets for minimizing pellet loss from primary containment and pellet spills to the environment from Borealis' own operations are not based on conclusive scientific evidence. Instead, they were established through an internal benchmarking process that considered industry best practices and achievable levels, based on existing technologies and operational improvements. [E2-3.22h] No stakeholders were directly involved in the target setting process.

[E2-3.22j] The Group's performance against its targets is set out below. Borealis monitors performance through quarterly on-site meetings of local OCS teams. The Group reviews its targets annually in its management reviews, as part of the integrated environmental management system, and makes adjustments based on performance trends and operational developments.

As of 2024, the following PO sites have achieved their targets:

PO site	Target 1: External OCS certification	Target 2: Number of spills
Borealis Antwerpen N.Vv	done	0
Borealis Polymers N.V.	done	1
Borealis Polymers GmbH	done	0
Borealis Kallo N.V.	done	0
Borealis Plastomers B.V.	postponed	0
Borealis Brasil S.A.	n/a	0
Borealis Polymers Oy	done	1
Borealis Italia S.p.A.	done	0
Borealis Polyolefins GmbH (Linz)	done	0
Borealis Polyolefins GmbH (Schwechat)	done	0
Borealis AB	done	2
Borealis Compounds Inc. (Port Murray & Taylorsville)	n/a	2
Ecoplast Kunststoffrecycling GmbH	n/a	0
mtm plastics GmbH	n/a	1

Target 1 was not achieved as one location could not be certified in 2024, but had to be postponed to early 2025. Target 2 was also not achieved as one site had two spills.

[E2-3.23a-c] Neither target relates to air pollutants and respective specific loads, and target 1 does not apply to emissions to water and respective specific loads or pollution to soil and respective specific loads.

Target 2 relates to both emissions to water and respective specific loads and pollution to soil and respective specific loads, since it aims to reduce plastic pellet spills to the environment. Microplastics tend to accumulate in environmental compartments, including water and soil, due to their lack of biodegradability.

[E2-3.25] All of the targets related to pollution are voluntary.

DR E2-4 – Pollution of air, water and soil

[E2-4.28b] In 2024, Borealis generated or emitted the following volumes of microplastics at its PO sites:

- Microplastics generated as produced plastic pellets: 4,024,286.9 metric tons
- Microplastics emitted as unrecovered pellet spills: 0.018 metric tons

[E2-4.30a] Borealis began specific investigation and data collection on unintentional pellet spill incidents in 2024, with the implementation of the OCS standard at all PO sites. The Group therefore does not have information on changes over time.

[E2-4.AR20] The polyolefin production process is designed to produce microplastics in the form of pellets in order to make it possible to further convert the pellets into applications such as water pipes, cable insulation, or healthcare products. Therefore, the total Borealis polyolefin production falls under the category "microplastic generated". The production output of each of the Group's extruders (virgin polyolefin, compounding and recycling plant) is measured and reported in Borealis' environmental and energy data management system.

Accidental releases of microplastics (pellets, flakes, powder or dust) are documented and followed up in the internal incident management tool Synergi Life. All incident investigation and preventive actions are tracked in the tool. An estimation or ideally an exactly weighed amount of the spilled microplastics is mandatory. The amount of microplastics lost to the environment, as reported in each case filed by location in Synergi Life, will be used as a measure.

[E2-4.30b, c] The total mass of microplastics generated equates to the production output of each of the Group's extruders (virgin polyolefin, compounding and recycling plant), which is measured and reported in its environmental and energy data management system.

The total mass of unrecovered microplastics resulting from a significant pellet spill (as defined in section [ESRS 2 MDR-M77a] is primarily measured by trained on-site personnel through estimation during routine inspections.

The estimated total mass of unrecovered microplastics per spill incident is determined following a thorough root cause investigation, which is required when there is substantial evidence of a pellet spill incident. In some cases, the investigation may provide a more precise weight estimate. This measurement methodology complies with the requirements of the OCS Europe certification scheme.

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Primarily the estimation is based on a delta between the recovered and weighed spill and the source of the spill. The fast reaction time applied by the Group's staff limits the size of the spill and mostly allows for full recovery.

[E2-4.31] There are currently no standardized, scientifically recognized methods or tools available for directly measuring and quantifying the amounts of unrecovered pellets spilled from Borealis' own operations. Therefore, the quantification is based on estimation following a thorough root cause investigation.

A standardized methodology for measuring and quantifying channeled and diffuse microplastics emissions has been proposed in the Proposal for a Regulation of the European Parliament and of the Council on preventing plastic pellet losses to reduce microplastic pollution 2023/073 (COD) and the Commission Regulation (EU) 2023/2055 on amending Annex XVII to Regulation (EC) 1907/2006 of the European Parliament and of the Council (REACH) regarding synthetic polymer microparticles. Once this methodology has been established, Borealis will adopt it as soon as applicable.

ESRS E5 Resource use and circular economy

A circular economy decouples economic growth and resource constraints, while reducing waste leakage into the environment. The circular economy will also help to limit climate change, as it will reduce greenhouse gas emissions by using mechanical and chemical recycling instead of incineration, and renewable feedstock instead of virgin feedstock.

Borealis' ambition is to lead the transformation to a circular economy, and it is working intensively to be able to offer an alternative to the linear economy, across all its applications.

Impact, risk and opportunity management

DR E5-1 – Policies related to resource use and circular economy

[ESRS 2.62] Borealis has not yet adopted a formal policy on resource use and the circular economy, as the double materiality analysis was conducted for the first time, many IRO's are new, and as such the Group is elaborating the corresponding policies. The Group aims to develop a policy in 2025, which will be linked to its circular economy activities and targets. These focus on reducing its use of fossil resources and developing initiatives to create a circular economy for polymers.

Borealis has a circular economy strategy, which aims to gradually replace fossil-based resources with renewable or recycled ones. The Group derived its circular economy KPIs from this strategy in 2022. The Group also has a procedure which describes the organizational structure and governance of its Circular Economy Solutions department.

DR E5-2 – Actions and resources related to resource use and circular economy

[E5-2.19a] The Group's key actions in the reporting period included:

- Acquisition the mechanical recycler Integra Plastics in Bulgaria, further increasing Borealis' mechanical recycling production capacity;
- Conducting large-scale recycling testing of sorted feedstock from the Holy Grail 2.0 digital watermarks initiative (see [E5-2.19e]); and
- Undertaking the first commercial shipment of e-naphtha from eFuels leader Infinium's plant in the US to Porvoo (Finland), for the production of low-carbon-footprint plastics generated from waste carbon dioxide emissions.

The Group also continued the following actions during the reporting period, which form part of its planned actions for future periods:

- Focusing on the commercial ramping up of Borealis' circular portfolio and making further investments in mechanical and chemical production capacities, to move closer to the Group's targets for 2025 and 2030;
- Continuing to support technology development for better sorting and recycling solutions and exploring alternative business models, such as closed-loop systems, to improve recycling quality and reduce the use of fossil resources; and
- Establishing partnerships and long-term sourcing agreements for third-party offtakes, in order to secure sufficient circular feedstock and thereby reach set targets.

[E5-2.19b] The scope of Borealis' key actions is as follows:

- Upstream activities: These include cooperation with extended producer responsibility (EPR) schemes and suppliers of feedstocks for mechanical and chemical recycling, as well as suppliers of renewable feedstocks.
- Downstream activities: The Group is working to develop recyclate- and renewable-based products and applications, as well as value propositions for new business models.
- Geographies: Borealis' focus is on regions in Europe, which are close to its existing polymer and recycling plants, and where it can optimize synergies with its current sales market. The Group is also starting to explore opportunities in the Americas and continuing to support its joint venture Borouge in Asia.

[E5-2.19c] Borealis' key actions are all ongoing. The Group will look to match its upstream feedstock sourcing activities to future increases in its recycling capacity. In its downstream activities, Borealis has begun pilots and evaluations of new business models during 2024. Geographically, the Group's actions in Europe were in progress during 2024 and will continue in 2025, while activities in the Americas are still in the exploration phase.

[E5-2.19e] Borealis increased its circular capacity in 2024 with the acquisition of mechanical recycler Integra Plastics in Bulgaria, which adds production capacity of more than 20 kilotons/year. The Group also expanded its cooperation with Tomra and OMV, to create a plastic waste sorting facility in Germany. As part of the enhanced sorting development initiative Holy Grail 2.0, which utilizes digital watermarking, Borealis carried out large-scale trials at its demonstration facility in Lahnstein, Germany. These trials proved that enhanced sorting via digital watermarking is a very efficient way of sorting high-end recycled polyolefins.

Borealis has made use of the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation [ESRS 1 section 7.7] for the type and amount of current and future allocated resources with regards to circular economy [E5-2], [ESRS 2 MDR-A.69a], [ESRS 2 MDR-A.69b], [ESRS 2 MDR-A.69c].

[E5-2.AR 12a] Borealis contributes to the circular economy through its plastic recycling operations. These comprise five mechanical recycling operations and a chemical recycling company, which produces pyrolysis oil. The Group is ready to use pyrolysis oil in its Austrian, German and Finnish polymer sites. In addition, Borealis utilizes renewable feedstock at its sites in Finland, Sweden, Belgium and Austria.

[E5-2.AR 11] and [E5-2.AR 12b] Borealis collaborates with a wide range of other stakeholders involved in collective actions to advance the circular economy. For example, the Group has

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established the Recelerate joint venture with the EPR scheme Reclay, with the aim of significantly increasing the amount of light packaging waste that is recycled. Borealis has also established cooperations with Tomra and with other waste management and feedstock suppliers, which provide feedstock for the Group's recycling operations. In addition, Borealis plays a central role in the Finnish circularity initiative SPIRIT, funded by Business Finland and coordinated by knowledge provider VTT. This is a collaborative research and development program driving the transformation of the plastics industry in Finland.

Other stakeholders involved in partnerships and collaborations include Alba, Neste, many brand owners, car producers, converters and infrastructure companies, and the certification bodies ISCC PLUS and EuCert.

Metrics and Targets DR from ESRS E5

[ESRS 2 MDR-M75] Borealis uses the following metrics to evaluate its performance and effectiveness in relation to the circular economy:

- The Group's total capacity for circular solutions in kilotons/year;
- The total circular feedstock processed in kilotons/year;
- The total weight of products and technical and biological materials used during the reporting period;
- The percentage of biological materials used to manufacture Borealis' products and services; and
- The absolute weight and percentage of secondary reused or recycled components, secondary intermediary products and secondary materials Borealis uses to manufacture its products and services (including packaging).

[ESRS 2 MDR-M77a] The methodologies for calculating the Group's metrics are as follows:

- Total capacity for circular solutions established: this is the Group's circular supply capability of polymers (such as polyolefins) and chemicals (such as olefins), based on their recycled content and/or their use of biobased/renewable feedstock.
- Total circular feedstock processed: this is the total input of feedstock for the Group's mechanical and chemical recycling operations, plus the quantity of renewable feedstock used.

The significant assumptions behind these metrics are:

- For Borealis' own mechanical and chemical recycling, the calculation uses the operations' nominal capacity. For in-sourced recyclates and renewables, the contracted volumes per year are used.
- For circular feedstock processed, the Group's recycling plants record the volumes of input. For in-sourced recyclates and renewables, the Group gathers the information from suppliers.
- Yield factors are measured annually and are adjusted when needed, for example because the feedstock stream is different from that used in the previous year.

[ESRS 2 MDR-M77b] Borealis uses the data as reported to Recyclass for its mechanical recycling plants, and ISCC PLUS certifies the chain of custody of other inputs. There is no external validation of the Group's internal data agglomeration process.

DR E5-3 – Targets related to resource use and circular economy

[E5-3.23a], [E5-3.23b] and [E5-3.23e] Reflecting the Group's objective to reduce its use of fossil resources and develop initiatives to create a circular economy for polymers, it has set a strategic target to establish 1.8 million metric tons of circular capacity by 2030, with an intermediate target of 600 kilotons of circular capacity in 2025.

Borealis does not have a target for circular feedstock processed, but strives to show annual growth as it makes progress towards its circular capacity targets.

[E5-3.23c] The scope of the targets covers upstream processing activities, including waste collection and sorting for recycling, and processing of biowaste, across all of the Group's global operations. [E5-3.23d] The circular capacity targets were set in 2022, which is the base year. The baseline value for 2022 was 148 kilotons. Progress is measured in comparison to the previous year.

[E5-3.23f] The methodology to define the targets involved tracking the Group's progress with establishing circular production capacity, as well as measuring the amount of plastic waste which Borealis annually converts into circular products, taking into account losses incurred during the entire recycling and renewables conversion process.

To calculate plastic waste volumes processed, the significant assumptions used are:

- Yield extrapolation, applying the yield from the Group's existing mechanical recycling units to recently acquired ones.
- Utilizing a theoretical conversion factor, to work backwards from the polymer through the pyrolysis oil conversion steps, to calculate the waste volume used.
- For circular volumes where Borealis does not receive yield data from suppliers or from its minority joint venture, it conservatively assumes that the yield of waste to circular feedstock is 100%, so as not to overestimate the processed waste.

[E5-3.23g] The targets are based on internal and externally provided data rather than scientific evidence, with the underlying assumptions being documented and updated in accordance with internal procedures. Similar targets exist in Borealis' industry and peers. [E5-3.23h] The Group's stakeholders were not directly involved in its target setting. However, Borealis is a long-standing partner of the Ellen McArthur Foundation, which is one of the organizations that initiated such voluntary targets.

[E5-3.23i] Borealis has not changed its targets, the corresponding metrics or the principles underlying its methodologies. The changes in the calculation versus last year are due to yield differences.

[E5-3.23j] Borealis increased its circular capacity by 18% in 2024, with the waste volume processed rising by 97%. This shows clear progress against the Group's targets, despite tough recyclate market conditions due to the low price of fossil-based materials.

To monitor the Group's performance, both the Base Chemicals business and the Circular Economy Solutions mechanical recycling operations constantly gather data. This data is aggregated at the beginning of each calendar year, compared with the Group's targets and made ready for publication.

The Group carries out a strategic review of its targets as needed, with the most recent review completed in 2022.

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Borealis' targets are related to:

- [E5-3.24b] An increase in the circular material use rate, as increasing adoption of circular materials in the downstream value chain would stimulate Borealis' sales and future investments in circular economy solutions;
- [E5-3.24c] The minimization of primary raw material use, as Borealis aims to substitute circular products for a certain amount of primary raw material;
- [E5-3.24d] Sustainable sourcing and use of renewable resources, by promoting the recycling of plastic waste and use of renewable feedstock; and
- [E5-3.24e] Waste management and preparation for proper treatment, as the targets require waste to be sorted specifically for mechanical or chemical recycling. This will increase the utilization rate of waste as feedstock and avoid waste going to landfill or incineration.

[E5-3.24e] Realization of the targets also reduces GHG emissions, both in Borealis' operations and in the upstream and downstream value chain, as renewables and recyclates have a lower GHG footprint. Further details about GHG emissions can be found in chapter E1 Climate Change.

[E5-3.24a] The targets are not related to the increase of circular product design. However, the Group's performance against these targets would indirectly benefit if the downstream value chain increased its use of circular product design.

[E5-3.25] The targets directly relate to the "reduce" and "recycle" waste hierarchy layers, and also benefit the "recovery" (thermal) and "disposal" layers. [E5-3.27] All of the Group's targets related to the circular economy are voluntary.

DR E5-4 – Resource inflows

[E5-4.30] Borealis' fossil resource inflows are natural gas, oil, monomers and naphtha.

The Group's circular resource inflows are either sorted waste bales or flakes for mechanical recycling, insourced recyclates such as pyrolysis oil, or biopropane, biodiesel, bionaphtha and e-naphtha.

[E5-4.31a] The overall total weight of waste and products used during the reporting period is 5,742,250 metric tons. The total weight of biological materials used in 19,700 metric tons.

[E5-4.31b] The percentage of biological materials used to manufacture Borealis' products and services is 0.34%. The certification scheme used is ISCC PLUS.

Borealis prioritizes product use instead of fuels use. The production of fuels is a non-intentional step in the conversion of feedstocks to products in a steam cracker, and standard cracker optimization always minimizes the proportion of fuels to products.

[E5-4.31c] The percentage of secondary materials (feedstock for recycling) used to manufacture Borealis' products and services in the reporting period is 3.34%. In absolute figures, the mass of secondary materials is 191,800 metric tons. The certification schemes used are ISCC PLUS for chemical recycling, and Recyclass for mechanical recycling.

[E5-4.32] The weight figures are direct measurements, taken from suppliers' documentation, and are regularly checked. In this calculation, no assumptions are used.

DR E5-5 - Resource outflows

[E5-5.35] Borealis sells polyolefin products in the form of pellets, which may be based on fossil resources or on recycled or renewable/biobased resources. The Group also sells base chemicals, which include monomers, cracker products such as phenol or aromatics in the form of gases. These products may also have partially recycled and biobased content.

[E5-5.36c] Borealis' products are 100% recyclable before the Group's customers convert them into end products. During conversion into end products they may be mixed with incompatible and inseparable components, which could impair their recyclability.

[E5-5.40] Resource outflows (sales) are recorded in Borealis' SAP system. Group entities that are not yet integrated into SAP report their data separately. In both instances, data are based on direct measurement.

Products that are wholly or partially based on renewable feedstock or recycling are classified as circular products, as long as the circular content is higher than 25%.

Entity specific information

Borealis is targeting production capacity for circular solutions of 600,000 metric tons by 2025 and 1.8 million metric tons by 2030. In 2024, the Group's total production capacity for circular solutions was 227,900 metric tons, up 18% on 2023, and 54% up versus the baseline year 2022. Borealis also processed 221,200 metric tons of circular feedstock, up 97% compared to the previous year and 89% up versus 2022.

In metric tons	2024	2022
Total capacity for circular solutions established [1)]	227,900	148,000
Processed circular feedstock [2)]	221,200	117,000

1) Total capacity for circular solutions established means circular supply capability of polymers (e.g. polyolefins) and chemicals (e.g. olefins) based on recycled content and/or biobased/renewable feedstock.// 2) Total circular feedstock processed covers the actual input of feedstock for mechanical and chemical recycling, as well as renewable feedstock.

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Social Information

ESRS S1 Own workforce

Borealis' global People & Culture (P&C) organization provides people-related support and guidance to leaders and employees throughout their careers. P&C provides the governance framework and people-related services, including talent acquisition and onboarding, organizational and individual development, change management, and compensation and benefits.

The P&C Function strives to provide P&C excellence by ensuring robust governance in the organization. An essential element of this governance is the documentation of all policies, procedures, handbooks, processes and instructions in one system – the Borealis Management System (BMS). Clear roles and responsibilities are defined in relation to the process, and process owners are determined. The P&C Function ensures proper administration of all P&C processes and P&C data. Regular audits are conducted to ensure compliance, for example to ensure Borealis meets the requirements of the 8th EU Directive.

Impact, risk and opportunity management

DR S1-1 – Policies related to own workforce

[S1-1.19a] The Borealis P&C Standard sets out the Group's P&C governance. This is managed through the Borealis People Policy and a set of Group procedures and operative instructions, covering areas such as Reward and Compensation, Talent Acquisition, Training and Development, Payroll, Promotion Process, Home Working and others. The BMS collates all these documents in one system. [S1-1.19d] In addition to these internal policies, Borealis is committed to upholding international standards of human rights (see [S1-1.20a] and [S2-1.16d]) and local legislation.

The People Policy and the Group procedures address the following material impacts, risks and opportunities:

- Positive impact on increased work-life balance, attractive wages, raising opinions and concerns, employees' safety including mental safety, and career opportunities;
- Negative impact on missing workers representatives, employees' health and safety, discrimination against people with disabilities, unsafe working environment due to violence and harassment, risk of staff release, and human rights issues;
- Risks of employees withdrawing and inadequate succession planning; and
- Opportunity to provide high job security, transparent payments schemes, a strong safety culture, respectful relationships among colleagues, increased employee engagement, and enhanced performance and productivity.

[S1-1.19b] Unless the policy or procedure states otherwise, they apply to all employees in all countries, as they set the framework at Group level. For some topics, mostly in the area of working conditions such as working time or adequate wages, there might be more-specific local procedures and operative instructions, to take the local legal framework into consideration. [S1.1-19g] Some procedures may apply only to particular groups of employees. For example, People Mobility only applies to employees on international assignments.

[S1-1.19e] P&C policies that affect employees are presented to and discussed with employee representatives, to capture their input before the policies are published. [S1-1.19f] The P&C Standard, Policy and Group operative instructions are available for every employee on Borealis' intranet and the BMS document library.

[S1-1.19c] The VP P&C is accountable for implementing the policies. The VP P&C heads the P&C Leadership team and reports directly to the CEO.

[S1-1.23] In addition to the P&C policies described above, the Group has further policies relating to health and safety and workplace accident prevention.

[S1-1.20a] Borealis is committed to respecting local laws in countries in which it operates, especially when it comes to labor and social legislation, tax regulations, freedom of association, and non-discrimination.

Ethics, integrity and respect for human rights are firmly rooted in Borealis' core values and it is committed to meeting the responsibility to respect human rights throughout its operations and value chains. [S1-1.21] Borealis has therefore 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, more specifically:

- Freedom of Association and Protection of the Right to Organise Convention No. 87
- Right to Organise and Collective Bargaining Convention No. 98
- Forced Labour Convention No. 29
- Abolition of Forced Labour Convention No. 105
- Minimum Age Convention No. 138
- Worst Forms of Child Labour Convention No. 182
- Equal Remuneration Convention No 100
- Discrimination (Employment and Occupation) Convention No. 111

The Group's 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.

[S1-1.22] Borealis' Ethics Policy addresses the Group's opposition to trafficking in human beings, forced labor or child labor, as described in section [G1-1.7a].

Furthermore, Borealis complies with the EU Whistleblower Directive (Directive (EU) 2019/1937). For further details, please see [G1-1.10c ii].

[S1-1.20b] Borealis offers a wide range of participation opportunities for its own workforce. For example, they can become a member of:

- The Works Council, which provides legal representation of the workforce;
- Safety & HSE committees, which focus on HSE topics;
- Social committees, which support networking through local events; and
- Ambassador networks, such as those for Ethics and DE&I.

[S1-1.20c] Following the UN Effectiveness Criteria, Borealis aims to address all grievances received, regardless of whether they stem from real or perceived issues and whether the complainant is identified or anonymous.

The Group has established robust grievance mechanisms that are accessible to all employees. They offer a channel for identifying potential adverse impacts, resolving grievances and providing remedy to the rightsholders, where Borealis has caused or contributed to a negative

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impact. These mechanisms ensure that complaints and concerns are addressed promptly and fairly.

One of Borealis' key mechanisms is the Ethics Hotline, which enables individuals inside and outside Borealis to file reports, which can be fully anonymous. See [G1-1.10c i] for more information.

[S1-1.24a] Borealis has a range of policies aimed at eliminating discrimination. For example, the P&C Policy sets out the Group's commitment to "create a safe and healthy workplace where we can develop and exceed in an environment that promotes wellbeing. Diversity of cultures and thinking is appreciated and we are committed to ethics, values and quality in all we do." The P&C standard also contains a chapter on diversity.

These policies are supported by the P&C procedures described in [S1-1.19a]. For example, the procedures on Role Evaluation and Recruitment and Selection are designed to prevent discrimination during these processes.

[S1-1.24b] The Group's policies cover a wide range of characteristics that can be grounds for discrimination. Diversity and equal opportunity, in terms of gender, origin, religion, nationality or any other facet, is an integral element of Borealis' open culture and enriches the Group's working environment. Borealis strongly believes that diverse teams are more creative, resourceful and knowledgeable in generating broader perspectives, ideas and options. Diversity and inclusion therefore have a strong impact on people and teams, improving engagement and job satisfaction and directly contributing to the Group's profitability and sustainability.

[S1-1.24c] Borealis' policies are supported by the P&C procedures and operative instructions described in [S1-1.19a]. For example, the Recruitment Operative Instruction aims to ensure equal treatment of everyone, including people from groups at particular risk of vulnerability. The Group's other activities in this area include supporting women's careers through specific training programs like SHEnergy, as well as networking opportunities.

[S1-1.24d] All BMS documents are reviewed and signed off by all stakeholders involved. Additionally they are presented to and discussed with employee representatives to obtain their opinion and to ensure that the effects on employees are transparent. Group instructions on reward topics are handled by the Remuneration Committee, as an additional governance body. They are then published on Borealis' intranet, so they are accessible for every employee. Where necessary, training is provided for everyone who is part of the process, to ensure that the process operates effectively.

DR S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

[S1-2.27a] Engagement occurs directly with Borealis' own workforce as well as with workers' representatives. [S1-2.27b] There is regular engagement and cooperation at different levels of the organization. This includes, for example:

- Regular meetings between the local works council and the local People & Culture Business Partner, to provide information and consult or negotiate on topics regarding the local workforce;
- The Executive Board tour, with each Borealis location visited once per year by one of the Executive Board members, to provide local employees with an overview of Borealis' financial performance in the previous year, the outlook for the current year, and other topics such as

strategic project updates or the Group's values. Everyone from that location is invited to this session; and
- The yearly Pulse Check online questionnaire, with key questions regarding retention, values, wellbeing and leadership, allowing every Borealis employee to have their say.

In 2024 Borealis established a P&C Business Circle in which topics of strategic importance to the organization are discussed, the voice of the business is heard in order to ensure that P&C works together with the business. In addition, P&C sees and treats all its people as customers. In light of this, the P&C Business Circle is an important listening channel to improve engagement and customer satisfaction alongside the works council and Pulse Check.

[S1-2.27c] The VP People & Culture, is responsible for overseeing all aspects of employee engagement. This includes all relevant legal aspects, as defined in the local labor laws, as well as employees' experiences of processes, wellbeing or DE&I aspects.

[S1-2.27d] Borealis is part of OMV Group's European Works Council. Borealis adheres to the legal requirements regarding consultation and negotiations, as part of the collective bargaining embedded in European, national and/or sectoral collective agreements. This takes place normally once a year, depending on local legislation, and covers topics such as remuneration, working time and GDPR.

[S1-2.27e] The effectiveness of Borealis' engagement with its own workforce is assessed via yearly pulse checks. The results are analyzed at Group and location level, and for each line manager with more than ten answers. The elements of the analysis include the employee retention score, quantitative results and identified feedback clusters from open comments. Based on the analysis, Borealis defines improvement actions, which are followed up quarterly.

[S1-2.28] Borealis' approach to DE&I covers a range of different groups within its workforce who may be particularly vulnerable to impacts or marginalization (see [ESRS 2-SBM-3.48a]).

Across these groups, Borealis has a variety of activities and steps, including those which help it to gain insight into their perspectives. Examples of these activities include:

- Interactive training sessions to create awareness, share observations and draft solutions;
- Events to share information and get in touch with employees (such as Positively Purple for Disability);
- The DE&I playbook, to enable teams to include DE&I in their meetings;
- LGBTQIA+ lunches, where employees can discuss their situation; and
- Focus group workshops, to investigate a specific topic in more depth and create a basis for further actions.

These streams are staffed by engaged volunteers and ambassadors, including works council representatives, supported by senior leader sponsors.

DR S1-3 – Processes to remediate negative impacts and channels for its own workforce to raise concerns

[S1-3.32a-d], [S1-3.AR 30] Borealis has established an independent Ethics Hotline as a grievance mechanism, allowing all Borealis employees and external stakeholders to report perceived injustice and breaches of the Ethics Policy. See [G1-1.10c i] for more information.

Each new employee receives ethics training on Borealis' ambition level and grievance mechanisms, and every white-collar employee must complete an annual ethics certification,

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which certifies their compliance with corporate policies on ethical business practices, confirms they are aware of the Ethics Policy and its principles, and that that they have reported all witnessed or suspected violations of the Ethics Policy. See chapter G1 for further details on training and self-certification.

[S1-3.32e] Borealis assesses the effectiveness of the process by monitoring feedback from employees, tracking resolution timelines, and evaluating whether similar issues recur. If similar cases of misconduct are revealed, the Group considers additional training and awareness campaigns.

[S1-3.33] Borealis provides a range of channels for reporting, to allow employees to choose the channel they trust most. In addition to the Ethics Hotline and the self-certification process, employees can raise their concerns or needs directly with the Group through communication with their line manager, engagement walks, their People & Culture Business Partner or the Works Council.

Irrespective of the legal requirements in place in the relevant jurisdiction, Borealis offers extended whistleblower protection to all internal and external whistleblowers who make a report meeting the criteria described in [G1-1.10c i]. See [S2-3.28] for more information.

DR S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

[S1-4.37a-c] Key actions taken and planned, along with their scope and time horizons, include:

Pulse Check 2024

Borealis conducted this annual employee survey and shared the outcomes at all levels (Group, location, and department), with follow-up actions agreed to ensure employee retention and satisfaction.

The questionnaire was sent to every active employee in Borealis. The results were reported in October and November 2024, with actions defined by December 2024. These actions will be implemented in the period to August 2025.

Training Programs

Borealis conducted training on GDPR, Privacy and Data Protection, Human Rights at Borealis, and Ethics, to build up knowledge in these areas and ensure ethical behavior throughout the Group, with regular updates to ensure that the high level of understanding is maintained.

The training applies to all Borealis employees, with the Ethics course run annually and human rights training bi-annually, with GDPR training also provided bi-annually for all white-collar employees.

Equal Pay

The Group has introduced a thorough pay equity and CSRD analysis process, to shed light on the gender pay gap in Borealis and develop strategies to address this important matter. The pay gap analysis covers all legal entities globally. The first analysis was completed in 2024 to design a process and gain insights, with the first full assessment planned for 2025.

[S1-4.37e] Key achievements in 2023:

– Updated and launched employer value proposition and employer brand

- Implemented annual wellbeing calendar
- DE&I Vision and Ambition 2030 defined for whole OMV Group and DE&I Volunteer Network established
- Revision of Hybrid Workplace Guidelines increasing the flexibility to work from home to 50%
- Designed strategic workforce planning approach and format
- Launched new Transformational Leadership competencies

[S1-4.38b] Actions completed in 2024 to prevent or mitigate material negative impacts on Borealis' own workforce included:

- Unfair remuneration: conducting an equal pay assessment as a basis for mitigating actions (see [S1-4.37a-c]);
- Working time: implementing a flexible home office model for the country of employment; and
- New ways of working: completing a pilot for an HR chatbot, to gain insights into the possibilities of using digital assistants.

[S1-4.38a] and [S1-4.40a] Actions planned for 2025 to prevent or mitigate material negative impacts and risks relating to Borealis' own workforce include:

- Unfair remuneration: defining follow-up actions to address any issues identified in the equal pay assessment;
- Working time: to stay competitive as an attractive employer, Borealis will introduce a flexible working abroad model;
- Career opportunities: to improve employee retention, Borealis will introduce an internal marketplace to offer training and job opportunities; and
- New ways of working: to reduce administration, Borealis will introduce more self-service and automated processes.

[S1-4.38c] Other actions or initiatives for delivering positive impacts for Borealis' own workforce include:

- Updating Borealis' employer branding with the slogan "Make it real", to help attract highly skilled candidates;
- Implementing the Group's DE&I roadmap and annual calendar of events and activities;
- Developing and deploying a listening strategy, to constantly receive qualified employee feedback;
- Introduction of the P&C Business Circle to collect input throughout Borealis on people topics
- Exploring the use of AI tools in talent acquisition;
- Optimizing the onboarding experience, including for internal moves; and
- Continuously enhancing the flexibility of the workplace, including outside the country of engagement.

[S1-4.40b] Borealis' actions to pursue material opportunities include ensuring employability by creating new curricula to foster DE&I. For example, the Group introduced a new Intercultural stream in 2024 to embrace all cultures within Borealis. As evidence that Borealis encourages employees to elect employee representatives, a works council was established at the Group's Vienna location for the first time.

[ESRS 2 MDR-A.69a] The actions listed above do not require significant operational or capital expenditures.

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[S1-4.38d] Borealis will track and assess the effectiveness of its actions in the following ways:

- Unfair remuneration: external benchmarking to identify focus areas in the frame of the equal pay project, with remuneration data collected and mapped against external benchmark data;
- Working time: flexible working abroad model – calculating the initial percentage of employees who work abroad, as a baseline for upcoming years;
- Career opportunities: internal marketplace to offer training and job opportunities – obtaining feedback in the Pulse Check on development opportunities; and
- New ways of working: more self-service and AI augmented, automated processes – identifying the number of self-service processes started, as a baseline for upcoming years.

[S1-4.41] More generally, the Group ensures its practices do not cause or contribute to material negative impacts in the following ways:

- Every year a thorough plan of internal audit investigations is set up, to ensure compliance with internal and external regulations;
- Borealis holds certifications and complies with standards in several areas, such as ISO and IATF, to ensure compliance with sector regulations; and
- The Group uses its Synergi database to document and mitigate risks in the area of Health and Safety.

[S1-4.43] Borealis manages its material impacts by allocating all P&C processes to a dedicated owner. The process owners are members of the P&C leadership team and are organized into the following Centers of Excellence: Growing Talent, New Ways of Working & Reward, Organizational Evolution, Strategy & Transformational Leadership, and Employee Experience, following the P&C Strategy and the strategic focus areas.

[S1-4.39] To identify the appropriate action in response to a particular actual or potential negative impact on its own workforce, Borealis utilizes stakeholder engagement. By engaging with its employees and employee representatives, Borealis gains valuable insight into potential negative impacts and understands the perspectives and concerns of its stakeholders. Examples of this engagement are Open Forum, regular meetings with works councils, and quarterly business updates.

[S1-4.AR 43] The transition to a greener, climate-neutral economy is a fundamental aspect of the Group's Strategy 2030. As part of this, Borealis is investing in Circular Economy Solutions, as well as in AI capabilities, which creates new career opportunities for its employees. It constantly up-skills employees to be able to work in these new areas and to further develop these technologies. See chapter E5 for more information.

Metrics and Targets DR related to S1 Own Workforce

[ESRS 2 MDR-M.75] In 2024, Borealis had two P&C key performance indicators in the Group Scorecard. These were:

- Diversity: Gender diversity overall for all Grades 14 and higher (Definition of Grade can be found in [S1-9.AR 71]); and
- Culture: Pulse Check participation rate and engagement rate.

[ESRS 2 MDR-M.77a, c] The methodologies behind these metrics were as follows:

- Diversity: a monthly report from Borealis' SAP system shows the number of female employees of Grade 14 and higher, the total of all employees of Grade 14 and higher, and the percentage of female employees in this group.
- Culture: The Group measures the participation rate in its Pulse Check survey by comparing the number of answered questionnaires to the total number of questionnaires issued. The engagement rate is based on response to three questions:
    - SAY: I would recommend our organization to others seeking employment
    - STAY: It would take a lot for me to leave our organization
    - STRIVE: Our organization inspires me to do my best work every day

The methodologies do not rely on any significant assumptions.

[ESRS 2 MDR-M.77b] The metrics are not validated by an external body. The diversity KPI is monitored by Borealis' owner, OMV, while the engagement KPI is delivered by the Group's external provider for the Pulse Check.

DR S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

[S1-5.46a] In 2025, Borealis will add a new KPI to its existing DE&I KPIs on gender diversity (percentage of females in Grade 14 and above., with a target of 23%) and culture (percentage of Pulse Check participation rate with a target of 80%). This will relate to equal treatment and opportunities, specifically disability, to help Borealis build an inclusive and accessible work-environment that allows eligible legal entities (in countries where a legal definition of disability exists) to increase the percentage of employees with disabilities.

[S1-5.46b] The targets for 2025 in relation to equal treatment, opportunities and disability are:

- Increase in the Pulse Check inclusion score: +1%; and
- Increase in the number of employees with a disability: Reported number of employees with disability at OMV Group legal entities in Vienna show an improvement.

[S1-5.46c] The scope of the targets is the whole of Borealis for the first KPI and for Vienna Head office employees for the second KPI. [S1-5.46d] The baseline year for both targets is 2024 and the baseline values for the Pulse Check inclusion score is 55% and the baseline percentage of employees with a disability in Vienna Head office is 0.6% as legislation is mature, opportunity is highest and to role-model. [S1-5.46e] The targets have been set only for 2025 and Borealis will assess targets for future years based on the initial outcome.

[S1-5.46f] The methodologies and data sources related to the targets are as follows:

- The improvement in the Pulse Check inclusion score will be calculated by Borealis' external provider, based on the Group's awareness building and activities during 2025.
- The increase in the number of employees with a disability will be based on a report from SAP.

[S1-5.46g] As the targets are not related to environmental performance, they are not based on conclusive scientific evidence. [S1-5.46h] Stakeholders were involved in setting the targets, with the Group's experts in the DE&I Accessibility substream proposing the KPI, which was signed off by the Executive Board.

[S1-5.46i j] As the targets are new for 2025, there have been no changes compared with prior years and there is no performance against targets to report.

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[S1-5.47a] Group-level targets, such as the KPIs in the Group scorecard, are defined by the respective department (in this case, P&C) and confirmed by the Executive Board. Employee views were considered through the involvement of the experts in the Group's Accessibility substream, as noted in [S1-5.46h] above.

[S1-5.47b] The P&C department will track performance against target each month for the percentage of employees with disabilities and publish the result on the intranet. Performance against the Pulse Check inclusion score target is calculated once a year, after the survey is complete.

[S1-5.47c] Monthly tracking shows if performance is below threshold, on target or exceeding target. This allows Borealis to determine the outlook for the rest of the year and agree actions to improve performance if needed, or to maintain current achievements.

DR S1-6 – Characteristics of the undertaking's employees

[S1-6.50a]: Total number of employees by head count, and breakdowns by gender and by country for countries in which Borealis has 50 or more employees representing at least 10% of its total number of employees:

Gender	Number of employees (head count)
Male	4,722
Female	1,451
Other	0
Not reported	0
Total employees	6,173

The following table shows the total number of employees broken down by country for countries in which Borealis has 50 or more employees, representing at least 10% of its total number of employees.

Country	Number of employees (head count)
Austria	1,470
Belgium	1,265
Finland	943
Sweden	986
other Europe	884
non-Europe	625

[S1-6.50b] Total number of employees (headcount) broken down by gender and type of employment as of December 2024.

	2024				
	Female	**Male**	**Other [1)]**	**Not disclosed**	**Total**
Number of employees (head count)	1,451	4,722	0	0	**6,173**
Number of permanent employees (head count)	1,383	4,649	0	0	**6,032**
Number of temporary employees (head count)	68	73	0	0	**141**
Number of full-time employees (head count)	1,211	4,389	0	0	**5,600**
Number of part-time employees (head count)	240	333	0	0	**573**

1) Gender as documented in official document (e.g. passport)

[S1-6.50c] Turnover (voluntary/ employee-initiated) is calculated as follows:

Average Headcount = (Headcount at 31.12.2023 + Headcount at 31.12.2024) divided by 2;

Turnover = Leavers (Exits) divided by Average Headcount

[S1-6.AR.59] A total of 215 employees voluntarily left Borealis in the reporting period, which corresponds to an employee turnover rate of 3.56%.

The calculation exclude Integra Plastics EAD in Bulgaria, which was acquired during the reporting period. Headcount of Integra Plastics EAD at 31.12.2024 was 134.

[S1-6.50d i, ii] The data are from SAP, Borealis' Group-wide HR system, and reported in terms of headcount.

The calculation is performed as follows:

- adding the number of employees at the beginning and end of the period and dividing by two, to determine the average number of employees in the period;
- dividing the number of employees who left by the average number of employees; and
- multiplying the result by 100 to get the turnover percentage.

Employees are included in calculation if they left because of the following technical reason codes in Borealis' HR Information System: the end of a temporary contract, reorganization, death, their own decision, termination, arrangement employer, arrangement employee, early retirement, medical retirement or disability pension, retirement due to age, immediate termination, early justified, early unjustified, after parental leave, other.

Employees are excluded from the calculation if they left because of an internal move between Borealis' legal entities.

[S1-6.50f] The information on the total number of employees by gender and country is identical with the annual financial statements.

[S1-6.51] For the information specified in point (b) of paragraph 50, the undertaking may in addition disclose the breakdown by region:

- [S1-6.52a] full-time employees, and breakdowns by gender and by region
- [S1-6.52b] part-time employees, and breakdowns by gender and by region

	2024						
	Austria	**Belgium**	**Finland**	**Sweden**	**Other Europe**	**Non-Europe**	**Total**
Number of employees (head count)	1,470	1,265	943	986	884	625	**6,173**
Number of permanent employees (head count)	1,428	1,251	917	956	868	612	**6,032**
Number of temporary employees (head count)	42	14	26	30	16	13	**141**
Number of full-time employees (head count)	1,309	1,042	918	948	760	623	**5,600**
Number of part-time employees (head count)	161	223	25	38	124	2	**573**

DR S1-7 – Characteristics of non-employees in the undertaking's own workforce

[S1-7.55a] Total number of non-employees in Borealis' own workforce, which are either people with contracts with the undertaking to supply labor (self-employed people) or people provided by undertakings primarily engaged in employment activities:

Datapoints:

- Number of non-employees in own workforce
- Number of non-employees in own workforce - self-employed people
- Number of non-employees in own workforce - people provided by undertakings primarily engaged in employment activities

	2024
Total number of non-employee workers in own workforce	99

[S1-7.55c] Leasing employees are selected individuals that are employed by a third-party, the so-called leasing company, and receive their salary from that company as well. However, they are under Borealis management control.

DR S1-8 – Collective bargaining coverage and social dialogue

[S1-8.60a] 86% of Borealis' employees are covered by collective bargaining agreements.

[S1-8.AR 66] The percentage of employees covered by collective bargaining agreements is calculated using the following formula:

$$x = \frac{\text{Number of employees covered by collective bargaining agreements}}{Number\ of\ employees}\ x\ 100$$

[S1-8.63b] OMV Group has a European Works Council which includes Borealis employee representatives in proportion to their percentage representation of the total workforce. Borealis also has a long history of good relationships with local employee representatives in the respective countries.

[S1-8.AR 70], [S1-8.60b] In the EEA, whether it has one or more collective bargaining agreements and, if so, the overall percentage of its employees covered by such agreement(s) for each country in which it has significant employment, defined as at least 50 employees by head count representing at least 10% of its total number of employees. [S1-8.60c] Outside the EEA, the percentage of employees covered by collective bargaining agreements by region, [S1-8.63a] the global percentage of employees covered at the establishment level by workers' representatives, reported at the country level for each EEA country in which the undertaking has significant employment.

	Collective Bargaining Coverage		Social Dialogue
Coverage Rate	**Employees – EEA (for countries with >50 empl. Representing >10% total empl.**	**Employees – Non-EEA (estimate for regions with >50 empl. Representing >10% total empl.)**	**Workplace representation (EEA only) (for countries with >50 empl. Representing >10% total empl.**
0-19%	Other Europe	Other Europe [3)], Non-Europe [1)]	Other Europe [1)], Other Europe [4)]
20-39%			
40-59%	Belgium [1)]		
60-79%	Austria [1)]		Austria [4)], Belgium [1)]
80-100%	Austria, Belgium, Finland, Sweden, Other Europe [2)]	Non-Europe [2)]	Austria, Belgium, Finland, Sweden, Other Europe [2)]

1) Other Europe = Bulgaria, Croatia, Czech Republic, Denmark, Poland, Romania; Austria = Borealis AG – the missing percentage up to 100% are excluded by the CLA itself ("Leitende Angestellte"); Non-Europe = Morocco, South Africa, United Arab Emirates, Argentina, Chile, Colombia, Mexico, South Korea, Singapore, United States; Belgium = Renasci N.V. // 2) Other Europe = France, Germany, Italy, Netherlands, Spain; Non-Europe = Brazil, China // 3) Other Europe = Turkey, United Kingdom // 4) Austria = Ecoplast Kunststoff-Recycling GmbH; Other Europe= Spain

DR S1-9 – Diversity metrics

[S1-9.66a]: the gender distribution in number and percentage at top management level:

Number of employees on executive level	**2024**
Female	0
% of executive level	0
Male	5
% of executive level	100
Other gender	0
% of executive level	0
Not reported	0
% of executive level	0
Total	5

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[S1-9.AR 71] Borealis defines career levels based on the grade of the employee's position, with a rating of 1 as the lowest grade and 21 as the highest grade.

The career levels within Borealis are:

- Executives: Borealis Executive Board
- Advanced: grade 14 – grade 21
- Core: grade 11 – grade13
- Primary: grade 8 – grade 10
- Entry: grade 1 – grade 7

Top management is defined as Executives and Advanced.

[S1-9.66b]: the distribution of employees by age group: under 30 years old; 30-50 years old; over 50 years old

Number of employees	2024
Under 30 years old	709
% of employees under 30 years old	11.5
Between 30 and 50 years old	3,421
% of employees between 30 and 50 years old	55.4
Over 50 years old	2,043
% of employees over 50 years old	33.1

DR S1-10 – Adequate wages

[S1-10.69] Borealis is committed to respecting local laws and does not pay salaries below the local legal minimum wage, as stated in collective labor agreements or similar regulations.

DR S1-11 – Social protection

[S1-11.74] All Borealis employees are covered by social protection, either through public social security programs or through benefits offered by the undertaking for loss of income due to significant life events such as:

- [S1-11.74a] Sickness
- [S1-11.74b] Unemployment, with coverage starting upon employment
- [S1-11.74c] Employment injury and acquired disability
- [S1-11.74d] Parental leave
- [S1-11.74e] Retirement

Region	S1-11.74a	S1-11.74b	S1-11.74c	S1-11.74d	S1-11.74e
Austria	public	public	public	public	public
Belgium	public	public	public	public	public
Finland	public	public	public	public	public
Sweden	public	public	public	public	public
Other Europe	public [1)]	public	public	public	public
Non-Europe	public [2)]	public	public [2)]	public [2)]	public [2)]

1) Public = organizational in Netherlands // 2) Public = South Africa [S1-11.74c]: organizational; United Arab Emirates [S1-11.74e]: organizational; Brazil [S1-11.74d]: no; United States [S1-11.74a, c]: organizational, d no

[S1-11.75] All Borealis employees have social protection relating to one or more types of events.

DR S1-12 – Persons with disabilities

[S1-12.79] Percentage of persons with disabilities amongst Borealis' employees subject to legal restrictions on the collection of data: 0.73% at December 31, 2024.

[S1-12.80]: No gender split available for employees with disabilities (GDPR)

[S1-12.AR 76]: Methodology used was an inventory for all legal entities in all countries on the legal definitions in that respective country.

DR S1-13 – Training and skills development metrics

[S1-13.83a] Percentage of employees that participated in regular performance and career development reviews, broken down by gender

[S1-13.83b] Average number of training hours per employee and by gender in 2024:

	Female	Male	Other	Not reported	Total
	2023	**2023**	**2023**	**2023**	**2023**
Percentage of employees and (or) non-employees that participated in regular performance and career development reviews	88	84	0	0	85
	2024	**2024**	**2024**	**2024**	**2024**
Average number of training hours per employee and (or) non-employee	20	25	0	0	24

[S1-13.84], [S1-13.85] Breakdown by employee category for the percentage of employees that participated in regular performance and career development and for the average number of training hours per employee:

Employee category	Percentage of employees that participated in regular performance and career development reviews in 2023 [1)]	Average number of training hours per employee in 2024 [2)]
Entry	77.00%	26
Primary	92.00%	26
Core [1)]	94.00%	20
Advanced	89.00%	14
Executives	67.00%	6
Not Classified	30.00%	35

1) Performance management is not rolled out yet in Ecoplast Kunststoffcecycling GmbH, mtm plastics GmbH, DYM SOLUTION CO., LTD, Integra Plastics AD, Rialti S.p.A., Renasci N.V. (no performance management in place or non-BIP) and for employees who joined during the ongoing performance cycle. // 2) Average training hours exclude DYM SOLUTION CO., LTD, Integra Plastics AD, Rialti S.p.A., Renasci N.V. (Horizon Learning not in use)

DR S1-14 – Health and safety metrics

All qualitative and quantitative disclosure requirements referring to Health & Safety are located at the end of this chapter as a separate sub-chapter S1-14 Health & Safety.

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DR S1-15 – Work-life balance metrics

[S1-15.93a], [S1-15.AR 97], [S1-15.94] 100% of Borealis employees are entitled to take family-related leave. These employees are entitled to family-related leave because they are covered by regulations, organizational policies, agreements, contracts or collective bargaining agreements that contain family-related leave entitlements. They have reported their entitlement to Borealis or the Group is aware of the entitlement.

[S1-15.93b]: Disclosure of the percentage of entitled employees that took family-related leave, and a breakdown by gender:

Percentage of entitled employees that took family-related leaves	2024
Female	21
Male	15
Not reported	0
Total	**16**

DR S1-16 – Remuneration metrics (pay gap and total remuneration)

[S1-16.97a], [S1-16.AR 98] The Gender Pay Gap is determined based on the contractual base salary and both short-term and long-term incentive plans (where applicable for employees). Additionally, the GPG is calculated using the contractual working hours: 3%

[S1-16.97b]: Annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual): 1:16.69.

[S1-16.97b a] All 6,173 employees have been included in the calculation. [S1-16.97b i] Contractual base salary with short-term incentive plan and long-term incentive plans (incentive plans for employees where applicable) as well as [S1-16.97b b ii] components such as shift allowance and overtime in relation to contractual working hours were considered.

[S1-16.97b iii] Benefits in kind, such as cars, private health insurance, life insurance, wellness programs are not included.

[S1-16.97b b iv] Borealis is a privately held company and does not have stock options.

DR S1-17 – Incidents, complaints and severe human rights impacts
[S1-17.103a], [S1-17.103b], [S1-17.103c], [S1-17.104], [S1-17.104a] and [S1-17.104b]
Disclosure of the number of work-related incidents and/or complaints and severe human rights impacts within Borealis' own workforce, and any related material fines, sanctions or compensation for the reporting period:

	2024
Number of incidents of discrimination	24
Number of complaints filed through channels for own workers to raise concerns	90 (complaints on social/human rights topics by own work force)
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0
Amount of material fines, penalties, and compensation for damages as result of violations regarding social and human rights factors	0
Number of severe human rights issues and incidents connected to own workforce	0
Number of severe human rights issues and incidents connected to own workforce that are violations of UN Global Compact Principles and OECD Guidelines for Multinational Enterprises	0
Amount of material fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce	0
Number of severe human rights cases where undertaking played role securing remedy for those affected	0

ESRS S1 Own workforce (Health & Safety)

Impact, risk and opportunity management (Health & Safety)

DR S1-1 – Policies related to own workforce (Health & Safety)
Borealis' policies in relation to protecting the health and safety of its own workforce include the Responsible Care Policy, the Management System Policy and the Incident Management and Learning from Incidents Policy.

[S1-1.19a] The key content of each of these policies is set out below.

Responsible Care Policy

This policy commits Borealis to adhere to the Responsible Care Global Charter for better health, safety, and environmental (HSE) practices in the chemical industry [S1-1.19d]. The Responsible Care Policy statement, along with the guiding principles for the Group-wide implementation of Responsible Care at Borealis, reflect the Group's commitment to protecting people and the environment, by enhancing HSE standards in its facilities, processes, and technologies, and cultivating a leadership culture that prioritizes safe chemical management.

The Responsible Care Guiding Principles are:

- Corporate Leadership Culture: Support safe chemical management globally.
- Safeguarding People and the Environment: Improve performance and safety throughout the supply chain.
- Strengthening Chemicals Management Systems: Participate in developing and implementing chemical safety legislation and best practices.
- Influencing Business Partners: Promote safe chemical management in their operations.
- Engaging Stakeholders: Understand their concerns, communicate openly on performance and product safety.

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– Contributing to Sustainability: Improve performance, economic opportunities, and develop innovative solutions to societal challenges.

Management System Policy

Borealis' policy on HSE Management emphasizes the Group's dedication to the highest standards of responsibility in its operations, to safeguard the environment, climate, assets, public health, and employee safety. The policy outlines Borealis' commitment to enhancing energy efficiency, adhering to all relevant laws and regulations, and striving for leadership in HSE performance within the industry. The policy is underpinned by a management system that integrates the requirements of ISO 14001, ISO 50001, and ISO 45001. The HSE Management System is an integral part of Borealis' overall management framework, reflecting the Group's core values of environmental protection and the well-being of employees and communities.

Incident Management and Learning from Incidents Policy

This policy outlines a systematic approach for classifying, notifying, reporting, and investigating HSE, quality, and Operational Adverse Events incidents at Borealis. It also covers the identification of preventive and corrective actions. The policy ensures that all incidents are managed consistently using The Borealis Way methodology, which provides a systematic and structured framework for incident management across the entire organization. The Policy's goals are to report all incidents promptly, thoroughly investigate incidents with potential serious consequences, and identify and implement actions to minimize the risk of recurrence to as low as reasonably practicable. This policy does not cover immediate response to incidents but mandates compliance with local legal requirements, which take precedence.

Material impacts, risks and opportunities

The policies address the following material impacts, risks and opportunities:

– Negative impact on employees' health and safety;
– Positive impact on employees' safety and their behavior, including in their private lives, which creates a good workplace that employees enjoy working at and decreases psychological distress; and
– Opportunities to increase employees' productivity and engagement, reinforce Borealis' reputation as a responsible company, avoid financial damage and safeguard Borealis' profitability.

[S1-1.AR 10] No significant change has been made to the policies. The aspect of climate has been more clearly articulated within the Responsible Care policy, as well as other HSE policies, processes, and procedures.

[S1-1.19b] The scope of each policy is set out below:

Responsible Care Policy

This policy applies to all Borealis entities and subsidiaries (as described below). For entities where Borealis does not have direct management control (such as joint ventures), Borealis will work with the entity to ensure it meets the key objectives of this policy through the locally directed management system. This is driven through the Vice President of the Growth Organization, who represents Borealis on the JV's Board.

Management System Policy

This Group procedure applies to all of Borealis' entities and affiliates.

Incident Management and Learning from Incidents Policy

The scope of this policy is comprehensive, mandating that all incidents within Borealis, irrespective of their nature, are to be managed in accordance with the stipulated process description.

[S1-1.19f] The Responsible Care Policy is made available to potentially affected stakeholders on Borealis' corporate website. The Management System Policy and Incident Management and Learning from Incidents Policy are also made available to the Group's employees through its internal document management system. The policies are also communicated internally, to ensure that all employees are informed and understand their contents.

[S1-1.19c] The Chief Executive Officer (CEO) owns the Responsible Care policy framework and is responsible for its implementation across the organization, establishing objectives and for assessing outcomes. The CEO also presides over the Policy Committee and reports to the Supervisory Board (SVB) on performance in relation to these policies and the organization's progress towards achieving its goals.

The Vice President of Health, Safety, Environment, and Quality (VP HSEQ) owns the HSE Management System Policy, and is accountable for its implementation and strict adherence to its defined principles. The VP HSEQ is responsible for reporting to the Executive Board on the outcomes, target achievements, and the progress of ongoing continuous improvement programs.

The EVP Base Chemical & Operations is charged with the stringent application of incident reporting, follow-up, and mitigation, as mandated by the Incident Management and Learning from Incidents Policy. This includes ensuring that these practices are consistently applied across the organization, thereby maintaining the integrity of the HSE framework.

[S1-1.19e] The Group's HSE management system is collaboratively developed with local HSE teams and key stakeholders, guided by a core team of subject matter experts. Borealis incorporates a thorough approval and review process before the official release of the policy by the Sustainability and Responsible Care Committee. Each location has a designated HSE manager for overseeing the implementation and updates of HSE practices, ensuring they are effectively rolled out and maintained across Borealis' operations. The effectiveness of the implementation is assessed during Blue Audits, which take place every five years and check compliance with the subprocesses at each location (see [S1-4.41] for more information). Formal management reviews are used annually to evaluate that the HSE management system is effectively rolled out and to identify improvement actions and feedback into the strategy and planning process.

[S1-1.20b] Borealis values open and transparent communication with its workforce, fostering an environment of mutual respect and collaboration. The Group uses the following methodologies to engage with its workforce:

– One-on-one exchanges via engagement walks with leadership teams and through leadership safety talks;

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- Regular performance reviews and feedback sessions between employees and line managers, encompassing development, training plans, and well-being;
- The intranet, town hall meetings, the annual Executive Board tour, CEO webinars, and other similar events, to ensure employee involvement and provide information to them;
- Regular employee Pulse Check surveys, to gauge workforce sentiment and gather insights;
- Idea management, which is facilitated on the intranet and complemented by local idea boxes, to encourage innovation and participation from all staff members;
- Safety Days, which are a key initiative to underscore the importance of safety and to raise awareness among employees; and
- Consistent consultation with the workforce, through local HSE assurance teams, cascading HSE committees and an HSE forum.

Further details can be found in section [S1-2].

[S1-1.23] Borealis has implemented the following workplace accident prevention policies and management systems:

- A Group-wide management system in accordance with ISO 45001;
- Instructions on the Risk Register and Prevention and Risk Management in Borealis Operations, which detail the processes for risk identification and ranking within the organization;
- The Incident Management and Learning from Incidents Policy, which outlines the learning from incidents process and is integral to preventing the recurrence of workplace accidents;
- An HSE database, which is updated each month and provides current data on incidents and other leading safety indicators;
- Monthly tracking and reporting of Process Safety performance, in alignment with API 754 standards;
- The Group's Loss of Primary Containment Pyramid, which includes additional leading indicators to support a proactive approach to safety management; and
- Monthly performance reports, which are disseminated to the Executive Board and all members of the organization, to promote an open and engaged safety culture.

[S1-1.AR 14] The Group's strategy to communicate its policies to its workforce encompasses a variety of tools and channels tailored to different audiences, including:

- Group campaigns and local initiatives: Borealis leverages both global campaigns and local initiatives to communicate its HSE policies. This ensures that messaging is consistent yet adaptable to local needs and regulations.
- HSE Forum: At location level, the leadership and Health & Safety team review health & safety performance, fostering a proactive environment for continuous improvement. Every location hosts an HSE Forum that engages employee representatives, to discuss the HSE management system and promote worker participation in occupational health and safety.
- B-Safe Program: As part of Borealis' commitment to zero harm, this program targets five critical safety areas: strengthening leadership's impact on safe behaviors, refining safety processes, improving risk awareness and decision-making, learning from incidents to prevent recurrence, and fostering a proactive safety culture at Borealis.
- Life-Saving Rules training: These mandatory training sessions educate Borealis' workforce on critical safety protocols. They are provided in multiple languages, to ensure comprehension and implementation.

- Contractor onboarding: Borealis has a comprehensive onboarding process for contractors that includes detailed briefings on its HSE policies, expectations, and the importance of compliance for everyone's safety.
- Safety leader talks: Regular talks by safety leaders reinforce the importance of safety policies and provide a forum for discussion and feedback.
- Safety stand downs: At various projects and locations, Borealis conducts safety stand downs where work is paused to discuss safety matters, ensuring that the message of safety is both communicated and integrated into daily operations.
- Engagement walks on safety: These engage the workforce in meaningful discussions about safety policies, encouraging a two-way dialogue and fostering a collective responsibility for safety. The walks focus on human behavior and provide affirmative feedback on commendable practices, while addressing potential risks associated with the work.

[S1-1.AR 17a] Borealis has policies and procedures that prioritize qualifications, skills, and experience as the fundamental criteria for recruitment, placement, training, and advancement across all levels of the organization. The Group recognizes that certain individuals may face greater challenges in acquiring these qualifications, skills, and experience. To address this, Borealis ensures that its basic HSE competencies, as outlined in its HSE Training for Own Employees instruction, are accessible and monitored through the Horizon SuccessFactors system. This approach enables Borealis to support all employees in their professional development, while improving health and safety standards in the work environment.

DR S1-2 – Processes for engaging with own workforce and workers' representatives about impacts (Health & Safety)

[S1-2.27a] Engagement occurs directly with Borealis' own workforce and employee representatives and trade unions in HSE fora (see [S1-1.20b]).

[S1-2.27b] The following steps are taken to engage with Borealis' workforce on health and safety:

- Engagement walks (see [S1-1.AR 14]);
- Safety stand downs (see [S1-1.AR 14]);
- A workplace survey, which takes place every five years and gathers feedback on various aspects of the work environment, ensuring continuous improvement in workplace conditions; and
- An annual Pulse Check survey, which is conducted anonymously and is accessible to all Borealis employees. This survey includes a specific question on the Group's adherence to its safety commitments. Employees are encouraged to share their positive and negative perceptions of Borealis' dedication to sustainability, such as reducing the carbon footprint, fostering diversity, and upholding human rights, as well as the promptness and effectiveness with which safety concerns are addressed. The aggregated feedback is reported to the management team and is a key element for developing plans to enhance the Group's health and safety practices.

[S1-2.27c] The location leader is accountable for the effectiveness of engagement walks. They ensure that feedback is properly addressed as outlined in the Group's HSE document that sets out how these walks are conducted. Local HSE subcommittees monitor the performance of engagement walks. They are responsible for capturing and recording feedback in Synergi, Borealis' HSE management tool. P&C Business partners together with line managers are

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responsible for executing and monitoring the results of the annual Pulse Check survey and the five-yearly workplace surveys are carried out by local HSE and line management.

[S1-2.27e] Borealis' assesses the effectiveness of its engagement with its workforce as follows:

- Workplace surveys and Pulse Checks: Borealis conducts a thorough analysis of the collected data, to identify areas for improvement. Based on this analysis, the Group defines action plans to address the issues uncovered. The effectiveness of these action plans is then measured by analyzing the results of the subsequent Pulse Check and workplace survey, allowing the Group to gauge its progress and make necessary adjustments to its engagement strategies.
- Engagement walks: The process for assessing the effectiveness of engagement walks is described in section [S1-2.27c].
- Safety stand downs: Borealis does not currently have a formal process to evaluate the effectiveness of safety stand downs.

DR S1-3 – Processes to remediate negative impacts and channels for its own workforce to raise concerns (Health & Safety)

[S1-3.32a] Borealis has established a series of processes aimed at addressing and mitigating any negative impacts on the individuals within its own workforce and those connected to it. These includes the Group's Accident and Incident Reporting Procedures. Under these procedures, employees are trained and required to report accidents and incidents in accordance with legal requirements and the established reporting hierarchy. The reporting process, up to the implementation of corrective actions, is tracked and monitored through an audit trail within an HSE program. Incidents and accidents are subsequently processed by health and safety specialists and measures are implemented in collaboration with those responsible. The effectiveness of these measures is then separately evaluated.

[S1-3.32e] In addition, Borealis monitors trends on a monthly basis. This includes tracking and monitoring the action completion rate (closure time compared to due time) and the response rate (actions taken compared to the registration of the incident).

Further information on the tracking and monitoring of issues can be found in chapter [G1-1.10a, e].

[S1-3.32b] Borealis has established the following channels for employees to directly express their concerns or needs to the organization and to have them addressed:

- Direct communication: Employees can raise concerns about health and safety topics directly with their supervisor, department heads, or through designated safety officers. Every Borealis employee also has access to the Group's incident management software, Synergi, where they can report near misses.
- Whistleblowing: Any concerns about health and safety can also be reported through the Group's whistleblowing platform, which is described in detail in chapter [G1-1.10c i].

[S1-3.32c] Grievance reporting and the complaints handling mechanisms are described in chapter [G1-3.18].

[S1-3.32d] The Group ensures that the channels are available to the workforce through a resiliently designed IT infrastructure and awareness raising through training and

communication. Details on training and communication with the Group's own workforce can be found in chapter [G1-1.10g].

[S1-3.33] Awareness and trust are assessed through analyzing the utilization of the Group's reporting system, Synergi. With more than 9,000 reports generated annually by a workforce of more than 6,000 individuals, Borealis has substantial evidence that there is a high level of trust in the system, which is well-recognized across the organization. This trust is not incidental but is the result of deliberate efforts to integrate the training and use of reporting into the onboarding process for all employees. Borealis actively monitors training provision, to ensure that personnel can effectively utilize the reporting system. This commitment to training is a cornerstone of the Group's continuous improvement process. Borealis monitors the incident reporting frequency (per 1million working hours) to see if there are reductions in incidents reported (both actual incidents and near misses), which is an indication of the trust and openness of the organization. Yearly, Borealis performs an anonymous Pulse Check of all its employees, which includes asking employees whether they agree that "In our organization, safety issues are addressed quickly and effectively." This information is available at Group and department level, to identify actions to improve.

Further information, including the Group's approach to preventing retaliation, can be found in chapter [G1-1.10a].

DR S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (Health & Safety)

[S1-4.37a] The key actions taken and planned are as follows:

Training and Competencies

- Optimize the Group's existing safety centers and establish new training facilities for practical training on the Life Saving Rules (LSR).
- Define the local safety center operating model, identify trainers (internal and/or external), train local trainers and define organizational aspects.
- Develop a training plan for the safety center over three years.
- Conduct targeted and practical LSR training sessions for all employees and contractors' employees involved in specific tasks.
- Upgrade virtual LSR training application G-learning, based on gamification, and make it available for Borealis employees through the Horizon My Success Factors platform.

HSE Culture

- Finalized the safety culture program B-Safe in June 2024, with 5,543 Borealis employees being trained in the basics of behavioral-based safety. More than 700 leaders were trained during a three-day session, with all other employees being trained during a one-day session. In addition, 37 B-Safe coaches were trained through a one-week session, to support the locations in further developing the B-Safe concept at the location.

Preventive health programs

- Offer a minimum of three preventive health programs, including one that focuses on mental well-being.

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Safe behavior and compliance

- Ensure line management conducts quarterly Safety Leadership Talks.

Zero incidents and human factors

- Trained Incident Investigators to independently review the effectiveness of measures, through sampling of Level-3+ and High Potential Incidents. Twelve Level 1 incident investigators have been trained on the Top set methodology. More than 90 Borealis employees have been trained to Investigator level 2 by internal L1 trainers. Depending on the incident severity, these trained people are deployed as Incident investigators.
- All high-severity incident investigation are reviewed by an EVP, SVP or VP within 70 days of the incident, to capture the lessons learned.

[S1-4.40b] All of the health and safety related actions above help to pursue opportunities to increase employee productivity and engagement, reinforce Borealis' reputation as a responsible company, avoid financial damage and safeguard Borealis' profitability.

[S1-4.37b] The scope of the key actions is as follows:

Training and Competencies

- The LSR initiative is focused on:
    - Borealis' safety centers at Porvoo, Beringen, Stenungsund, Schwechat, Kallo, Antwerp and Linz;
    - The joint Borealis and OMV center at Burghausen.

A safety center light version will be rolled out to smaller locations, such as Monza, Rockport and Itatiba.

- Local trainers should be available at the sites for the safety center operating model.
- Each site should include a training plan that contains at least the following information: target groups, number or percentage of employees to be trained.
- All employees at the sites should receive the necessary practical LSR training.
- The virtual LSR application will be mandatory and will be rolled out in 2025 to all Borealis employees.

HSE culture

- The Group will continue the B-Safe sustain program by the B-Safe coaches actively coaching the leaders on site.

Preventive health programs

- The offering of a minimum of three preventive health programs is to be implemented at all locations.

Safe behavior and compliance

- The Safety Leadership Talks are to be introduced comprehensively at all locations.

Zero incidents and human factors

- Trained Incident Investigators should possess the capability to handle incidents at all locations.

– Local incident verification reports will be reviewed and findings related to systemic issues will be presented and discussed by the Group incident investigation panel.

[S1-4.37c] The time horizons for completing key actions are as follows:

Training and Competencies

– All eight safety centers are to be implemented in 2024.
– The initiative for the local safety operating model should be implemented by 2024.
– The training plan is to be developed with a three-year horizon, commencing in 2024.
– The training completion rate for the LSR training should be monitored quarterly within the training program and be implemented during 2025.

HSE Culture

– The B-Safe training program concluded in June 2024. The B-Safe journey continues as standard work, through active coaching and retraining on a three-yearly basis for all leaders and as part of the induction of new employees.

Preventive health programs

– The three preventive health programs should be conducted annually.

Safe behavior and compliance

– Quarterly Safety Leadership Talks are scheduled to begin in 2024.

Zero incidents and human factors

– Trained Incident Investigators should be equipped to handle incidents at all locations by 2024.
– The review of local incident verification reports and the selection of findings with systemic issues should begin in 2024.

[S1-4.38a] All of the health and safety related actions under [S1-4.37a] are intended to prevent or mitigate negative impacts on employees' health and safety. The extensive training in the safety centers creates a full understanding of the Life-Saving Rules for Borealis' own workers and those in the value chain, preventing severe accidents from happening and resulting in safer working conditions. The B-Safe culture program is enhancing the overall safety behavior of the Group's own workers and workers in the value chain, building a culture where everybody looks after each other to prevent incidents from happening, whether small or large. Quarterly safety Leadership Talks engage with the workforce on safety related aspects, setting the example by leading and contributing to enhance the safety culture. To extract maximum learnings from incidents and share these across the Group to reduce the risk of reoccurrence, Borealis needs trained investigation leaders to extract the root causes and define actions. As everything starts from the top, it is essential that the top management has an in-depth understanding of the root causes of severe incidents, to be able to address them in their management teams and improve performance.

[S1-4.38b] No actions to enable remedy have been taken. [S1-4.38c] There are no additional actions with the primary purpose of delivering positive impacts, other than those already mentioned under [S1-4.37a].

[S1-4.38d] As described in [S1-1.20b], [S1-2.27b] and [S1-4.37a], the effectiveness of actions is tracked and assessed through various evaluations, independent reviews and surveys.

Additionally, there are mechanisms in place to track and assess the effectiveness of these actions and initiatives in delivering outcomes for the workforce. Specifically, the B-Safe sustain program is monitored and evaluated to ensure a significant shift in safety culture across the locations at Borealis. This is achieved through a B-Safe governance structure, which includes Senior Leader B-Safe Sponsors at the Group level and B-Safe Sponsors within the local Leadership Teams at each location. These sponsors, in collaboration with local B-Safe Coaches, drive the program based on four focus areas identified from comprehensive employee feedback from training sessions. To ensure systematic progress and accountability, all actions are recorded in Synergi and are subject to monthly follow-ups, providing a transparent and structured process for ongoing evaluation and continuous improvement.

[S1-4.39] To identify the appropriate action in response to an actual or potential negative impact on its own workforce, Borealis utilizes stakeholder engagement. By engaging with its employees, employee representatives and trade unions, Borealis gains valuable insight into potential negative impacts and understands the perspectives and concerns of its stakeholders. Furthermore, Borealis maintains legal and regulatory compliance by aligning internal practices with relevant labor laws, regulations, and international human rights standards. Further information about stakeholder engagement can be found in [S1-2.27b].

[S1-4.41] Borealis conducts regular safety audits and inspections to review regulatory requirements and internal standards, and to achieve its objectives related to occupational health and safety.

A key pillar in Borealis' auditing process is a comprehensive internal audit system known as Blue Audits. These audits assess compliance with HSE systems and requirements at each location, focusing on human safety, process safety, and environmental standards. The Blue Audits are conducted on a five-year cycle and involve a thorough three to four-day examination of the location's adherence to Borealis' Group Auditing of HSE Risks standard. During these audits, all findings are meticulously recorded in the Synergi system. Subject matter experts validate the actions to be taken, and the timely closure of these actions is monitored through a specific performance indicator. The effectiveness of the actions is then evaluated in the subsequent audit cycle.

[S1-4.43] Borealis allocates appropriate financial and personnel resources, including training and development for employees in the health and safety area, to help them understand and manage the significant impacts on its own workforce.

[ESRS 2 MDR-A.69a] The B-Safe program, initiated in 2023 and successfully concluded in June 2024, was conducted under the guidance of Dss+. The program represented a total investment of EUR 2.8 million, exclusive of travel expenses and the time allocation of internal staff.

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Metrics and Targets DR related to S1 Own Workforce (Health & Safety)

[ESRS-2 MDR-M.75] Borealis uses the following metrics to evaluate its health and safety performance and effectiveness:

- The number of fatalities as a result of work-related injuries and work-related ill-health;
- The number and rate of recordable work-related accidents;
- The number of cases of recordable work-related ill health, subject to legal restrictions on the collection of data;
- The number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health;
- The percentage of people in Borealis' own workforce who are covered by the health and safety management system, based on legal requirements and/or recognized standards or guidelines; and
- The percentage of own workers covered by such a system and which has been internally audited and/or audited or certified by an external party.

The following Borealis-specific health and safety indicators also represent the performance and effectiveness in relation to a material impact, risk, or opportunity within the Group. These indicators include an approach where non-employees, as defined by the ESRS, are accounted for in the statistics as if they were own employees. Additionally, both contractors and own employees are included in the group monitored by all the following KPIs:

- Fatal Accident Rate (FAR);
- Total Recordable Incident Rate (TRIR);
- Lost Workday Injury (LWDI);
- Restricted Work Injury (RWI);
- Medical Treatment Injury (MTI);
- Process Safety Event Rate (PSER);
- First Aid Injury (FAI);
- High Potential Incidents (HIPO);
- Incident Investigation Response Rate;
- Incident Action Completion Rate;
- Near Miss Reports;
- Engagement Walks; and
- B-Safe Culture Program Improvement.

[ESRS 2-MDR-M.77a] The methodologies and significant assumptions (also please see [ESRS 2-BP-2.11a], [ESRS 2-BP-2.11b] behind each metric are as follows:

Fatal Accident Rate (FAR):

- Definition: The occurrence of a fatality among Borealis employees or contractor employees due to a work-related injury, with the death occurring within 12 months as a direct consequence of the injury.
- Scope: Separate tracking for employees, contractor employees, and third parties.

Total Recordable Incident Rate (TRIR):

- Definition: The total number of recordable injuries (including fatalities, lost workday cases, restricted workday cases, and medical treatment cases) per one million hours worked. This

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metric reflects the average frequency of incidents in relation to the amount of work performed.
- Scope: Separate evaluation for employees and contractors.
- Calculation: TRIR = (FAR + LWDI + RWI + MTI) / hours worked * 1,000,000

Lost Workday Injury (LWDI):

- Definition: Any work-related injury, excluding fatalities, that renders an individual unable to work on any day within the reporting year. This includes weekends, holidays, and days after employment termination (also known as lost workday case, LWDC).
- Scope: Separate evaluation for employees and contractors.

Restricted Work Injury (RWI):

- Definition: Any work-related injury, other than a fatality or lost workday injury, that prevents an individual from fully performing their regular job duties on any day after the injury.
- Scope: Separate evaluation for employees and contractors.

Medical Treatment Injury (MTI):

- Definition: A work-related injury that is not severe enough to result in death, lost workdays, or work restrictions, but requires more than simple first aid treatment.
- Scope: Separate evaluation for employees and contractors.

Process Safety Event Rate (PSER):

- Definition: The combined number of Tier 1 and Tier 2 Process Safety Events (PSE) per one million work hours. (PSE classification is based on a tier system, as detailed in API Recommended Practice No. 754 or IOGP Report 456).
- Calculation: PSER = PSE (Tier 1 + Tier 2) / work hours * 1,000,000

First Aid Injury (FAI):

- Definition: Injuries of a minor nature that do not require medical treatment beyond first aid, as defined by OSHA criteria, and are not included in the more severe category of MTI.

High Potential Incident (HIPO):

- Definition: A HIPO is any incident with severity level 0 to 3 (where 0 is a near miss) that under slightly different circumstances could have become a level 4 or 5 incident. This means that the failure of a single risk control barrier could have resulted in an incident of severity level 4+ (permanent disablement or fatality).

Incident Investigation Response Rate:

- Definition: This metric evaluates the timeliness and effectiveness of Borealis' response to incidents, including agreeing and implementing actions to prevent recurrence. It is calculated on the first working day of the month and is determined by examining the status of cases from the previous month, allowing for an investigation period of 30 to 60 days.
- Calculation: Incident investigation response rate = Number of cases approved and/or closed * 100 / Total number of cases.

Incident Action Completion Rate:

- Definition: This metric assesses the promptness and reliability of completing actions within their due time following an incident or complaint. Determined monthly, this rate focuses on actions that were due in the preceding month for all reported incidents and complaints in Synergi with a medium or high risk or above.
- Calculation: Incident Action Completion Rate = Actions finalized within due time * 100 / All actions due.

Near Miss Reports:

- Definition: A near miss is an unplanned or uncontrolled event or chain of events that has not resulted in recordable injury, illness, physical, environmental or property damage or reputational impact but had the potential to do so in other (slightly) different circumstances.

Engagement Walks:

- Definition: The total number of engagement walks recorded in Synergi.
- Scope: The primary focus of engagement walks is everybody performing work at a Borealis facility.

B-Safe Culture Program Improvement:

Definition: Percentage of closed actions and percentage overdue.

[ESRS 2 MDR-M.77b] The metrics are not validated by an external body, other than the assurance provider.

The classification of TRIs and HIPOs is validated on a weekly basis, by the HSE managers' team. This classification is also scrutinized by a Quality Gate Keeper appointed by the Group. Furthermore, PSEs and their classification are meticulously validated each week by the Process Safety expert team, which comprises representatives from all locations.

DR S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (Health & Safety)

[S1-5.46a-e] Borealis' policy objectives include a commitment to Zero Harm to people, the environment and assets, which is the basis for the Group's 2030 Strategy and Annual Plan. In safety, Borealis has committed to become industry leader by 2030, with targets to reduce two performance indicators. These are to achieve a:

- TRIR of 2.4 by 2030 (from a baseline of 4.0 in 2023); and
- PSER of 0.43 by 2030 (from a baseline of 0.63 in 2023).

The PSER improvement aims to reduce the likelihood of serious process safety incidents, which is aligned with Borealis' continued focus on preventing serious injuries and fatalities.

[S1-5.46c] The scope of the targets is limited to activities undertaken by Borealis' own workforce and contractors working at installations the Group controls.

[S1-5.46f] The methodologies and significant assumptions used to define the targets are as follows:

- The TRIR target is established using benchmark information from comparable industry clusters, including Solomon Cracker performance, NACE data categories 20/16/22/38, IOGP Construction reporting, and International Project Analysis (IPA).

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- The PSER targets are determined based on industry cluster benchmark figures from the European Process Safety Committee (EPSC), CEFIC, Concawe, and annual reports from peer companies.

[S1-5.46g] Certain internal stakeholder groups have been involved in setting the targets. The target setting process is based on a review of the previous year's performance trends. Location leadership teams are consulted during the target setting process, and the Sustainability & Responsible Care Committee (SRCC) serves as the final endorsing body. The SRCC plays a pivotal role in shaping the strategic direction and establishing the guiding principles for Responsible Care within Borealis. The process is led by Group subject matter experts.

[S1-5.46h] There was a change in the TRIR target setting in 2024 following the acquisition of mechanical recycling operations and remote compounding operations, which, from a benchmark perspective, operate at a performance level that is five times worse. This significantly impacts the overall Borealis TRIR performance compared to the past, when it was confined to hydrocarbon and polyolefin operations.

Methodologies are periodically reviewed to ensure alignment with the most current safety standards and practices. [S1-5.AR 49b, c] The definition of the Group's targets over time has been influenced by a change in the TRIR definition in 2021, to align with International Oil and Gas Producers (IOGP) standards and the adoption of API 754 practice, which may affect historical comparability.

[S1-5.46i] Borealis' process for monitoring and reviewing performance against these targets is as follows:

- Monitoring: Safety performance is monitored monthly through the Group's Health and Safety management system. Performance results are issued on the tenth working day of each month in a consolidated HSE database, which allows the data to be assessed from Group, business stream, and location perspectives.
- Review: A comprehensive overview report is prepared each month, including information on incidents that occurred during the previous month. This report is reviewed at the Executive Board level and is accessible to all Borealis employees. Similar reviews are conducted at the location level, with location-specific data.

[S1-5.47a] The target setting process has included:

- Direct engagement: Borealis has actively involved its employees in establishing safety and well-being targets by conducting town hall meetings and focus groups, allowing for open dialogue and the expression of safety-related concerns, ideas, and expectations.
- Feedback integration: The insights gathered from these direct engagements are considered when building the Group's framework for setting targets, ensuring that the objectives reflect the workforce's input.

[S1-5.47b] To track performance against its safety targets, the Group employs a collaborative monitoring approach that includes safety performance metrics, learning from incident committees, HSE committees, and the use of performance dashboards and databases. Additionally, Borealis has established regular reporting routines and feedback mechanisms that enable employees to report safety issues and performance, ensuring continuous improvement and accountability within the safety management system.

[S1-5.47c] In identifying lessons and improvements, Borealis conducts thorough investigations and root cause analyses for every TRI, as per the Group's Incident Management and Learning from Incidents protocol. The findings and lessons are disseminated across the entire organization to foster a culture of shared knowledge and prevention. Borealis actively monitors trends and, when necessary, revises work instructions and best practices, which includes critical elements derived from lessons learned. Furthermore, the Group initiates targeted awareness campaigns, such as "Step Up Ladder Safety" or "Back from Vacation, Back on Track," to address specific issues and promote continuous improvement through post-incident reviews or annual performance evaluations.

DR S1-14 – Health and safety metrics

[S1-14.88a]: percentage of individuals covered by the health and safety management system, based on legal requirements and/or recognized standards or guidelines

[S1-14.88b]: number of fatalities due to work-related injuries and work-related ill health

[S1-14.88c]: number and rate of recordable work-related accidents

[S1-14.88d]: with regard to the undertaking's employees, the number of cases of recordable work-related ill health, subject to legal restrictions on the collection of data

[S1-14.88e]: with regard to the undertaking's employees, the number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health

Borealis health and safety metrics (Monitoring with targets)

	Employees	Non-employees
	2024	2024
Percentage of own workers who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	100	100
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0	0
Number of fatalities in own workforce as result of work-related injuries	0	0
Number of fatalities in own workforce as result of work-related ill health	0	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites (including value chain workers)	0	1
Number of fatalities as result of work-related injuries of other workers working on undertaking's sites	0	1
Number of fatalities as result of work-related ill health of other workers working on undertaking's sites	0	0
Number of recordable work-related accidents for own workforce	33	4
Rate of recordable work-related accidents for own workforce	3.31	11.67
Number of cases of recordable work-related ill health of own workforce	0	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	296	192 (leased) and 860 contractors (workers in the value chain)

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Borealis health and safety metrics (Monitoring with targets)

Group HSE KPI Total Borealis	Unit	Target 2024	Actual 2024
Total Recordable Incident Rate (TRIR) per 1M hrs	Rate / 1M hrs	2.50	3.79
Process Safety Event Rate (PSER)	Rate / 1M hrs	0.50	0.41

Borealis health and safety metrics (Monitoring without targets)

Group HSE KPI Total Borealis	Unit	Actual 2024
Incident investigation response rate	%	82.8
Incident action completion rate	%	91.6
Engagement Walks		14,139
Lost workday injury rate (LWDIR) total	freq	2.6
First Aid Injury (FAI)		220
Near Misses (NM)		7,674
High Potential Incidents (HIPO)		58

[S1-14.90] The percentage of Borealis' own workforce covered by:

- An ISO 45001 certified HSE management system: 85%.
- The Borealis HSE management system, which is certified internally: 100%.

ESRS S2 Workers in the Value Chain

Borealis purchases goods and services for all of its business areas including, among others, raw materials, IT, consultancy, engineering and logistics. The Group applies its sourcing and logistics expertise to ensure that the highest-quality materials and services are provided throughout the supply chain. In doing so, it aims to foster innovation, maximize value contribution and enable supply chain growth.

Sustainable procurement means caring about the environmental, social and economic impacts of the goods and services the Group intends to purchase. It is of paramount importance that the organization is fully compliant with all applicable legal requirements, as well as with the Group's internal safety, environmental protection, and human rights standards, when managing its supply chain. By integrating sustainability requirements throughout its supply chain (for example through audits, assessments and sustainability criteria in sourcing), Borealis aims to drive positive change in the sustainability performance of its suppliers and contractors, while mitigating potential negative impacts.

Impact, risk and opportunity management

DR S2-1 – Policies related to value chain workers

[S2-1.16a] Borealis' Ethics Policy addresses the Group's strong commitment to conducting business in a compliant and ethical manner. The Group also addresses the rights of value chain workers and other key impacts, risks and opportunities, such as the impact of labor violations in the value chain and the corresponding risk of reputational damage, through three main policies:

Policy 1: The Ethics Policy for Business Partners defines the Group's approach to key aspects of business ethics when sourcing, such as anti-corruption, anti-slavery, child labor, forced labor, human trafficking and health, safety and environment (HSE). Contractors, suppliers and other business partners are required to adhere to this policy.

Policy 2: Borealis Human Rights Policy Statement is a unilateral declaration outlining Borealis' position with regards to respecting human rights throughout the Group's operations and value chains, as an integral part of Borealis' core values. The policy addresses, amongst others the IROs referring to Living wages and Equal pay.

Policy 3: The Social Compliance Framework is a document in the Borealis Management System (BMS), which outlines Borealis' overall aspiration and strategy, based on the following principles:

- Every human being has the right to be treated fairly, respectfully and legally correctly.
- Borealis upholds the fundamental freedoms and human rights of external personnel working on its sites.
- Borealis does not tolerate any form of discrimination, harassment or physical assault, or any form of child, forced or compulsory labor.
- Borealis creates an environment that supports diversity and inclusion, and monitors and upholds human rights across the supply chain.
- As with health and safety, the Group never compromises on integrity or on human rights.

The Ethics Policy for Business Partners and Human Rights Policy Statement address all material impacts and risks identified relating to workers in the value chain. The Group's Social Compliance Framework specifically addresses the impacts relating to accidents and process safety, injustice among employees, social and economic injustice, the exclusion of employee groups from pursuing a career, unsafe and unprotected working environments, and all aspects of child and forced labor. It also addresses the material risk identified if Borealis sources from suppliers with low working standards.

Borealis addresses the negative risks related to job loss and the associated financial and wellbeing consequences for workers in the value chain through the Social Compliance Framework which takes the wellbeing and fair treatment of workers in the value chain into consideration and Grievance Mechanisms, such as the Ethics Hotline, as a key tool for preventing and managing adverse impacts including the protection of those using the hotlines.

[S2-1.16b] The Ethics Policy for Business Partners applies to all contractors, suppliers and other business partners. The Social Compliance Framework applies to Borealis AG and its fully consolidated subsidiaries.

[S2-1.16d] and [S2-1.17a] Borealis has committed to respecting a range of third-party standards and initiatives in implementing these policies. See [S1-1.20a] for more information. In addition, the BMS is certified according to ISO 37301 (anti-bribery) and ISO 37001 (anti-bribery, anti-corruption and anti-trust). For further information see [G1-3.18a].

[S2-1.16c] The Chief Executive Officer (CEO), together with the Executive Board, is accountable for implementing the Ethics Policy and upholding Borealis' values. Information about the Ethics Policy can be found in [G1.1.7].

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The Group's Compliance & Ethics function is responsible for the day-to-day implementation of the Ethics Policy. This function is headed by the Group Compliance & Ethics Officer, who reports to the Vice President Legal & Compliance (General Counsel) and also has a reporting line to the Audit Committee, which receives an annual report on compliance and ethics issues. The Group Compliance & Ethics Officer is supported by a team of compliance managers and a network of more than 80 Ethics Ambassadors. The Ethics Ambassador network is a key tool for promoting and strengthening Borealis' compliance culture. The network has global coverage, with at least one ambassador at almost every location and across all hierarchy levels.

Borealis' Ethics Council is sponsored by the CEO and the General Counsel and chaired by the Group Compliance & Ethics Officer. It consists of senior leaders or senior representatives from Legal, Internal Audit, HSE, People & Culture and the different businesses. The Council aligns the Group's approach to compliance and ethics and provides updates on compliance matters to ensure consistent Group-wide compliance standards.

The Group Social Compliance Manager is responsible for implementing the Social Compliance Framework. This role reports to the Group's Compliance & Ethics Officer and is supported by a team of three Regional Social Compliance Managers.

[S2-1.16e] Borealis considers the interests of key stakeholders when reviewing its Social Compliance Framework.

As with all BMS documents, Borealis reviews Social Compliance Framework within a three-year cycle. The Group collects feedback throughout this period and includes it in the document review if deemed appropriate. The sources of feedback include:

- Team workshops and discussions when investigating compliance reports or sharing best practices;
- Stakeholders from the locations, such as the Regional Social Compliance Managers, ethics ambassadors, Borealis Project and Turn-Around teams, as well as external stakeholders (such as local communities), who are consulted with regards to mitigating labor, regulatory and social compliance risks; and
- the Compliance & Ethics function, which provides guidance and feedback from the Executive Board and its consultations with other relevant stakeholders, for instance the legal department, OMV and ADNOC.

[S2-1.16f] Borealis makes its social compliance policies available on its corporate website and includes a link in its Annual Report. In addition, the Group provides general information and targeted communication on social compliance.

General information on Borealis' social compliance approach is conveyed via the tone from the top, as well as through hang outs, key visuals and information channels, such as ethics posters on the wall, the social compliance section of the intranet, articles in Group news, and social compliance moments in meetings.

Targeted communication explains Borealis' social compliance approach and ambition to particular internal and external personnel, for example via Speak-up Cards, a Borealis social compliance video which is available on YouTube, or via discussions in the field during social compliance field walks.

[S2-1.AR 16] The Ethics Policy for Business Partners is actively communicated to Borealis' business partners. Other than Borealis' website, the major communication channels for the

value chain are supplier and contractor events, training, audits and assessment, negotiation and contracting.

[S2-1.17b] Borealis engages with value chain workers through the general information and targeted communication described in [S2-1.16f].

In addition, Borealis enables value chain workers to file an anonymous whistleblower report through the Borealis Ethics Hotline, an external, cloud-based whistleblower management tool. Reports to the Ethics Hotline can be made 24/7 in 24 languages. The link is published on the intranet and on Borealis' external website, enabling individuals inside and outside Borealis to file reports. The Group offers protection to external whistleblowers, to the extent this is controllable by Borealis.

[S2-1.17c] Borealis regards grievance mechanisms as a key tool for preventing and managing adverse impacts, including human rights impacts, on local communities, employees, and other stakeholders. Following the UN Effectiveness Criteria, the Group aims to address all grievances received, regardless of whether they stem from real or perceived issues and whether the complainant is identified or anonymous.

Borealis' grievance mechanisms offer a channel for identifying potential adverse impacts, resolving grievances and providing remedy to the rightsholders, where the Group has caused or contributed to a negative impact. Borealis recognizes that this does not hinder the stakeholders' right to access judicial or other remedies.

[S2-1.18], [S2-1.AR 15] Borealis strongly opposes forced labor, slavery, child labor and human trafficking. During 2024, the Group reviewed the Borealis Ethics Policy for Business Partners, which is its supplier code of conduct, and the updated version explicitly addresses occupational safety, trafficking in human beings, forced labor and child labor in line with applicable ILO standards.

To ensure suppliers support the Group's human rights values and to mitigate the risk of forced labor, slavery and human trafficking, Borealis' supply chain partners must sign the Borealis Ethics Policy for Business Partners – including the provisions on human rights – as part of their contract.

Borealis reserves the right to terminate the relationships with its suppliers, if it discovers non-compliance with the Code of Conduct or non-compliance is not addressed in a timely manner.

[S2-1.19] Borealis' policies relating to value chain workers are aligned with internationally recognized instruments, as described in [S2-1.16d].

In 2024, the number of reports concerning the workers in the value chain was 109. These cases involved issues related to, for example, fair wages and safe working conditions.

DR S2-2 – Processes for engaging with value chain workers - about impacts

[S2-2.22a] Borealis prioritizes close collaboration and engagement at all levels with contractors and subcontractors on health, safety and other sustainability related topics. Furthermore, workers in the value chain are encouraged to report any unsafe conditions and behaviors at any point in time.

Direct engagement with value chain workers occurs through planned and structured checks, such as site access control, and event-driven checks, such as audits of the external companies. Value chain workers can also actively engage through interaction with Borealis' employees (for

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example during field walks or spot checks) or by filing a complaint using the whistleblower hotline.

[S2-2.22b] Promoting a social compliance culture is a top priority for Borealis. Engagement with value chain workers is facilitated through speak up channels, and social engagement walks. In 2024, more than 80 social compliance engagement walks have been pursued across all Borealis locations.

When onboarding at a Borealis site, each value chain worker is made aware during a training session of the Group's social compliance ambition level and how and where to speak up, in case they witness or suspect infringements.

The Social Compliance function undertakes social compliance walks on the sites at least once a month. During these walks, Borealis' personnel approach value chain workers and ask about their wellbeing while working on Borealis' premises. The findings of the social engagement walks are shared within the team in monthly team meetings and with site operations at least annually.

Based on feedback received during a social compliance walk or Borealis' internal risk assessment, the Group audits external companies working on its premises to assess their legal compliance and correct treatment of the value chain workers they employ. When these audits identify infringements, Borealis defines corrective actions and follows them up.

[S2-2.22c] Operational responsibilities for contractor management are shared between the business, Procurement, and Health, Safety, Environment and Quality (HSEQ).

Responsibility for overseeing engagement with workers in the value chain lies with:

- The VP HSEQ and the Director of Sustainability & Public Affairs, who report directly to the CEO; and
- the Chief Procurement Officer and VP Treasury and Funding, who reports directly to the CFO.

The VP Legal, who heads the Ethics & Compliance function and directly reports to the CEO, is also responsible for overseeing engagement with workers in the value chain who are working on Borealis' premises.

[S2-2.22e] When an external whistleblower reports a grievance to Borealis, the case is investigated professionally and if substantiated, the situation is remediated with the external company. Feedback from whistleblowers on finalized cases confirms that this interaction is highly effective. However, this feedback is received on a case-by-case basis and there are no key performance indicators (KPIs), metrics or agreements on outcomes at a more general level.

DR S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

[S2-3.27a] Borealis' approach to providing remedy includes a structured grievance mechanism whereby workers in the value chain can report issues, including anonymously. For more details, please see [G1-1.10c i, ii]. Infringements of the human rights of workers in the value chain can also be identified through other actions or tools (see [S2-2.22a]).

If a violation of the Borealis Ethics Policy is discovered, remedial and preventive actions and actions to minimize the impact of the grievance must be taken without undue delay, in an efficient and effective way. The earlier such situations are overcome, the more damage is

prevented for the individual, the external partner company and Borealis. The effectiveness of all actions is assessed through follow-up surveys with the reporter or victim, or via third-party audits to ensure satisfaction and resolution.

[S2-3.27b] Borealis' approach to identifying the concerns of value chain workers includes a structured grievance mechanism. For more details, please see [G1-1.10c i, ii].

Furthermore, Borealis performs regular Together for Sustainability (TfS) sustainability audits and assessments, as well as regular HSE audits.

At the operational level, Borealis has established community grievance channels and the speak-up channel, which are both described in detail under [S2-3.27a]. Borealis' Community Grievance Mechanisms have been assessed against the UN Effectiveness Criteria by independent external professionals.

Value chain workers on Borealis' sites can also raise their concerns directly to Borealis personnel during social engagement walks (see [S2-2.22b]).

[S2-3.27c] External companies must agree to minimum human rights adherence by signing the Borealis Ethics Policy for Business Partners. Value chain workers carrying out works on the Group's premises are informed about the whistleblower hotline during their site access training. Borealis also offers printed Speak-Up Cards for all workers operating on its sites, so they can easily access the whistleblower channel. For more details on how the whistleblower channel is set up, please see [G1-1.10c i].

Borealis' trained personnel undertake field walks to make contact with value chain workers and specifically ask them about potential shortcomings.

[S2-3.27d] For details on raising and addressing the issues of value chain workers through the whistleblower channel, please see [G1-1.10c i].

Corrective actions can be deemed effective if Borealis' actions rectify the grievance and the issue is no longer observed. If the grievance cannot be reversed (for example, when a worker is insulted), the action can be deemed effective if the sanction is appropriate and there is a significant probability that the grievance will not happen again.

Borealis assesses the effectiveness of all actions through follow-up surveys with the reporter or victim, or via third-party audits to ensure satisfaction and resolution (see also [S2-3.27a]).

[S2-3.28] Borealis does not have any dedicated KPIs or metrics assessing value chain workers' awareness and trust of Borealis' grievance processes. For value chain workers operating on the Group's premises, awareness of Borealis' position on human rights and the ability to report witnessed or suspected infringements is ensured through site access training (the Speak-Up campaign).

Value chain workers' awareness and trust of Borealis' grievance processes can be observed indirectly, through the steep increase of ethics reports since the Group opened the whistleblower channel to external workers. The feedback Borealis has received from reporters on individual cases also provides strong evidence that Borealis' approach is best in class in the chemical industry.

[S2-3.28] Borealis offers extended whistleblower protection to all internal and external whistleblowers who make a report, which includes (to the extent controllable by Borealis):

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- Protection against any form of retaliation, including intimidation or physical and psychological threats;
- Protection against disciplinary measures, including suspension, demotion or dismissal; and
- Measures to safeguard the security of the whistleblower, witnesses and facilitators and their relatives, if necessary.

See also [G1-1.10c ii].

DR S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

[S2-4.31a] The key actions taken and planned to manage material risks and pursue material opportunities relating to workers in the value chain are as follows:

- Ensuring the Code of Conduct is embedded in supplier prequalification, general purchasing conditions and contracts, and during performance audits and assessments;
- Running supplier audits and assessments on-site and with external auditors (such as Deloitte and TfS auditors) or rating agencies (EcoVadis);
- Improving subcontractor management by implementing a new online subcontractors' approval process (SAP BTP); as of 2023, the Group has an IT application called SAP BTP, where contractors have to submit for approval all the subcontractors they plan to use for specific service contracts; and
- Training all Borealis employees in human rights, to ensure they are aware of value chain workers' rights, with a target of training all employees by 2025. The key tool is the mandatory human rights e-learning that was launched in 2022 (see also [G1-1.10g]).

The key actions in 2024 were:

- Updating Borealis' Ethics Policy for Business Partners (see [G1-2.15a]);
- Reviewing the Social Compliance framework (see [S2-1.16a]);
- Ensuring that Social Compliance site access checks are carried out in all locations including making sure that all value chain workers operating on the Group's sites are aware of the whistleblower channel; and
- Enhancing due diligence to assess the ethical business risk associated with any third parties Borealis intends to develop a business relationship with.

In addition to the above, Borealis complies with the EU Whistleblower Directive (Directive (EU) 2019/1937). The Group's stance is that "looking away is not an option" and the Ethics Policy therefore obliges employees to speak up about any actual or suspected ethical or compliance breaches. As part of this, every white-collar employee must confirm, in the course of their Annual Certification, that they have reported all witnessed and suspected violations of the Ethics Policy.

[S2-4.31b] The actions are applicable for upstream value chain workers in all countries where Borealis is present. The actions also apply to downstream value chain workers in relation to distribution.

Borealis gives special attention to operational areas where there is greater concern about labor rights and working conditions, specifically in India and China.

[S2-4.31c] The time horizons for completing each key action are as follows:

- Ensuring appropriate processes and IT systems, so suppliers and contractors are paid as per contractual stipulations: this is an annual activity;
- Ensuring the Borealis Ethics Policy for Business Partners is embedded in supplier prequalification, in general purchasing conditions and contracts and during performance audits and assessments: since 2022, all suppliers and contractors invited to tenders must be prequalified for HSSE and sustainability and must accept the Borealis Ethics Policy for Business Partners as part of the prequalification and general purchasing conditions;
- Running supplier audits and assessments on-site and with external auditors (such as Deloitte or TfS auditors) or rating agencies (EcoVadis): Borealis aims to run sustainability evaluations (EcoVadis) and TfS audits of suppliers covering 80% of Procurement spend by 2025 and 90% by 2030; and
- Training all Borealis employees in human rights, to ensure their awareness of value chain workers' rights: by 2024.

[S2-4.31] and [ESRS 2 MDR-A.68d] Actions for providing remedy to those who might be harmed by material impacts include:

- Performing continuous monitoring of payment terms for contractors and suppliers, to ensure the 60 day payment terms are not exceeded;
- Barring a supplier or contractor from tenders, if it does not meet the minimum HSSE and sustainability requirements to be considered prequalified;
- Requesting suppliers who receive less than 45 points in an Ecovadis assessment to improve their performance in one year. If there are corrective action plans after a TfS audit or HSSE or full scope audits, the suppliers must agree a timeline to implement the corrective actions; and
- Providing annual training sessions for Borealis' business representatives who approve subcontractors and for contractors who have to submit their subcontractors for approval in SAP BTP.

In addition to the Group's grievance mechanism, the Code of Conduct asks Borealis' business partners to provide, to the extent permissible by law, an accessible and effective grievance mechanism to their own workers and other stakeholders. The Code of Conduct also expects and requests that business partners identify and manage their human rights risks and impacts, remedy adverse human rights impacts they are involved in, and cascade this due diligence requirement to their own suppliers and contractors.

Furthermore, Borealis has one metric to track the scope of key actions (see also [ESRS 2 MDR-M77a]). This is the number of external ethics reports filed through the Borealis Ethics hotline. Incoming reports show that value chain workers have found the Ethics hotline and trust Borealis with their concerns.

[S2-4.31e] and [ESRS 2 MDR-A.68b]

56% of Borealis' contractors are certified to ISO 45001

73% of Borealis' contractors are certified to ISO 14001

22 reports filed by external personnel or concerning external personnel and their well-being and working conditions were received in the Group's reporting tool in 2024.

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Three training and awareness sessions were held by the Procurement department to focus on EcoVadis assessments.

In 2024, an on-site audit by Borealis Internal Audit team was carried out at Borouge in UAE, Ruwais.

Three full scope audits were performed for suppliers or contractors

12 TfS sustainability audits were performed

[ESRS 2 MDR-A.69a] In social compliance, there are no action plans requiring significant OPEX or CAPEX.

[S2-4.32a] Actions taken to prevent or mitigate material negative impacts include implementing safety programs with a wide variety of contractors, with the aim of consolidating and improving safety performance. To underline their importance, these programs are supported and overseen by senior management as a sponsor.

To be more specific, Borealis conducts two types of audits of its suppliers and contractors:

- On-site TfS audits that focus on their sustainability performance;
- Full-scope audits, performed by an external auditor.

[S2-4.32b] There were no material impacts falling within Borealis' area of responsibility in 2024, so no actions were taken on the Group's behalf.

Borealis has investigated and followed-up multiple ethics reports relating to external companies operating on its sites, thereby enabling remedy on behalf of value chain workers. Where needed and possible, Borealis acted as mediator to ensure remedy for the value chain worker affected by the case.

[S2-4.32d] Borealis assesses the actions of its suppliers and contractors as follows:

TfS Audits

TfS is a joint initiative and global network of 53 member companies (as of 2024), which sets global standards for the environmental, social and governance performance of the chemical industry's supply chains. The TfS program is based on the principles of the UN Global Compact and Responsible Care®. It enables its members to implement sustainable procurement by sharing the results of standardized supplier audits and assessments, performed by independent experts.

OMV is a TfS member and through this membership, Borealis is helped to further embed sustainability into its day-to-day business operations and further cascade sustainability requirements within its supply chain. The Procurement function is responsible for on-site TfS audits carried out as part of the prequalification process and/or during contract execution. The audits measure the performance of suppliers and define actions that will enable them to optimize their performance and meet Borealis' requirements.

Full-Scope Audits

The Procurement function is also responsible for full-scope audits, which focus on suppliers' financial stability, strategy and organization, supply chain, sustainability, and cybersecurity performance. The Procurement team follows up and analyzes each audit finding classified with a red flag, in collaboration with business representatives and other relevant functions such as

HSEQ, Legal, Internal Audit, and Compliance. Information on the outcome of the audit is made available to the supplier, which is asked to submit a corrective plan with concrete measures and an implementation timeline. In 2024, 10 audits resulted in corrective action plans.

Social Compliance Audits

The Compliance department is responsible for social compliance audits, which thoroughly review a contractor or subcontractor's processes and way of working, to ensure its social compliance performance is fair and accurate.

Social compliance audits are based upon the following criteria:

- Any concerns which have come to Borealis' attention, such as a reported ethics case;
- (Sub)contractors with a large number of non-EEA employees or posted workers from EU/EEA countries that are considered high risk;
- (Sub)contractors situated in countries which are geographically the farthest from the Borealis' site where the external employees are posted to work; and
- The use of long chains of subcontractors, for example when there are more than two levels of subcontractors or subcontractors who are self-employed workers.

[S2-4.33a, b] Processes to identify the actions needed arising from the Procurement function's TfS and full scope audits are described in [S2-4.32d].

Social compliance audits identify the actions needed in response to negative impacts on value chain workers via a desktop analysis of provided documentation (for example on decent housing or compensation) or via structured interviews.

Interview answers and requested documents are examined by the Regional Social Compliance Manager or a third-party such as a law firm, to verify compliance with the contractually agreed provisions and the social legislation of the respective country. Incomplete information or follow-up questions are communicated to the (sub)contractor's contact person, who is asked to provide this information.

The findings are then used to determine any corrective or preventive actions. These may include development measures, process adjustments and/or additional training. Borealis follows up on these actions, in close alignment with the external partner company. If the actions are judged to be ineffective, additional actions or sanctions (such as penalty fees) are determined. Terminating the supplier relationship is the last resort.

[S2-4.33c] When Borealis receives a report of an alleged ethics grievance against a contractual partner or one of the partner's subcontractors, relating to value chain workers operating on Borealis' sites, the report is investigated professionally in collaboration with the person responsible for ethics in the partner company, while ensuring protection from retaliation. Depending on the circumstances, the investigation may be carried out by a trained Borealis' person or by an external company.

For a substantiated grievance, Borealis and the partner will agree on its criticality and the actions required. The process for following-up on the actions is as described for actions arising from social compliance audits in section [S2-4.33a].

[S2-4.34a] In respect of value chain workers on its sites, Borealis faces a material risk that it could source from suppliers which do not adhere to Borealis' principles for ethical business

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conduct or legal compliance. The Group has therefore created a social compliance risk matrix, in which social compliance risks are registered and maintained.

To identify regulatory and social compliance risks, Borealis applies the following assumptions:

- Labor-intensive works with a comparatively short training time (such as cleaning or low-level maintenance works) bear a higher social compliance risk than more complex work, requiring *long(er) training time*;
- Extensive and complex chains of (lower tier) suppliers bear a higher risk for Borealis than direct suppliers;
- Foreign suppliers or external personnel with a foreign nationality bear a higher risk;
- Risks related to social fraud or harassment, or risks with the potential for significant financial or reputational damage for Borealis, or which constitute a major violation, are rated more severely than other risks; and
- The severity also takes into account the gravity of the impact, the number of external workers affected and the extent to which the impact can be remedied.

Borealis groups the risks in its risk landscape into four categories:

- External risks - Risks related to external personnel
- External risks - Risks related to external contractors
- Internal risks - Misalignment of business operations with the desired level of social compliance
- Internal risks – Insufficient social compliance ambition within the organization and retaliation

The weighting of each risk depends on its severity, probability, irreversibility and Borealis' influence on the violation or risk.

Borealis then defines actions based on these risks. For 2024, Borealis' focus was to ensure social compliance site access checks are implemented and executed in all locations, ensuring that every value chain worker is informed of Borealis' social compliance approach and is aware of the whistleblowing channel.

[S2-4.35] Supplier prequalification is part of precontractual activities, during which Borealis collects information from a potential supplier. The goal is to screen potential suppliers before bringing them on board, to ensure that only those suppliers that meet Borealis' HSSE and sustainability standards are considered for future collaboration. Borealis therefore ensures it does not cause any material negative impacts on value chain workers.

The prequalification is based on a standardized list of elements and objectives that align with the Group's HSSE Management System (for example the HSSE Policy and the ISO 9001, 14001 and 45001 standards) and Sustainability Framework (including the Sustainability Policy, Human Rights Policy, and Grievance Mechanisms). Suppliers located in a "high-risk" country are asked to submit a positive TfS Audit and Assessment report, particularly for raw materials and packaging. Borealis' categorizes high-risk countries by considering human rights, environmental, and compliance aspects.

Borealis' approach to supplier audits also ensures the Group's activities are not responsible for material negative impacts on value chain workers (see [S2-4.32d]).

The Borealis Ethics Policy provides guidance for the Group's employees on how to ensure that their own practices do not cause or contribute to material negative impacts for value chain workers. (See [G1-1.7e] for more information).

Borealis' risk management approach also helps to ensure it does not cause material impacts for workers in the value chain (see [S2-4.34a]). These relevant risks in the social compliance risk landscape are:

- Internal risks - business operations; and
- Internal risks - social compliance.

[S2-4.36] Severe human rights issues and incidents connected to Borealis' upstream value chain are reported if observed.

[S2-4.38] Borealis allocates resources to the training and awareness of value chain workers. For instance, since 2022 the Group has had a Sustainable Procurement and Supplier Innovation Department, which organizes webinars and training sessions, with the aim to increase awareness of sustainability for value chain workers. Human rights management is embedded into Borealis' whole organization, for example covering procurement, security, HSSE and community relations. Borealis uses external resources for carrying out assessments and audits, as described under [S2-4.32d].

In addition, a dedicated team consisting of the Group Social Compliance Manager and three Regional Social Compliance Managers looks after issues arising from workers in the value chain. This function is responsible for Borealis' social compliance approach, notably risk identification and prevention, awareness and training, risk detection, execution of preventive and remedial actions, as well as continuous improvement through lessons learned and best practice sharing. The efforts and actions of this team help to manage all material impacts identified.

Metrics and Targets DR related to S2 Workers in the Value Chain

[ESRS 2 MDR-M.77a, b] The methodologies for calculating the Group's metrics are as follows:

Metric	Unit	Description	Methodology
Number of audits performed by OMV Procurement with an external auditor	Number	These audits are conducted regularly to ensure that the Group's procurement processes adhere to both internal policies and external regulatory requirements. Each audit involves a thorough examination of management, environment, health and safety, labor and human rights, and governance issues	The number of audits, along with the audit reports and corrective action plans, are available on the TfS (external) platform called OASIS. These numbers are verified by external parties.
Number of TfS (Re)Assessments performed by EcoVadis	Number	The EcoVadis scorecard is valid for one year (or three years for OMV Group), so the majority of Borealis' suppliers update their scorecards annually. Additionally, the Group encourages suppliers with scores below 45 to undergo reassessment in order to improve their ratings.	The data source is EcoVadis Tableau, which is verified by external parties.
Number of suppliers with a valid EcoVadis score (no more than 3 years old)	Number	This is the total number of Borealis' suppliers with EcoVadis scorecards, valid for up to three years, which are available in the Group's poll on the EcoVadis platform.	The data source is EcoVadis Tableau, which is verified by external parties.

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Percentage of suppliers with improved EcoVadis score	Percentage	For reassessments, Borealis closely monitors the improvements in the EcoVadis scores.	The data source is EcoVadis Tableau, which is verified by external parties.
Number of buyers across all locations who attended awareness sessions on sustainable procurement	Number	Sustainable procurement conducts online one-hour awareness sessions, held twice this year, to keep the Group's buyers informed about target status and to onboard new buyers.	Buyers' attendance is recorded using the Microsoft Teams poll function, where they confirm their participation by answering the question: 'Please confirm your attendance for this session.'
Percentage of total suppliers that were disqualified, having been assessed with negative environmental impacts in the supply chain	*Percentage*	*From 2022, Borealis has implemented a pre-*qualification survey on SAP Ariba, requiring all suppliers participating in tenders to share their environmental status. Points are awarded to those with better sustainability status.	*The percentage of* disqualified suppliers is recorded on SAP Ariba.
Percentage of total suppliers that were disqualified, having been assessed with negative social impacts in the supply chain.	Percentage	The prequalification survey on SAP Ariba described above also requires all suppliers participating in tenders to share their social impacts with Borealis. Points are awarded to those with better social impacts status.	The percentage of disqualified suppliers is recorded on SAP Ariba.
Number of suppliers that were trained on social issues	Number	Suppliers who have completed training through the EcoVadis Academy will be listed here. EcoVadis Academy offers training on various sustainability topics, including environmental policies, labor and human rights, ethics, and sustainable procurement.	The data is extracted directly from EcoVadis' platform, so it is verified by external parties.
Percentage of suppliers' operations covered by a certified ISO 14001 or EMAS environmental management system	Percentage	This information is collected during the supplier prequalification process, using SAP Ariba.	The percentage of suppliers with ISO 14001 or EMAS is recorded on SAP Ariba.
Percentage of spend with local suppliers	Percentage	The Group defines local procurement as when the supplier and the ordering entity are in the same country.	The data is sourced from Borealis' SAP system, calculated, and displayed on its internal Power BI dashboard.
Number of ethics reports filed through the whistleblower hotline/speak up hotline	Number	See section [G1-1.10c i] for information on the Ethics Hotline.	The data is sourced from EQS, the external service provider for the Borealis whistleblower hotline. Non-substantiated cases are counted, unless the reported grievance obviously does not violate the Borealis Ethics Policy.

DR S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

[S2-5.41a] Membership of TfS is at the OMV Group level, and Borealis is included within this overall membership. Becoming an active member of TfS will support OMV Group to further enhance sustainability in daily procurement activities, have a better overview of the environmental, social, and economic impacts of the goods and services purchased and embed more ambitious sustainability targets in the supply chain.

[S2-5.41b] and [S2-5.41e] Borealis has set the following targets to manage its material impacts, risks and opportunities related to value chain workers:

- Through OMV, be an active member of TfS and run sustainability evaluations for all suppliers covering:
    - more than 80% of Procurement spend by 2025; and
    - 90% of Procurement spend by 2030.

[S2-5.41c] The targets apply Group-wide across all geographies and over Borealis' tier 1 suppliers in the upstream value chain.

[S2-5.41d] The baseline values and base years for the targets are as follows:

Target 1: Base year: 2022 | baseline value: 36%

Target 2: Base year: 2021 | baseline value: 33%

[S2-5.41h] Internal stakeholders, including Executive Board members and the Sustainability department, and external stakeholders such as TfS and CDP were involved in the target-setting process, to ensure the targets are realistic and aligned with their needs. This was done through various channels, such as meetings or peer analysis. [S2-5.42a] The Group did not engage directly with workers in the value chain.

[S2-5.41i] Borealis has not changed its targets, although it reviews and adjust the targets each year if needed, and documents and reports on the process to maintain transparency and trust. The Group also periodically reviews its methodologies, to ensure they reflect the latest standards and practices.

[S2-5.41f]

Target 1: The KPI has been defined as part of OMV's commitments to TfS and in line with the other TfS members. The aim is to focus on the suppliers with the highest spend for the EcoVadis assessments and suppliers from high-risk countries in terms of human rights or labor rights (for example in Sout East Asia) for the TfS audits. In addition to the suppliers that comprise 80% of Procurement spend, each year the suppliers with an EcoVadis score below 45 points are invited to run a new EcoVadis evaluation to improve their performance.

Target 2: This KPI has been defined to support the increase in the accuracy and transparency of the Scope 3 emissions of purchased goods and services. Borealis has followed the 80/20 approach to cover suppliers with the highest potential and begun engagement with the suppliers that comprise 80% of Procurement spend.

[S2-5.41j] By 2024, 65% of the Group-level procurement spend (OMV, Borealis, Petrom) had been covered by valid (three-year) EcoVadis scorecards.

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[S2-5.42b] The Group monitors performance against the target each year and takes appropriate actions if needed. For example, Borealis organized a webinar in November 2024, to increase value chain workers' awareness of the importance of TfS assessment.

[S2-5.42c] Borealis did not identify the need to take any additional measures as a result of its performance in 2024.

Entity specific metrics:

Metric	2024
Number of audits performed by OMV Procurement with an external auditor	3+12
Number of TfS (Re)Assessments performed by EcoVadis	308
Number of TFs audits performed Number of suppliers with a valid EcoVadis score (no more than 3 years old)	368
Percentage of suppliers with improved EcoVadis score (group level)	67.00%
Number of buyers across all locations attended awareness sessions on sustainable procurement	46
Percentage of total suppliers assessed with negative environmental impacts in the supply chain that were disqualified	0.00%
Percentage of total suppliers assessed with negative social impacts in the supply chain that were disqualified.	1.00%
Number of suppliers that were trained on social issues (group level)	160
Percentage of suppliers' operations covered by a certified ISO 14001 or EMAS environmental management system	73.00%
Percentage of spend with local suppliers	57.50%
Number of ethics reports filed through the whistleblower hotline:	285
Number of external ethics reports filed through the Borealis speak up hotline	22

ESRS S3 Affected Communities

Borealis is aware that its operations could impact some of its stakeholders, including the communities where Borealis operates. The Group's social license to operate is based on upholding human and labor rights and developing positive relationships with surrounding communities.

Based on Borealis' double materiality assessment, affected groups are situated in the upstream value chain. These groups are defined by Borealis' suppliers as:

- Local communities, which are resident in areas adjacent to their sites and are directly impacted by their operations; and
- Remote communities, which are situated further from the primary operational sites but within the broader geographic region. They are indirectly affected by the suppliers' activities.

Impact, risk and opportunity management

DR S3-1 – Policies related to affected communities

[S3-1.14a, b] Borealis has implemented various policies concerning ethics and social compliance, referring to its own operations, as described in chapters S2 and G1. However, the Group has no policy addressing the management of material impacts, risks and opportunities related to affected communities in the upstream-value chain.

Business partners in the upstream value chain are expected to have adequate policies in place to manage their impacts on affected communities. Suppliers' policies typically cover their global

operations, with a focus on regions where their activities may have significant health impacts. This includes both upstream and downstream operations in high-risk areas.

Suppliers' processes for monitoring compliance with their policies typically include conducting a Social Impact Assessment (SIA). See [S3-4.33a] for more information on SIAs.

[S3-1.14c] The suppliers' senior leadership team – typically its Executive Board or similar body – is generally accountable for the policy's implementation, as part of their wider sustainability strategy and targets.

Certain suppliers will set out responsibilities for community relations and development against the deliverables in their strategy, to support social acceptance of the business's operations. This may include building relationships with local community stakeholders and addressing any concerns or complaints, as well as monitoring community stakeholders' attitudes to the business.

[S3-1.14d] Suppliers may commit to respecting a range of standards or initiatives in implementing their policy. These include respecting and supporting human rights, as described in the Universal Declaration of Human Rights and in internationally recognized treaties, including those of the International Labour Organization (ILO). The Group's suppliers also include signatories to the UN Global Compact, as well as businesses that are committed to the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

[S3-1.15] Borealis' Human Rights Policy Statement acknowledges indigenous peoples as social groups with identities that are distinct from mainstream groups in national societies. They have special inherent rights, are often among the most marginalized and more likely to be in vulnerable circumstances. This statement only addresses affected communities in Borealis' own operations and there is no particular policy for preventing and addressing any impact on indigenous peoples in the upstream value chain.

[S3-1.16a] Borealis commits to upholding the highest standards of human rights for all communities affected by its own operations or along the value chain, corresponding to the UN Guiding Principles on Business and Human Rights.

Borealis does not proactively monitor compliance with the UN Guiding Principles on Business and Human Rights but provides opportunities for any affected communities to report actual or suspected non-compliance, as described in [S3-1.16b].

[S3-1.16b] Borealis has a systematic approach to identifying and assessing stakeholders at its production sites, which is detailed in its Operative Instruction for Stakeholder Management. This document defines the stages of identifying, assessing, prioritizing and engaging with affected communities in Borealis' own operations.

[S3-1.16c] The Group has not adopted a process of providing remedy for human rights impacts or other negative impacts for affected communities in the upstream value chain.

[S3-1.17] In 2024 there were 82 cases of non-respect of international human rights standards reported to the Ethics Hotline by affected communities, mostly value chain workers working on Borealis sites.

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DR S3-2 – *Processes for engaging with affected communities about impacts*
[S3-2.21a], [S3-2.24] Borealis does not actively engage with communities in the upstream value chain, including indigenous peoples.

[S3-2.23] Borealis respects the rights of indigenous peoples as described in [S3-1.15]. Those communities are encouraged to use the central and local grievance mechanisms that are already in place at Borealis (not specifically for affected communities), as set out in section [S3-1.16b].

DR S3-3 – *Processes to remediate negative impacts and channels for affected communities to raise concerns*
[S3-3.27a] The Group's grievance mechanisms offer a channel for identifying potential adverse impacts, resolving grievances and providing remedy to the rightsholders where Borealis has caused or contributed to a negative impact. All incoming complaints need to be documented in a reporting tool. Each Borealis location has to clearly define the responsibilities for handling those complaints and must document them, including that they have been resolved.

However, Borealis has not adopted a process of providing remedy for affected companies in its upstream value chain.

[S3-3.27b] Borealis has established robust central and local grievance mechanisms that are open to affected communities. The local channels, such as telephone numbers, are promoted by the local production sites. All these channels ensure anonymity if required by the reporter.

Complaints from community members mainly relate to a disturbance or dissatisfaction (primarily due to pollution, noise, odor, or traffic) brought to the attention of the location management. Grievances are more severe issues, mainly related to a potential breach of the Borealis Ethics Policy, a human rights issue and/or non-compliance with national or international laws and regulations.

Grievances need to be reported to the Group's Ethics Hotline, where they are handled by the Ethics & Compliance Department. If a location receives a complaint that is classified as a grievance, this also needs to be handed over to the Ethics Hotline. See [S1-1.20c] for more information on how reports to the Ethics Hotline are handled.

[S3-3.27d] Borealis assesses received grievances and complaints quarterly. All the grievances are registered in the Ethics Hotline, and are tracked and monitored in the tool and in monthly designated meetings. As discussed in [G1-1.7f], Group Compliance & Ethics also regularly provides ethics-related information and updates to the Executive Board and the Ethics Council.

[S3-3.27c] Borealis' publicly available Ethics Policy for Business Partners describes how to raise concerns and refers to the Ethics Hotline. [S3-3.28] Borealis has not assessed the awareness and trust of affected communities in the upstream value chain regarding its processes for raising their concerns and needs.

DR S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions
[S3-4.31a-e] While Borealis has not taken any actions to address material impacts, risks and opportunities related to affected communities in the upstream value chain, its suppliers do address issues related to their operations.

[S3-4.33a] Affected communities in Borealis' upstream value chain are assessed by its suppliers. For example, suppliers carry out a Social Impact Assessment (SIA), which includes the free, prior, and informed consent of local stakeholders. An SIA also forms part of a wider Environmental and Social Impact Assessment (ESIA), to foster synergies and efficiencies. An SIA is designed to ensure that the views of the local communities, and especially of indigenous peoples, are incorporated into and addressed throughout the project life cycle: commissioning, operation, and decommissioning or abandonment. Suppliers also pay particular attention in these assessments to any possible impact on human rights.

An SIA includes a baseline study, an assessment of community needs (see below), a stakeholder analysis, and a study of any social risks. Where possible, SIAs incorporate direct consultation with potentially affected communities and the SIA's outcomes are communicated to affected stakeholders. Based on the outcome of the SIA, site-specific strategies for community relations and development, stakeholder engagement plans, and community grievance mechanisms may be developed and implemented.

An assessment of community needs includes, for example, consultation with local stakeholders and consideration of country-specific priorities in relation to the UN Sustainable Development Goals (SDGs).

[S3-4.33b] Borealis' suppliers typically mitigate the risk of an involuntary resettlement or dispossession with a developed stakeholder engagement plan, inviting landowners and giving them the opportunity to raise their concerns. [S3-4.33c] Borealis' suppliers may engage with indigenous peoples through phone calls, face-to-face meetings, wider multi-group forums, site visits and emails. This engagement can also include discussion regarding impacts and mitigation for major projects.

[S3-4.35] To ensure that Borealis' own practices do not cause or contribute to material negative impacts for affected communities, different policies and actions are adopted, as described in G1 and S2.

[S3-4.38] No material impacts were defined in Borealis' own operations, therefore no financial or human resources were allocated regarding affected communities.

[ESRS 2.81] Currently, Borealis has not set any measurable outcome-oriented targets, as impacts are in the upstream value chain and are not material within its own operations.

[S3-4.36] No severe human rights issues and incidents connected to affected communities were reported in 2024.

Metrics and Targets DR related to S3 Affected Communities

DR S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

[ESRS 2.81] Currently, Borealis has not set any measurable outcome-oriented targets, as impacts are in the upstream value chain and are not material within its own operations.

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Governance Information

ESRS G1 Business Conduct

Good governance creates a system of management and control that is accountable, transparent and geared to creating sustainable, long-term value. It therefore serves the needs of all stakeholders who are interested in or impacted by Borealis, including employees, customers, suppliers, governments, capital markets and the general public. The Borealis Management System (BMS) documents Borealis' approach to governance. Managing risks and opportunities is integral to the BMS, to ensure the Group continuously improves and identifies mitigating actions where needed.

Impact, risk and opportunity management

DR G1-1– Business conduct policies and corporate culture

Borealis is strongly committed to ethical business conduct. Maintaining the highest standards of integrity is essential for securing and maintaining the trust of Borealis' customers, suppliers, employees, shareholders and society at large.

To cover all aspects of good ethical business conduct, Borealis has issued three documents:

- The Borealis Ethics Policy;
- The Borealis Ethics Policy for Business Partners (see [G1-1.7b]); and
- The Borealis Human Rights Policy Statement (see [S2-1.16a]).

The Borealis Ethics Policy provides guidance to Borealis' employees and sets out the Group's ethical principles, most importantly including human rights, ethical business conduct based on respect, honesty and integrity, and compliance with applicable laws.

[G1.1.7a] The key contents of the Ethics Policy are ethical principles, anti-corruption, business and personal integrity, compliance with competition laws, and data privacy. The primary objectives include:

- Anti-Trust & Competition Law: Borealis does not enter into any form of agreement or understanding with competitors to fix prices or otherwise restrict free competition.
- HR Compliance & Human Rights: Borealis treats everyone with respect and will not tolerate unfair treatment, harassment, abuse or retaliation within the workplace. The Group strictly complies with human rights requirements and expects its business partners to apply the same standards.
- Trade Compliance: Borealis complies with the trade laws of all countries in which it operates, including sanctions, customs, import and export controls, and laws that apply to the cross-border trade of its products and services.
- Anti-Corruption & Bribery: Borealis does not accept bribes, kickbacks or any other kind of improper payments. The Group keeps accurate books and records to honestly describe payments.
- Data Protection: Borealis treats all personal information concerning employees and business partners sensitively, in confidence, and in accordance with applicable laws.
- Issuer Compliance: Neither Borealis nor its employees engage in any market misconduct, whether for individual benefit or for the benefit of Borealis.

The Ethics Policy addresses the importance of value-based decision making for business operations, managing the risks of misinformation and fostering opportunities for enhanced stakeholder trust and engagement, as well as orientating individuals' actions towards ethical

principles. This helps to foster a strong corporate culture, leading to increased employee retention, engagement and well-being. The absence of a strong corporate culture would increase the risk of unlawful and unethical behaviour, low engagement and consequently low employee productivity, which can ultimately reduce an employee's quality of life. Furthermore, the absence of a strong corporate culture would increase the risk of Borealis losing stakeholder trust and suffering reputational damage, as well as being exposed to fines, legal claims, loss of business, contracts or licenses, or even the imprisonment of management and employees involved.

[G1-1.7c] The Chief Executive Officer (CEO), together with the Executive Board, is accountable for implementing the Ethics Policy and upholding Borealis' values. The Group's Compliance & Ethics function and the Borealis' Ethics Council also play key roles (see [S2-1.16c] for more information). However, ensuring ethical compliance is a joint effort across all hierarchical and functional levels in Borealis. The Group's stance is that "looking away is not an option" and the Ethics Policy therefore obliges employees to speak up about any actual or suspected ethical or compliance breaches. As part of this, every white-collar employee completes an Annual Ethics Certification, to certify their compliance with corporate policies on ethical business practices, confirm they are aware of the Ethics Policy and its principles, and that that they have reported all witnessed or suspected violations of the Ethics Policy. This confirmation includes a specific confirmation that Borealis respects human rights and the dignity of people, does not tolerate bribery and corruption in any of its forms, does not engage with competitors to fix prices and does not provide false or misleading information to its customers.

In addition to the Group's ethics-related policies, OMV and Borealis have adopted a One Procurement Directive, which applies across the OMV Group, including Borealis. The Directive sets out the framework, principles, and rules for managing procurement activities and establishes the minimum requirements within the procurement process. Further information about procurement can be found in chapter S2.

[G1-1.7d] Borealis has committed to respecting a range of third-party standards and initiatives in implementing its Ethics Policy, as described in [S2-1.16d].

[G1-1.7b] The Borealis Ethics Policy is available in ten languages and applies to the entire Borealis workforce globally.

In addition to the Borealis Ethics Policy, Borealis' contractors, suppliers and other business partners are required to adhere to the Group's Ethics Policy for Business Partners. This document defines the Group's approach to key aspects of business ethics when sourcing, such as anti-corruption, anti-slavery, child labor, forced labor, human trafficking and health, safety and environment (HSE). The Ethics Policy for Business Partners is actively communicated to Borealis' business partners.

[G1-1.7e] When reviewing the Ethics Policy, Borealis usually takes into considerations the interest of the CEO, EXB, Group Compliance and Head of Compliance, Sustainability and HSE and if needed additional internal stakeholders.

[G1-1.7f] The Borealis Ethics Policy, Ethics Policy for Business Partners and Human Rights Policy Statement are available on the Group's corporate website. The Group continuously promotes speaking up and creates awareness of its Ethics Hotline and how to use it, in particular through the Ethics Policy, quarterly business updates from the Executive Board, articles on the intranet and in each ethics training.

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[G1-1.10g] New employees must take a mandatory e-learning course, which explains the Group's values and ethics approach. The training takes 30 minutes. Tailored classroom or virtual training sessions on ethics and compliance are held by the Group Ethics & Compliance function or by local Ethics Ambassadors. All employees are obliged to take part in this Code of Conduct e-learning. The trainings shall be repeated on an annual basis, as outlined in Borealis' *Ethics Policy*.

To create awareness and vigilance on human rights, all employees must complete a Human Rights e-learning session, which provides an overview of Borealis' and OMV Group's Human Rights Commitments; people's human rights as employees; and what tools are used in OMV Group to help deal with human rights risks.

Moreover, tailored training sessions are offered to employee groups exposed to specific ethical risks, namely corruption and bribery, competition law, data privacy regulations or issuer compliance risks related to the misuse of inside information.

[G1-1.9] The Group's approach to establishing, developing, promoting and evaluating its corporate culture is described in sections [G1-1.7a-f].

[G1-1.10a] Borealis has established a process for reporting violations of its Ethics Policy and *related policies regarding corruption and bribery. Points of contact across the organization* (namely the Ethics Ambassadors, Group Compliance & Ethics, Legal Department, the respective People & Culture Business Partner and Internal Audit) are outlined in the Ethics Policy. Furthermore, an independent whistleblower hotline is offered to both internal and external stakeholders, who may report concerns to this mailbox.

The process for handling violations of the Ethics Policy involves whistleblowing and reporting of suspected violations, intake of the case, investigation, and if warranted, disciplinary proceedings and remediation.

[G1-1.10e] The Borealis Management System documents the Group's procedures to investigate business conduct incidents, including incidents of corruption and bribery, promptly, independently and objectively. The follow-up on reports by whistleblowers is automated and compliant with legal requirements to respond within 24 hours upon filing, and followed by a 90 day investigation timeline. Alleged ethical violations are investigated by especially skilled employees. The investigation is based on interviews and evidence gathering, accessing findings and drawing analytical culpability conclusions, which are documented accurately. When applicable, the investigation may include testimony in front of the Ethics Council. See [G1-1.10c i] for more information.

Each year, all white-collar employees must confirm through an automated process that they have reported all witnessed and suspected violations of the Ethics Policy (see [G1-1.7a]).

[G1-1.10c i] The Ethics Hotline is based on an automated cloud-based case management tool, "Integrity", provided by the German service provider EQS. The tool is user-friendly, self-explanatory and practical for both the reporter and the managers of reported cases and has been well accepted by all relevant stakeholders.

The Ethics Hotline can be used by Borealis employees and any external individual who wants to raise a concern about witnessed or suspected unethical behaviour which:

– Is directly or indirectly connected to Borealis; and

- Is made in good faith, meaning that it shall not be used to make false accusations against others or include information which is knowingly untrue.

Unethical behaviour refers to:

- Human rights, health and safety and environmental-related misconduct;
- Violation of any terms of the Borealis Ethics Policy and Borealis Ethics Policy for Business Partners; or
- Any other behaviour which is criminal or illegal in the relevant jurisdiction.

Reports to the Ethics Hotline can be made 24/7 in 24 languages. The link is published on the intranet and on Borealis' website, enabling individuals inside and outside Borealis to file reports. These reports can be fully anonymous, in which case the identity of the reporter is not tracked. Group Compliance & Ethics is immediately notified of each new report and then records and tracks it in the management tool. Each reporter is notified that the report has been received and is being handled.

Reports received through other channels are manually set up in the tool by the Group Compliance & Ethics team. Access to the tool is strictly limited to this team, as well as the General Counsel, the Director Internal Audit plus one colleague and the VP People & Culture. Every report is assessed and handled with the utmost priority, in accordance with Borealis' Investigation and Ethics Case Handling Procedure. The Procedure sets out the process for determining whether a report should be investigated and was thoroughly updated in 2023.

While Group Compliance & Ethics is responsible for the intake, categorization, documentation and initial handling of each case, Internal Audit, People & Culture and subject matter experts are involved in the investigation, depending on the compliance areas and risks involved. Reports that do not suggest a violation are either forwarded to the department that is best placed to deal with it or, if the report is unreasonable or without serious intent, it is dropped and closed.

The Ethics Council carefully reviews each investigation that substantiates unethical conduct. The Group Compliance & Ethics Officer provides quarterly updates to the Executive Board on all conducted and substantiated investigations, and the Audit Committee receives an annual report of all investigations and remediation actions.

Annually, every white-collar employee must confirm that violations or possible violations of the ethics policy were reported to the Ethics and Compliance team (see [G1-1.7a]).

The Ethics & Compliance Team and the Internal Audit department were trained in 2024 on the procedure for handling ethics cases.

[G1-1.10c ii] Borealis must adhere to and complies with the EU Whistleblower Directive (Directive (EU) 2019/1937).

[G1-1.10d] Irrespective of the legal requirements in place in the relevant jurisdiction, Borealis offers extended whistleblower protection to all internal and external whistleblowers who make a report meeting the criteria described in [G1-1.10c i]. See [S2-3.28] for more information.

All reports are strictly confidential and are handled, processed and deleted in accordance with GDPR. The system also allows anonymous reports, with confidential communication with the whistleblower ensured via a secure mailbox, which is hosted by the third-party Integrity tool.

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[G1-1.10h] Functions within Borealis that are most at risk in respect of corruption and bribery are identified by the line manager and include Procurement, Sales, Customer Service, Logistics Sourcing, the Customs Team, the Legal Team, the Location Leaders, the Dispatch Leaders, the Treasury Team, the Hydrocarbons Risk Officer, Group Tax, and the Executive and Senior Management.

DR G1-2 – Management of relationships with suppliers

[G1-2.14a] and [ESRS 2.62] Borealis does not have a policy to prevent late payments to suppliers but its purchase-to-pay process is designed to ensure that supplier invoices are paid on the due date and not later. The process requires payment runs to be generated automatically each day, according to the invoice due date.The duties between employees who record invoices in the Group's system and final payment approval are segregated. Suppliers may request invoices are paid earlier than the due date. In that case Borealis proposes that the supplier joins the Group's Dynamic Discounting Program. If there are delays to payments or invoices that remain unpaid, suppliers can use the Group's standard complaints process to request payment.

[G1-2.15a] As described under [G1-1.7b], Borealis' contractors, suppliers and other business partners are required to adhere to the Ethics Policy for Business Partners.

For workers in the value chain operating on its premises, Borealis has policies defining its social compliance ambition level, notably how to identify regulatory and social compliance risks, advise on design and implementation of regulatory and legal compliance processes and controls to mitigate such risks, and monitor and report the effectiveness of the controls. See chapter [S2-1.16a] for more information.

[G1-2.15b] Borealis' supplier prequalification process already contained HSSE elements and was enhanced in 2024 with questions on ethics, whistleblowing and human rights.

To support the overall Group Sustainability Targets 2030 and the Sustainable Procurement ambition to give sustainability a value in sourcing, Procurement's commercial evaluation of bids includes the EcoVadis Score as a criteria to assess the bidder's sustainability performance (see [S2-4.31] for more information).

The Sourcing Council decides if product-related sustainability criteria are also included in the bidder evaluation. The product-related criteria are part of the technical evaluation and are assessed by the Borealis colleague who requested the procurement of the specific goods or services, with the Sustainability department being consulted when needed. The Sourcing Council also decides the weighting factor for sustainability criteria in the bidder evaluation.

DR G1-3 – Prevention and detection of corruption and bribery

[G1-3.18a] Borealis rejects corruption and bribery in all forms. Everyone who works for and with Borealis is responsible for adhering to the Borealis Ethics Policy and the Group's anti-bribery and anti-corruption instruction, which describes the fundamental elements and framework of the Group's anti-bribery and anti-corruption compliance rules.

Business partners that violate anti-bribery or anti-corruption laws can put Borealis at risk of reputational damage, fines, and penalties. Borealis therefore investigates potential infringements in the same manner as ethics cases (see [G1-1.10e]), with the process involving whistleblowing or reporting of suspected violations, intake of the case, investigation, and disciplinary action and remediation where necessary.

Borealis pursues due diligence on all of its suppliers before the working relationship becomes operational, to identify, evaluate and remedy compliance risks they present to Borealis. This due diligence process includes screening business partners against sanctions, watchlists, and adverse media. It may also include using third-party information such as enhanced due diligence reports or collecting information directly from the business partner via due diligence questionnaires.

[G1-3.18b] The investigators of corruption or bribery reports are part of the Ethics & Compliance department and are therefore separate from the chain of management involved in the matter. The Borealis Ethics Policy outlines the Group's process for preventing and mitigating any conflicts of interest, if the investigator's interests interfere with their duties to act in Borealis' best interests.

[G1-3.18c] Group Ethics & Compliance also quarterly provides ethics-related information and updates to the Executive Board and the Ethics Council in form of a presentation. This information includes major new projects, a report on substantiated unethical conduct, updates on training conducted and any other major developments.

[G1-3.20] The Ethics Policy provides guidance to Borealis' employees to ensure compliance with laws on anti-corruption and anti-bribery requirements. The Group's general ethics training, which is required for all Borealis employees, also includes a section on preventing corruption (see [G1-3.21]).

For all employees who are working in teams or departments identified as particularly exposed to corruption risk (see [G1-1.10h]), Borealis has created a dedicated anti-bribery and anti-corruption e-learning, which must be followed. The course provides an overview of the worldwide anti-corruption landscape, focusing on the key features of global anti-bribery laws. Through interactive exercises and a range of real-world scenarios, learners explore best practices for combating bribery and operating with integrity in international business.

Borealis' contractors, suppliers and other business partners are required to adhere to the Ethics Policy for Business Partners (see [G1-1.7b]).

[G1-3.21a] The e-learning on the Ethics Policy, which is mandatory for all employees, creates awareness of bribery and corruption, Borealis' exposure to the loss of stakeholder trust and reputational damage, as well as to fines, legal claims, loss of business, contracts or licenses, or even the imprisonment of management and employees involved.

As discussed in [G1-3.20], Borealis has specific training for employees in teams or departments that are particularly exposed to corruption risk.

Both trainings cover:

- Borealis' ban on its personnel offering or receiving bribes, as well as making facilitating payments (except where there is an actual and imminent threat to the personal health or safety of the personnel if the payment is not made);
- The principles and requirements outlined in a specific procedure explaining under which circumstances it is acceptable to receive or offer gifts, entertainment, meals, sponsored travel and associated hospitality or sponsorships; and
- Approvals to be obtained in cases of doubt.

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Borealis' specific anti-corruption and anti-bribery e-learning explains in even greater detail the reasonable and appropriate steps in relation to Borealis' business partners, to ensure compliance with applicable anti-bribery and anti-corruption laws. These may include:

- Appropriate risk-based due diligence;
- Contract provisions and/or certifications;
- Appropriate ongoing monitoring of business partners; and/or
- Anti-bribery and anti-corruption training for or with a business partner.

The latter instruction is to be used in conjunction with the Borealis Ethics Policy, the Third Party Risk Assessment Policy and any other relevant Borealis Group or local policies.

[G1-3.21b] The functions at risk are identified in [G1-1.10h]. Of these, 100% are covered by training programs.

[G1-3.21c] Functions at risk covered by training programs

	At-risk functions
Training coverage	
Total	537
Total receiving training	166
Delivery method and duration	
Classroom training (hours)	n/a
Computer-based training (hours)	0.5
Voluntary computer-based training (hours)	n/a
Frequency	
How often training is required	annually
Topics covered	Course description: This course provides an overview of the worldwide anticorruption landscape, focusing on profiles of the key features of global anti-bribery laws. Through interactive exercises and a range of real-world scenarios, learners explore best practices for combating bribery and operating with integrity in international business.
Definition of corruption	Bribery is a crime that occurs when a person offers, gives, or accepts something of value in exchange for influence over another person's behaviour. Corruption is any dishonest or fraudulent behaviour where an individual, corporation, or government uses their position of power to benefit themselves at the expense of others.
Policy	The course does not specifically cover Borealis' policies, but explains corruption and bribery in a gamification approach via examples and questions which have to be answered.

[ESRS 2 MDR-A.68] Borealis has started a cross-departmental internal project to ensure compliance with the upcoming Corporate Sustainability Due Diligence Directive in due time before July 2027. In the project Borealis is assessing all due diligence processes to ensure legal compliance and to address the material risk of non-compliance and associated costs. The project is not associated with significant CAPEX or OPEX.

Metrics and Targets DR related to G1 Business Conduct

[ESRS 2 MDR-M77a] Borealis uses the following metrics to evaluate its performance and effectiveness:

Metric	Unit	Methodology	2024
Percentage of Borealis employees completing the e-learning on the Borealis Ethics Policy	Percentage	The number of Borealis employees who accomplish the training as a percentage of the number of Borealis employees assigned to the training.	85.00%
The number of ethics reports filed through the whistleblower hotline by Borealis' own workforce	Number	The data is sourced from EQS, the external service provider for the Borealis whistleblower hotline. Non-substantiated cases are counted, unless the reported grievance obviously does not violate the Borealis Ethics Policy.	62
The number of non-compliances or recommendations from recertification or surveillance audits based on ISO 37301/37001	Number	The external auditor pursues the mandatory annual audit of Borealis AG. Thereafter, a report is issued and shared, in which each non-compliance is described.	2
Average days to pay an invoice	Number	These figures are extracted from Borealis' SAP system, where they are meticulously gathered and processed. The average number is then calculated at the end of the year.	51.28
Percentage of late payment terms, which are payments made later than Borealis' standard payment term of 60 days (see [G1-6.33b])	Percentage	This information is gathered and reported internally using the same process for average days to pay an invoice	11.09%
Number of legal proceedings for late payment terms	Number		1

[ESRS 2 MDR-M77b] If not otherwise stated, the data is not validated by an external body.The number of non-compliances or recommendations from recertification or surveillance audits based on ISO 37301/37001 is validated by the Austrian Standards certification body. The ISO certificates can be downloaded from the Group's website.

DR G1-4 – Incidents of corruption or bribery

[G1-4.24a] Borealis has never been convicted for violating anti-corruption laws.

[G1-4.24b] No actions have been taken as Borealis has never experienced a breach of its anti-corruption and anti-bribery policies. The Group's policies and strong culture are seen as the key elements helping to avoid such breaches.

DR G1-6 – Payment practices

[G1-6.33b] Borealis treats suppliers equally and does not differentiate between SMEs and other suppliers with regards to payments. The main supplier categories are Base Chemicals, Procurement, Non-procurement and Logistics. While an internal guidance for contract negotiations/aims for 60 days payment term, actual payment terms may vary depending on the specific contractual agreement and/or the purchase order with the supplier.

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Borealis has scheduled daily payment runs. Borealis therefore ensures that invoices are paid on the respective due date, provided that all internal approvals have been provided, which will not be withheld without substantiated reasoning.

	% of payments (value based)	Payment terms
Base Chemicals	55.32%	0 - 60 days
Procurement	27.69%	30 - 180 days
Non-Procurement	13.66%	0 - 60 days
Logistics	3.33%	30 - 60 days

[G1-6.33a] The average time Borealis takes to pay an invoice, from the date when the contractual or statutory term of payment starts, is 51.28 days. The number is based on information from internal systems and has not been validated by an external body.

[G1-6.33c] There is one legal proceeding for late payments currently outstanding.

Vienna, March 4, 2025

Executive Board:

signed

Stefan Doboczky
Chief Executive Officer

signed

Daniel Turnheim
Chief Financial Officer

signed

Wolfram Krenn
Executive Vice President
Base Chemicals & Operations

signed

Philippe Roodhooft
Executive Vice President
Joint Ventures & Growth Projects

signed

Craig Arnold
Executive Vice President
Polyolefins, Circular Economy Solutions
and Innovation & Technology

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Consolidated Financial Statements

Consolidated Income Statement

EUR thousand	2024	2023 restated [1]	Note
Net sales	**7,851,864**	**7,082,152**	1, 2
Other operating income	99,626	82,822	29, 32
Total sales and other income	**7,951,490**	**7,164,974**	
Production costs	-6,618,035	-6,183,039	6, 7, 14, 15, 32
Gross profit	**1,333,455**	**981,935**	
Sales and distribution costs	-710,121	-686,107	6, 7, 14, 15
Administration costs	-266,509	-276,980	6, 7, 14, 15
R&D costs	-14,776	-13,071	3, 6, 7, 14, 15
Operating profit	**342,049**	**5,777**	
Net results of associated companies and joint ventures	241,616	160,456	9
Financial income	182,764	161,287	18
Financial expenses	-67,295	-103,465	18
Net foreign exchange gains/losses	-20,261	-15,264	18
Profit before tax	**678,873**	**208,791**	
Taxes on income	-135,954	-2,161	11, 32
Net profit for the year from continuing operations	**542,919**	**206,630**	
Discontinued operation			
Profit (loss) from discontinued operation, net of tax	22,624	-47,652	8
Net profit for the year	**565,543**	**158,978**	
Attributable to:			
Non-controlling interests	2,428	-38,461	
Equity holders of the parent	563,115	197,439	

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 32.

Consolidated Statement of Comprehensive Income

EUR thousand	2024	2023 restated [1]	Note
Net profit for the year	**565,543**	**158,978**	
Items that may be subsequently reclassified to the income statement			
Net gain/loss on translation of financial statements of foreign operations	114,018	-92,663	
Reclassifications to the income statement during the period	0	0	
Tax effect recognized in other comprehensive income	0	0	
Net gain/loss on long-term loans to foreign operations	-2,855	209	19
Reclassifications to the income statement during the period	0	0	
Tax effect recognized in other comprehensive income	657	-48	
Net gain/loss on loans to hedge investments in foreign operations	-5,394	5,510	19, 22, 23
Reclassifications to the income statement during the period	0	0	
Tax effect recognized in other comprehensive income	1,241	-1,267	
Fair value adjustments of cash flow hedges	-44,717	-323,022	19, 22, 23, 24, 25
Reclassifications to the income statement during the period	39,334	-60,732	19, 22, 23, 24, 25
Tax effect recognized in other comprehensive income	1,237	88,263	
Share of other comprehensive income of joint ventures accounted for using the equity method	683	-4,818	9
Items that will not be reclassified to the income statement			
Actuarial gains and losses	-8,431	-17,713	15
Tax effect recognized in other comprehensive income	1,971	3,176	
Share of other comprehensive income of joint ventures accounted for using the equity method	516	2,439	9
Net income/expense recognized in other comprehensive income	**98,260**	**-400,666**	
Total comprehensive income	**663,803**	**-241,688**	
Attributable to:			
Non-controlling interests	336	-38,027	
Equity holders of the parent	663,467	-203,661	

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 32.

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Consolidated Balance Sheet

EUR thousand	31.12.2024	31.12.2023 restated [1]	1.1.2023 restated [1]	Note
Assets				
Non-current assets				
Intangible assets	551,315	483,147	421,548	3, 4, 7, 32
Property, plant and equipment				5, 7
Production plants	2,145,133	2,130,363	1,854,194	
Machinery and equipment	33,238	33,429	28,192	
Construction in progress	1,880,909	1,516,882	1,277,834	
Total property, plant and equipment	4,059,280	3,680,674	3,160,220	
Right-of-use assets	720,308	662,204	599,136	6
Investments in associated companies and joint ventures	2,431,191	2,479,258	2,796,851	9
Other investments	21,994	23,621	18,459	10, 28
Loans granted	1,246,676	900,915	628,305	10, 27, 28, 30
Other receivables and other assets	101,711	88,012	193,363	2, 10, 27, 28
Deferred tax assets	120,040	144,981	53,767	11, 32
Total non-current assets	**9,252,515**	**8,462,812**	**7,871,649**	
Current assets				
Inventories	1,320,322	1,303,306	1,479,516	12
Receivables				
Trade receivables	777,853	600,266	788,440	26, 27, 28, 30
Income taxes	3,663	7,380	2,965	
Loans granted	0	0	65,712	10, 27, 28, 30
Other receivables and other assets	322,287	481,249	529,288	10, 27, 28, 30, 32
Total receivables and other assets	1,103,803	1,088,895	1,386,405	
Cash and cash equivalents	1,028,011	2,347,631	2,226,207	27, 28
Assets of the disposal group held for sale	0	0	1,341,328	8
Total current assets	**3,452,136**	**4,739,832**	**6,433,456**	
Total assets	**12,704,651**	**13,202,644**	**14,305,105**	

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 32.

EUR thousand	31.12.2024	31.12.2023 restated [1]	1.1.2023 restated [1]	Note
Equity and liabilities				
Equity				
Shareholders' equity				
Share capital and contributions by shareholders	1,599,397	1,599,397	1,599,397	13
Reserves	162,111	62,453	410,250	32
Retained earnings	6,934,167	7,452,202	7,674,873	32
Total shareholders' equity	8,695,675	9,114,052	9,684,520	
Non-controlling interests	5,536	7,529	7,122	
Total equity	**8,701,211**	**9,121,581**	**9,691,642**	
Liabilities				
Non-current liabilities				
Loans and borrowings	588,068	1,206,373	1,512,201	20, 21, 28
Lease liabilities	671,325	630,430	563,239	6, 20, 21
Deferred tax liabilities	187,560	192,933	264,714	11
Employee benefits	275,587	271,697	276,512	15
Provisions	75,511	69,334	61,585	16
Other liabilities	61,005	110,074	36,185	21, 28
Total non-current liabilities	**1,859,056**	**2,480,841**	**2,714,436**	
Current liabilities				
Loans and borrowings	634,205	310,045	41,929	20, 21, 28
Lease liabilities	80,358	48,420	42,635	6, 20, 21
Trade payables	909,687	849,547	862,826	21, 28, 30
Income taxes	36,999	29,066	45,761	
Provisions	103,800	52,546	48,214	16
Contract liabilities	60,709	42,868	50,182	2
Other liabilities	318,626	267,730	289,209	21, 28, 30, 32
Liabilities directly related to the disposal group	0	0	518,271	8
Total current liabilities	**2,144,384**	**1,600,222**	**1,899,027**	
Total liabilities	**4,003,440**	**4,081,063**	**4,613,463**	
Total equity and liabilities	**12,704,651**	**13,202,644**	**14,305,105**	

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 32.

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Consolidated Statement of Changes in Equity

EUR thousand	Share capital and contributions by shareholders	Reserve for actuarial gains/losses recognized in equity	Hedging reserve	Reserve for unrealized exchange gains/losses	Retained earnings	Total attributable to the equity holders of the parent	Non-controlling interests	Total equity
Balance as of January 1, 2023 (as reported)	**1,599,397**	**-144,199**	**250,966**	**305,927**	**7,772,773**	**9,784,864**	**7,122**	**9,791,986**
Restatement [1]	**0**	**0**	**0**	**-2,444**	**-97,900**	**-100,344**	**0**	**-100,344**
Balance as of January 1, 2023 (restated) [1]	**1,599,397**	**-144,199**	**250,966**	**303,483**	**7,674,873**	**9,684,520**	**7,122**	**9,691,642**
Net profit for the year (restated) [1]	0	0	0	0	197,439	**197,439**	-38,461	**158,978**
Other comprehensive income (restated) [1]	0	-12,098	-299,599	-89,403	0	**-401,100**	434	**-400,666**
Total comprehensive income	**0**	**-12,098**	**-299,599**	**-89,403**	**197,439**	**-203,661**	**-38,027**	**-241,688**
Dividend distribution	0	0	0	0	-400,000	**-400,000**	-1,073	**-401,073**
Changes in the consolidation scope	0	19,126	0	868	-19,124	**870**	39,494	**40,364**
Increase/(decrease) in non-controlling interests	0	0	0	0	-986	**-986**	13	**-973**
Reclassifications of cash flow hedges to balance sheet	0	0	33,309	0	0	**33,309**	0	**33,309**
Balance as of December 31, 2023 (restated) [1]	**1,599,397**	**-137,171**	**-15,324**	**214,948**	**7,452,202**	**9,114,052**	**7,529**	**9,121,581**
Net profit for the year	0	0	0	0	563,115	**563,115**	2,428	**565,543**
Other comprehensive income	0	-5,944	-2,115	108,411	0	**100,352**	-2,092	**98,260**
Total comprehensive income	**0**	**-5,944**	**-2,115**	**108,411**	**563,115**	**663,467**	**336**	**663,803**
Dividend distribution	0	0	0	0	-1,081,150	**-1,081,150**	-2,457	**-1,083,607**
Changes in the consolidation scope	0	0	0	0	0	**0**	0	**0**
Increase/(decrease) in non-controlling interests	0	0	0	0	0	**0**	128	**128**
Reclassifications of cash flow hedges to balance sheet	0	0	-694	0	0	**-694**	0	**-694**
Balance as of December 31, 2024	**1,599,397**	**-143,115**	**-18,133**	**323,359**	**6,934,167**	**8,695,675**	**5,536**	**8,701,211**

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 32.

For further information, see note 13.

Consolidated Cash Flow

EUR thousand	2024	2023	Note
Net profit for the year	**565,543**	**158,978**	
Depreciation, amortization and impairments	422,159	404,636	7
Taxes on income [1)]	127,429	-56,540	8, 11
Result from disposal of fixed assets	1,079	6,479	7
Net results of associated companies and joint ventures	-241,616	-160,456	9
Financial result	-95,208	-42,893	18
Interest paid	-52,094	-50,262	
Interest received	159,359	119,063	
Income taxes received / Income taxes paid	14,195	-157,085	
Other changes	17,117	34,092	
Other working capital	22,920	24,303	
Change in inventories	-13,413	317,449	
Change in trade receivables	-165,192	179,909	
Change in trade liabilities	-13,559	-225,987	
Cash flows from operating activities	**748,719**	**551,686**	
thereof from discontinued operation	0	114,108	
Investments in property, plant and equipment	-601,786	-728,721	5
Investments in intangible assets	-88,549	-79,242	4
Acquisitions of subsidiaries, net of cash	-48,526	-53,949	8
Dividends of associated companies and joint ventures and non-consolidated subsidiaries	437,391	456,215	9
Capital contributions to and financing and acquisition of associated companies and joint ventures and non-consolidated subsidiaries	-335,694	-245,419	9
Proceeds from disposal of subsidiaries, net of cash disposed	46,000	691,439	8
Cash outflows in relation to other financial assets	-12,784	-8,087	
Cash inflows in relation to other financial assets	11,525	8,184	
Cash flows from investing activities	**-592,423**	**40,420**	
thereof from discontinued operation	46,000	590,181	

EUR thousand	2024	2023	Note
Current loans and borrowings obtained	0	61	20
Current loans and borrowings repaid	-306,717	-44,091	20
Principal elements of lease payments	-69,706	-54,103	6
Acquisition of non-controlling interests	0	-972	
Dividends paid to equity holders of the parent	-1,093,150	-386,667	
Dividends paid to non-controlling interests	-2,457	-1,073	
Cash flows from financing activities	**-1,472,030**	**-486,845**	
thereof from discontinued operation	0	-3,166	
Net cash flow of the period	**-1,315,734**	**105,261**	
Cash and cash equivalents as of January 1	2,347,631	2,242,405	
Effect of exchange rate fluctuations on cash held	-3,886	-35	
Cash and cash equivalents as of December 31	**1,028,011**	**2,347,631**	

1) Tax on measurement of discontinued operations amounting to EUR 8,525 thousand for the year 2024, and tax on income and measurement of discontinued operations amounting to EUR 58,701 thousand for the year 2023, have been recognized in the profit (loss) from discontinued operations in the income statement.

Presentation of Consolidated Cash Flow was changed retrospectively from direct method to indirect method, altering the components used to calculate the Cash flow from operating activities without impacting the total amount. Cash flows from investing activities and Cash flows from financing activities calculation and presentation remained unchanged. This decision was made after reviewing the cash flow statements of other companies, which predominantly use the indirect method and therefore adopting this method enhances the comparability of the financial statements. For further details, please refer to Cash Flow Statement section in the Summary of Significant Accounting Policies.

Notes to the Consolidated Financial Statements

Reporting Entity

Borealis AG (the Company or Group) is a company domiciled in Austria. The address of the Company's registered office is Trabrennstrasse 6–8, 1020 Vienna, Austria. Borealis is one of the world's leading providers of advanced and sustainable polyolefin solutions in Europe. Borealis is also an innovative leader in polyolefins recycling and a major producer of base chemicals.

Borealis Reports the Business Result in three Segments:
In the Polyolefins segment, Borealis focuses on the application areas Mobility, Energy, Consumer Products, Infrastructure, Advanced Products and Business Development.

Base Chemicals essentially includes the following product ranges: Phenol, Acetone, Ethylene and Propylene.

The third segment "Borealis NITRO" consisting of Fertilizers, Melamine and Technical Nitrogen Products was sold on July 5, 2023.

Statement of Compliance

The consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards issued by the IASB as adopted by the EU and additional Austrian disclosure requirements. The consolidated financial statements as of December 31, 2024 were authorized for publication by the Executive Board on March 4, 2025.

Basis of Preparation

The consolidated financial statements are presented in thousand euro (EUR thousand), rounded to the nearest thousand, hence rounding differences may arise. The consolidated financial statements are prepared on the historical cost basis, except for the following assets and liabilities, which are stated at their fair value: derivative financial instruments and financial assets at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI). Recognized assets and liabilities that are hedged are stated at fair value in respect of the risk that is being hedged.

Consolidation Principles

The consolidated financial statements include the financial statements of Borealis AG, the parent company, and all the companies over which it has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Companies in which the Group has a significant influence (interest of 20% or more), but no control or joint control, are considered associated companies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions on the relevant activities require the unanimous consent of the parties sharing control.

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The consolidated financial statements are based on financial statements of the parent company and of each individual subsidiary. The consolidated financial statements have all been prepared in accordance with the Group's accounting policies. Items of a similar nature have been combined. Intra-group transactions (revenues and costs), intra-group profits, internal shareholdings and intra-group balances have been eliminated.

Acquired subsidiaries, associated companies and joint ventures are included in the consolidated financial statements from the date of control or significant influence, respectively, and until (joint) control or significant influence ceases.

In case the acquisition is accounted for as a business combination, a re-measurement of the acquired net assets is made on the date of acquisition. Any remaining positive difference between the fair value of the assets and liabilities and the purchase consideration is capitalized as goodwill and subject to an annual impairment test. Any gain from a bargain purchase is recognized in the income statement. Investments in associated companies and investments in joint ventures are recorded under the equity method in the consolidated financial statements.

Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The judgements, estimates and assumptions mainly relate to the useful life and impairment of intangible assets and property, plant and equipment (note 4 and note 5), determination of lease liabilities (note 6), value of tax assets and liabilities and unused tax losses (note 11), inventory impairment (note 12), actuarial assumptions for employee benefits (note 15), future cash outflows for provisions (note 16), allowance for impairment in respect of trade receivables (note 27) and are included in the description of the respective note for the position.

Foreign Currency

Transactions and Balances

Monetary assets and liabilities denominated in foreign currencies have been converted into euro (EUR) at the exchange rates quoted on the reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate as at the date of transaction.

Foreign exchange gains and losses related to working capital are presented in the income statement as part of operating profit (other operating income and production costs). Otherwise, the foreign exchange gains and losses are recorded as financial items in the income statement. However, the exchange adjustments arising from the following items are recognized in other comprehensive income: conversion of the net assets of foreign subsidiaries and associated companies as of January 1 using the closing rate on December 31, conversion of long-term intra-group receivables that are considered part of investments in subsidiaries or associated companies, conversion of long-term loans hedging net assets of foreign subsidiaries and associated companies or intra-group receivables considered part of investments in subsidiaries and associated companies and conversion of the net income of foreign subsidiaries calculated

at monthly rates to figures converted using the exchange rates applicable as of the reporting date.

Group Companies

Consolidated financial statements are presented in euro (EUR), the functional currency of the parent. Financial statements of foreign subsidiaries in functional currencies other than EUR have been converted at the exchange rates quoted on the reporting date for assets and liabilities. The income statements of foreign subsidiaries have been converted on the basis of monthly exchange rates. The exchange differences arising from the conversion are recognized in other comprehensive income.

Climate Risks

There is uncertainty around the changes in the mix of energy sources over the next 30 years and the extent to which such changes will meet the ambitions of the Paris Agreement. In an accelerated decarbonization scenario ensuring reaching the climate goals according to the Paris Agreement, Borealis management would not see negative effects on the overall demand of polyolefin solutions. An accelerated change of the world's energy landscape might lead to different price movements in the relevant base chemicals (e.g. naphtha, ethane and propane), effecting temporarily the profitability of some asset in the polyolefin value chain, but no substantial negative effect is expected in respect of the overall integrated value chain. The management is confident that the demand for polyolefin solutions will remain robust, even in an environment of accelerated decarbonization and no material negative effects are expected concerning assets and provisions.

Summary of Significant Accounting Policies

Income Statement

Revenue Recognition

Borealis' main business model is to produce, market and sell various goods (polyolefins, base chemicals and until 2023 also fertilizers and related nitrogen products) to its customers. Each sale typically includes an obligation to deliver one particular type of goods. No bundling of various goods in one contract currently exists and price is not interdependent on prices in other contracts, delivery of other goods or promises. In case of additional services provided as part of the contract that typically do not meet the requirements of a separate performance obligation in accordance with IFRS 15, no allocation of the transaction price to multiple performance obligations is necessary.

Revenue is recognized when control of the products has been transferred, i.e. when the products are delivered to the customer. All Borealis contracts for delivery of goods include INCOTERMS, such as DDP, CIF or FCA, which govern changes to the control of goods. This will be the point of revenue recognition by Borealis. Payment is generally due up to 90 days from delivery.

For some contracts, variable considerations have been agreed, typically volume discounts for goods purchased during the particular period, i.e. one year. Borealis regularly estimates the anticipated discount based on the best available data supported by a large number of similar contracts and historical information.

Generally, Borealis does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one

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year. Consequently, Borealis does not adjust the promised amount of consideration for the effects of a significant financing component.

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. No other warranties or rights to return are offered by Borealis.

Net sales comprise revenue from contracts with customers and revenue from other sources arising in the course of the ordinary activities of the Group, excluding value-added tax and after deduction of goods returned, discounts and allowances.

The Group recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations. If the Group satisfies a performance obligation before it receives the consideration, the Group recognizes a contract asset or a receivable in its balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

All transactions that are not representative of sales revenues are presented under Other operating income.

Research and Development

Research costs are charged to the income statement in the year they have been incurred.

Development costs relating to a definable product or process that is demonstrated to be technically and commercially feasible are recognized as an intangible asset to the extent that such costs are expected to be recovered from future economic benefits. The expenditure capitalized includes the costs of materials, direct labor and an appropriate proportion of direct overheads.

Other development costs not meeting these criteria are recognized in the income statement as an expense when incurred.

Results from Associated Companies and Joint Ventures

The proportionate share of the net profit or loss after or before tax, as appropriate, of these companies is included in the consolidated income statement

Financial Income/Expenses

Interest income and expenses are included in the income statement using the effective interest rate at the amounts relating to the financial year.

Financial income/expenses also include borrowing costs, costs incurred on finance leases, realized and unrealized gains and losses from exchange and price adjustments of financial instruments, investments and items in foreign currencies not related to working capital.

Taxes on Income

The income tax charged to the income statement comprises expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted as of the reporting date, adjusted for the change in deferred tax assets and liabilities for the year and for any tax payable in respect of previous years. Income tax that relates to items recognized in other comprehensive income is recognized in other comprehensive income as well.

Balance Sheet

Intangible Assets

Intangible assets are stated at cost, less accumulated amortization and impairment losses.

Goodwill arising from an acquisition represents the excess of the purchase consideration over the fair value of the net identifiable assets acquired. Goodwill is not amortized but is subject to an annual impairment test.

Licenses and patents acquired externally are stated at cost, less accumulated amortization and impairment losses. Amortization is calculated according to the straight-line method based on an estimated useful life of 3–10 years.

Capitalized development costs are stated at cost, less accumulated amortization and impairment losses. Amortization is charged to the income statement on a straight-line basis over the expected useful life of the asset of 3–10 years. Development costs not yet amortized are subject to an annual impairment test.

Costs to purchase and develop software for internal use are capitalized and amortized on a straight-line basis over 3–7 years.

Prior to 2023, emission rights were reported as intangible assets. Effective January 1, 2024, Borealis has revised its accounting policy for emission rights received at no cost as government grants. Previously, Borealis recognized freely allocated certificates as intangible assets at their spot price at the time of allocation, along with a corresponding government grant, which was amortized over the financial year. A liability was also recorded for actual emissions.

Under the new policy, Borealis now recognizes granted emission rights at zero cost, eliminating the recognition of a government grant. The liability for actual emissions is recorded at zero, provided there are sufficient freely allocated emission rights available.

The change of accounting policy on the presentation of emission rights has been applied retrospectively and is described together with its impact on the financial statements in note 32.

Property, Plant and Equipment

Property, plant and equipment is valued at cost, less accumulated depreciation and impairment losses. Cost comprises purchase price, site preparation and installation. Day-to-day servicing expenses are not included in the cost of the assets. If certain conditions are met, the costs of major inspections and overhauls are recognized in the carrying amount of the property, plant and equipment.

Production plants include land, buildings, related immovable machinery and equipment. Machinery and equipment are recognized at purchase price and any directly attributable costs.

Depreciation is made on a straight-line basis over the expected useful life of the components of the assets. The useful lives of major assets are determined individually, while the lives of other assets are determined in groups of similar assets. Land is not depreciated. Buildings are depreciated over 20–40 years, production facilities over 15–20 years and machinery and equipment over 3–15 years.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted

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from the cost of the asset. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Impairment Losses

The carrying amounts of both property, plant and equipment and intangible assets are reviewed on each reporting date to determine whether there is any indication of impairment. If any such indication exists, and for annual impairment tests of goodwill and intangible assets with an indefinite useful life, the asset's recoverable amount is estimated as the greater of the fair value less cost of disposal and value in use. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement.

Leases

Leases are recognized as a right-of-use asset and a corresponding liability on the date at which the leased asset is available for use by the Group. Each lease payment is split between the liability and finance cost. The finance cost is charged to the income statement over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right- of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payments that are based on an index or a rate,
- amounts expected to be payable by the lessee under residual value guarantees, if any,
- the exercise price of a purchase option, if it is reasonably certain that the lessee will exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Moreover, non-lease components are separated from the lease components for measurement of right-of-use assets and lease liabilities.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, i.e. the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The Group determines its incremental borrowing rate by obtaining interest rates from external financing sources and makes certain adjustments (to reflect the terms of the lease and the creditworthiness of the Company, amongst others).

Right-of-use assets are initially measured at cost comprising the following:

- the amount of the initial measurement of the lease liability,

- any lease payments made on or before the commencement date, less any lease incentives received,
- any initial direct costs, and
- costs, if any, of restoring the asset at the end of the lease term to the condition required by the terms and conditions of the lease.

After the commencement date, the right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term using a linear method of depreciation. If it is reasonably certain that the Group will exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office and IT equipment (such as water dispensers, coffee machines or franking machines), textiles or smaller containers.

Non-current Assets Held for Sale and Discontinued Operations

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Prior to classification as held for sale, the assets (or components of a disposal group) are re-measured in accordance with IFRS 5. Thereafter, the assets (or disposal group) are generally measured at the lower of their carrying amount and fair value, less cost of disposal. Any impairment loss on a disposal group is first allocated to goodwill and then to remaining non-current assets on a pro rata basis; no loss is allocated to financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in the income statement. Gains are not recognized in excess of any cumulative impairment loss.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations,
- is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative year.

Associated Companies and Joint Ventures

Associated companies and joint ventures are accounted for using the equity method. The consolidated financial statements include the Group's share of the comprehensive income of equity-accounted investees.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash in bank and liquid short-term deposits.

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Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realizable value. Costs incurred are based on the first in, first out principle (FIFO method) and comprise direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory based on weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Measurement of spare parts is based on the weighted average cost method.

Government Grants

Government grants include grants for research and development as well as investment grants. Government grants relating to assets are deducted from the carrying amount of the related asset and recognized in the income statement as a reduction of depreciation (production costs) over the useful life of the asset. Income from other government grants is shown as part of other operating income.

Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation against third parties that can be reliably estimated and if it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions reflect the present value of future cash outflows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the liability. The unwinding of the discount is expensed as incurred and recognized in the income statement as finance cost.

For decommissioning provisions, the present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Deferred and Income Taxes

Deferred tax assets and liabilities are computed individually for each company in accordance with the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted as of the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available, against which the temporary differences and unused tax loss carry forwards can be utilized within a period of five years, based on a five-year business plan.

Deferred tax assets are reviewed on each reporting date and are re-measured to the extent that it is probable they will be realized.

Since the 2021 financial year, selected Austrian Borealis entities have been a member of a tax group in line with Section 9 of the Corporate Income Tax Act ("KStG") with OMV Aktiengesellschaft as the Group parent. Hence, income tax receivables/liabilities from respective tax group members are no longer presented under the balance sheet item Income taxes, but under Other current receivables/liabilities. According to the tax group agreement, if the income derived by the respective entities during a financial year is positive, the entities have to make a tax compensation payment for this financial year to the Group parent. In the event of a negative tax result, the parent company does not have to pay any tax compensation. Negative tax results are carried forward by the Group parent and will be deducted from positive tax results of the Group members in the future.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

The uncertain tax positions, for example tax disputes, are accounted for by applying the most likely amount. The most likely amount is the single most likely amount in a range of realistically possible options. The Company evaluates the unit of account related to the uncertain tax positions on a case-by-case basis.

Reserves

A reserve has been established as part of consolidated equity for unrealized exchange differences related to deferred foreign exchange gains and losses on intercompany loans, hedge loans and the equity of foreign operations. The hedging reserve contains fair value adjustments to financial instruments held for hedging purposes. The reserve for actuarial gains/losses recognized in equity contains the actuarial gains and losses on employee benefit plans.

Employee Benefits

Defined Contribution Plans

Obligations for contributions to defined contribution plans are recognized as an expense in the income statement as incurred.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined Benefit Plans

The Group's net obligation in respect of defined benefit pension plans and other post-employment benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value and the fair value of any plan assets is deducted. A qualified actuary performed the calculation using the projected unit credit method.

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The discount rate used in the actuarial measurements is determined with reference to long-term yields of AA-rated corporate bonds. In countries where no deep market for such bonds exists, the market yield of government bonds is used.

The Group has the following plans in place: defined benefit pension plans, post-employment medical plans, severance plans and other long-term employee benefit plans. Pension plans in place are both funded and unfunded. The plan asset funds are predominantly held in the form of insurance contracts.

The parameters of the pension plans vary from country to country. There are both plans open and closed to new entrants, contributory as well as non-contributory.

Post-employment medical plans mainly cover the medical expenses of retirees in Belgian companies. They are non-contributory and closed to new entrants. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans.

Severance plans cover employees of Austrian companies who started their service before January 1, 2003. They are entitled to receive severance payments upon termination of their employment or on reaching their pension age.

Furthermore, the Group operates severance plans in Italy and the United Arab Emirates. The benefits depend on the years of service and remuneration level. These plans are non-contributory and unfunded.

Other long-term employee benefits include jubilee schemes and pre-pension benefits. Jubilee schemes entitle the members to benefits in the form of a payment and/or additional paid holiday when reaching a defined length of service. These plans are non-contributory and unfunded.

All actuarial gains and losses relating to post-employment benefit plans are recognized in other comprehensive income. Actuarial gains and losses related to other long-term services are recognized in the income statement.

Past-service costs are recognized immediately in the income statement. Net interest expenses resulting from employee benefits are included in the consolidated income statement as part of the operating profit.

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either on the principal market for the asset or liability or, in the absence of a principal market, on the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained in note 28.

Financial Instruments

Recognition and Derecognition

Financial assets and financial liabilities are recognized on the trade date, when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and Initial Measurement of Financial Assets

Financial assets are initially recognized at their fair value, except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15. For all financial assets which are not subsequently measured at fair value, the fair value on initial recognition is adjusted for transaction costs (where applicable). Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost,
- fair value through profit or loss (FVPL),
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset,
- the contractual cash flow characteristics of the financial asset.

Subsequent Measurement of Financial Assets

Financial Assets at Amortized Cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect their contractual cash flows,
- contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest rate method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade receivables (except trade receivables under the factoring program), loans granted and parts of other receivables fall into this category of financial instruments.

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Financial Assets at Fair Value through Profit or Loss (FVPL)

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorized at FVPL. Furthermore, irrespective of the business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL.

Derivative financial instruments for which hedge accounting is not applied fall into this category.

The Group has a pool of specifically designated trade receivables that are all subject to factoring. This pool of receivables represents a hold to sell business model and is measured using FVPL.

The category also contains equity investments. Equity investments are either measured at FVPL or at FVOCI. Until December 31, 2020, Borealis elected irrevocably to classify all of its non-listed equity investments as investments at FVPL.

Furthermore, the category contains marketable securities and bonds which are classified as debt instruments. As such, marketable securities and bonds do not fulfil the solely payment of principal and interest (SPPI) criteria and have to be measured at FVPL.

Assets in this category are measured at fair value with gains or losses recognized in the income statement. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial Assets at Fair Value through OCI (FVOCI)

The category contains equity investments. From January 1, 2021, all new non-listed equity investments, which are held for strategic purposes and not for trading, are classified as investments at FVOCI. Gains and losses on equity investments measured at FVOCI are never recycled to the income statement and they are not subject to impairment assessment. Dividends are recognized in the income statement unless they represent a recovery of part of the cost of an investment.

Impairment of Financial Assets

The Group has three types of financial assets that are subject to IFRS 9's expected credit loss (ECL) model:

- trade receivables (excluding trade receivables held to sell) and contract assets,
- cash and cash equivalents,
- debt investments carried at amortized cost.

For the measurement of the ECLs, a distinction is made between:

- financial instruments for which credit risk has not increased significantly since initial recognition ("Stage 1" – 12-month expected credit losses),
- financial instruments for which credit risk has increased significantly since initial recognition ("Stage 2" – lifetime expected credit losses).

"Stage 3" covers financial assets that have objective evidence of impairment as of the reporting date (credit impaired financial assets).

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date.

On each reporting date, the Group assesses whether financial assets carried at amortized cost are credit- impaired. A financial asset is credit-impaired when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer,
- a breach of contract such as a default or being more than 90 days past due,
- it is probable that the borrower will enter into bankruptcy or other financial reorganization.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows, such as in the case of bankruptcy.

Trade Receivables and Contract Assets

Trade receivables and contract assets are impaired by using the simplified approach, which does not distinguish between 12-month ECLs and lifetime ECLs, but all assets are generally impaired using lifetime ECLs. For trade receivables and contract assets, the Group distinguishes between trade receivables up to 90 days past due and trade receivables more than 90 days past due. For trade receivables up to 90 days past due, the Group calculates ECLs based on external and internal rating and associated probabilities of default. Available forward-looking information is taken into account if it has a material impact on the amount of impairment recognized. Trade receivables more than 90 days past due are assessed individually and credit-impaired if necessary. See note 27 for further information on how credit risk is managed.

Loss allowances for trade receivables measured at amortized cost are deducted from the gross carrying amount of the assets and recognized in sales and distribution costs in the income statement.

Cash and Cash Equivalents

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss (based on the general approach) was immaterial.

Debt Investments Carried at Amortized Cost

The Group's debt investments at amortized cost are considered to have low credit risk and the loss allowance recognized during the period was therefore limited to 12 months of expected losses. Debt investments are considered to be low credit risk when they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term.

On that basis, the identified impairment loss (ECL based on the general approach) was immaterial. If there is any objective evidence for an impairment, debt investments are impaired individually (credit-impaired). See note 27 for further information.

Classification and Measurement of Financial Liabilities

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or

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loss (FVPL). Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives, which are carried at fair value with gains or losses recognized in the income statement (other than derivative financial instruments that are designated and effective as hedging instruments). Financial liabilities recognized for the financial guarantee contracts are subsequently measured at the higher of:

- the amount of the loss allowance determined according to the expected credit losses model and;
- the amount initially recognized less the cumulative income recognized according to IFRS 15.

All interest-related charges and, if applicable, changes in an instrument's fair value that are recognized in the income statement are included within financial expenses or financial income.

The Group's financial liabilities include loans and borrowings, lease liabilities, trade payables, liabilities from financial guarantee contracts and parts of other liabilities and derivative financial instruments.

Derivatives and Hedging Activities

Derivatives are initially recognized at fair value on the date a derivative is entered into and are subsequently re-measured at their fair value at the end of each reporting period.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges),
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

In the periods presented, the Group does not have any fair value hedges outstanding and no derivatives are considered as net investment hedges.

At inception of the hedge relationship, the Group documents the hedge relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. A hedging relationship qualifies for hedge accounting only if all of the following hedge effectiveness requirements are met:

- there is an economic relationship between the hedged item and the hedging instrument,
- the effect of credit risk does not dominate the value changes that result from that economic relationship,
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of the hedged item.

Cash Flow Hedging

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognized in

OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the income statement. The Group designates the full change in fair value of foreign exchange forwards as the hedging instrument in cash flow hedging relationships. As of the reporting date, Borealis has several foreign exchange forwards, but no outstanding foreign exchange options.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of the hedging reserve is directly included in the initial cost of the non-financial item when it is recognized.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of the hedging reserve is reclassified to the income statement in the same period or periods during which the hedged expected future cash flows affect the income statement.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the income statement in the same period or periods as the hedged expected future cash flows affect the income statement.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to the income statement.

Net Investment Hedges

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in OCI and accumulated in the reserve for unrealized exchange gains/losses. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. Gains and losses accumulated in equity are reclassified to the income statement when the foreign operation is partially disposed of or sold.

Derivatives That Do Not Qualify for Hedge Accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in the income statement.

Offsetting of Financial Instruments

Financial assets and financial liabilities can be offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

Cash Flow Statement

The consolidated cash flow statement shows the Group's cash flow provided by/used in operating, investing and financing activities. Previously, the Company prepared its statement of cash flows using the direct method, which presents major classes of gross cash receipts and gross cash payments. From 2024 using the indirect method, net cash flows from operating

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activities are derived by adjusting Net profit or loss for the year for the effects of non-cash transactions and changes in working capital and other working capital balance sheet accounts.

The change in presentation does not affect the overall net change in cash and cash equivalents for the period. It solely impacts the manner in which cash flows from operating activities are presented. Presentation and calculation of cash flows from investing and financing activities remain unchanged. Comparative figures for the prior period have been restated accordingly to ensure consistency and comparability.

The cash flow from investing activities comprises payments made on the purchase and disposal of operations and the purchase and disposal of property, plant and equipment, intangible assets as well as financial assets. The cash flow from financing activities comprises changes in the Group's share capital, as well as loans, repayments of principals of interest-bearing debt and the payment of dividends.

Segment Reporting

A segment is a distinguishable component of the Group that is engaged in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Executive Board (chief operating decision maker) and are used to make decisions on resources to be allocated to the segment and assess its performance and for which separate financial information is available (reportable segment).

The Executive Board decided to show the net sales by geographic area next to the reportable segment, as this includes material information on risks and rewards of a particular economic environment.

The Executive Board has identified three reportable segments:

Polyolefins – this part of the business manufactures and markets polyolefin products in the application areas Mobility, Energy, Consumer Products, Infrastructure, Advanced Products and Business Development. Since they have similar long-term growth rates and raw material economics, as well as demonstrate similarities in other aspects required by the Standard, they are accordingly reported as one segment to the Executive Board.

Base Chemicals – activities in this segment cover production and marketing of a wide range of base chemicals, such as phenol, acetone, ethylene, propylene and similar.

The third segment "Borealis NITRO" consisting of Fertilizers, Melamine, and Technical Nitrogen Products was sold on July 5, 2023.

All other segments – Corporate, Middle East and Asia and Research & Development – are not reportable segments, as they are either not included separately in the reports provided to the Executive Board or only contain results of the associated companies

New Accounting Standards

Amended Standards Adopted by Borealis

In 2024, the following amended standards became effective and have been adopted by Borealis, where effective means effective for annual periods beginning on or after that date (as endorsed by the EU):

Amended Standards		IASB effective date	EU effective date
IAS 1	Classification of Liabilities as Current or Non-Current	January 1, 2024	January 1, 2024
IAS 1	Non-current Liabilities with covenants	January 1, 2024	January 1, 2024
IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024	January 1, 2024
IAS 7 and IFRS 7	Disclosures: Supplier Finance Arrangements	January 1, 2024	January 1, 2024

The adoption of the amended standards stated above is included in the consolidated financial statements. This did not have a material impact on the financial position or performance of the Group.

New and Amended Standards Not Yet Effective

IFRS 18 will replace IAS 1 – Presentation of Financial Statements and will be effective for annual reporting periods beginning on or after January 1, 2027. Although IFRS 18 will not affect the recognition or measurement of items in the financial statements, it is expected to significantly impact presentation and disclosure. Borealis is currently evaluating the detailed implications of applying the new standard to the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- In the cash flow statement, interest received will be presented as cash flows from investing activities and interest paid will be presented as cash flow from financing activities which is a change from current presentation as part of cash flow from operating activities.
- New disclosures will be required for management-defined performance measures. Additionally, a breakdown of the nature of expenses for line items presented by function in the operating category of the consolidated income statement will be disclosed.

Borealis will adopt the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, so the comparative information for the financial year ending December 31, 2026, will be restated in accordance with IFRS 18.

A number of other amendments to standards have been issued but are not yet effective (as adopted by the EU). Borealis will adopt these on the effective date. Effective means effective for annual periods beginning on or after that date (as endorsed by the EU). Borealis does not expect a material impact from these amended standards on the consolidated financial statements.

Standards		IASB effective date	EU effective date
New Standards			
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	
Amended Standards			
IAS 21	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	January 1, 2025	January 1, 2025
IFRS 7 and IFRS 9	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026	
IFRS 7 and IFRS 9	Contracts Referencing Nature-dependent Electricity	January 1, 2026	
IAS 7, IFRS 1, IFRS 7, IFRS 9 and IFRS 10	Annual Improvements Volume 11	January 1, 2026	

Amounts

All amounts are in EUR thousand unless otherwise stated. The amounts in parentheses relate to the preceding year.

1. Segment Reporting

EUR thousand	2024				
	Polyolefins	Base Chemicals	Borealis NITRO [1]	Non-Allocated	Consolidated
Net sales by segment					
Total segment sales	6,153,364	4,946,040	0	205,560	11,304,964
Inter-segment sales	0	-3,453,100	0	0	-3,453,100
	6,153,364	**1,492,940**	**0**	**205,560**	**7,851,864**

Prices for Group inter-segment sales are mainly based on monthly market prices for ethylene and propylene contracts.

Segment result					
Operating profit	164,449	246,454	0	-68,854	342,049
Measurement of discontinued operation and result from disposal	0	0	22,624	0	22,624
Net results of associated companies and joint ventures	-146,439	-596	0	388,651	241,616
Financial result				95,208	95,208
Taxes on income				-135,954	-135,954
Non-controlling interests				-2,428	-2,428
Net profit for the year attributable to equity holders of the parent					**563,115**
Net sales by geographic area (by delivery destination)					
EU countries	4,091,472	1,219,501	0	70,475	5,381,448
thereof Austria	137.363	0	0	20,982	158,345
thereof Germany	930,411	45,132	0	37,384	1,012,927
Non-EU countries in Europe	852,627	266,839	0	0	1,119,466
US	256,381	6,026	0	10,849	273,256
Middle East and Asia	406,475	5	0	124,236	530,716
Other regions	546,408	570	0	0	546,978
	6,153,363	**1,492,941**	**0**	**205,560**	**7,851,864**

EUR thousand	31.12.2024				
Other information					
Segment assets	4,588,416	4,048,534	0	4,067,701	12,704,651
thereof Austria	2,262,844	1.471,638	0	3,902,286	7.636,768
thereof Belgium	600,734	1.721,126	0	74,793	2.396,653
Segment liabilities	0	0	0	4,003,440	4,003,440
Investment in property, plant and equipment [2]	192,919	323,703	0	85,164	601,786
Depreciation, amortization and impairment	197,473	158,250	0	67,515	423,238

1) Borealis NITRO: Borealis Fertilizers, Melamine and Technical Nitrogen Products business unit. // 2) Reclassification for Investments in property, plant and equipment figures between PO, Base Chemicals and Non-Allocated, total amount is unchanged.

Over 90% of the above segments assets are related to EU countries.

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EUR thousand	2023				
	Polyolefins	Base Chemicals	Borealis NITRO [1]	Non-Allocated restated [2]	Consolidated restated [2]
Net sales by segment					
Total segment sales	5,687,200	4,339,017	688,404	193,604	10,908,225
Inter-segment sales	0	-3,137,600	0	0	-3,137,600
	5,687,200	**1,201,417**	**688,404**	**193,604**	**7,770,625**

Prices for Group inter-segment sales are mainly based on monthly market prices for ethylene and propylene contracts.

Segment result					
Operating profit [2]	-78,781	162,223	-40,896	-76,762	-34,216
Measurement of discontinued operation and result from disposal [2]	0	0	-66,695	0	-66,695
Net results of associated companies and joint ventures	-158,363	1,664	0	317,155	160,456
Financial result				42,893	42,893
Taxes on income [2]				56,540	56,540
Non-controlling interests				38,461	38,461
Net profit for the year attributable to equity holders of the parent [2]					**197,439**
Net sales by geographic area (by delivery destination)					
EU countries	3,703,558	985,166	639,753	69,066	5,397,543
thereof Austria	125,334	0	119,145	58,457	302,936
thereof Germany	845,640	21,816	94,658	42	962,156
Non-EU countries in Europe	760,551	175,955	40,888	28	977,422
US	254,934	35,844	3,795	11,747	306,320
Middle East and Asia	448,420	4,394	687	112,168	565,669
Other regions	519,737	58	3,281	595	523,671
	5,687,200	**1,201,417**	**688,404**	**193,604**	**7,770,625**

EUR thousand	31.12.2023				
Other information					
Segment assets [2]	4,607,307	3,677,420	0	4,917,917	13,202,644
thereof Austria [3]	2,158,394	1,450,631	0	4,694,012	8,303,037
thereof Belgium	622,643	1,326,749	0	210,069	2,159,461
Segment liabilities [2]	0	0	0	4,081,063	4,081,063
Investment in property, plant and equipment [3]	234,361	377,798	71,038	45,524	728,721
Depreciation, amortization and impairment	214,697	131,585	0	64,833	411,115

1) Borealis NITRO: Borealis Fertilizers, Melamine and Technical Nitrogen Products business unit. // 2) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 32. // 3) Reclassification for Investments in property, plant and equipment figures between PO, Base Chemicals and Non-Allocated, total amount is unchanged.

Over 90% of the above segments assets are related to EU countries.

Reconciliation of reportable segments to the consolidated income statement

EUR thousand	2024	2023 restated
Total revenue for reportable segments	7,851,864	7,770,625
Elimination of discontinued operation	0	-688,473
Net sales	**7,851,864**	**7,082,152**
Total profit for reportable segments [1)]	563,115	197,439
Non-controlling interests	2,428	-38,461
Elimination of discontinued operation	-22,624	47,652
Net profit for the year from continuing operations	**542,919**	**206,630**

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 32.

2. Revenue from Contracts with Customers

EUR thousand	2024	2023
Revenue from contracts with customers	7,850,669	7,754,706
Revenue from other sources	1,195	15,919
Net sales	**7,851,864**	**7,770,625**
Elimination of discontinued operation	0	-688,473
Net sales from continuing operations	**7,851,864**	**7,082,152**

Borealis generates revenue primarily from the sale of Polyolefins and Base Chemicals to its customers. Revenue from other sources mainly includes gains/losses for realized cash flow hedges on net sales from foreign exchange forwards (see also note 19). Revenue from other sources relating to the discontinued operation amounted to EUR 0 thousand (EUR 1,108 thousand).

In the following table, revenue from contracts with customers is disaggregated by segment and geographic market. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see note 1).

EUR thousand	2024				
	Polyolefins	Base Chemicals	Borealis NITRO [1)]	Non-Allocated	Consolidated
EU countries	4,089,643	1,219,501	0	70,243	5,379,387
Non-EU countries in Europe	852,627	266,839	0	0	1,119,466
US	256,886	6,026	0	10,849	273,761
Middle East and Asia	406,545	5	0	124,236	530,786
Other regions	546,699	570	0	0	547,269
Revenue from contracts with customers	**6,152,400**	**1,492,941**	**0**	**205,328**	**7,850,669**
Revenue from other sources	963	0	0	232	1,195
Net sales (as reported in note 1)	**6,153,363**	**1,492,941**	**0**	**205,560**	**7,851,864**

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EUR thousand	2023				
	Polyolefins	Base Chemicals	Borealis NITRO [1]	Non-Allocated	Consolidated
EU countries [2]	3,696,251	985,166	638,645	69,042	5,389,104
Non-EU countries in Europe	760,551	175,955	40,888	28	977,422
US	253,135	35,844	3,795	11,747	304,521
Middle East and Asia	443,933	4,394	687	112,168	561,182
Other regions [2]	*518,543*	*58*	*3,281*	*595*	*522,477*
Revenue from contracts with customers	**5,672,413**	**1,201,417**	**687,296**	**193,580**	**7,754,706**
Revenue from other sources	14,787	0	1,108	24	15,919
Net sales (as reported in note 1)	**5,687,200**	**1,201,417**	**688,404**	**193,604**	**7,770,625**

1) Borealis NITRO: Borealis Fertilizers, Melamine and Technical Nitrogen Products business unit. // 2) Reclassification for 2023 figures between Non-Allocated EU countries and Other regions, total amount is unchanged.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

EUR thousand	31.12.2024	31.12.2023
Receivables	777,853	600,266
Contract assets	8,356	7,856
Contract liabilities	60,709	42,868

All contract assets are included in non-current other receivables and other assets.

The Group applies the practical expedient in IFRS 15.121 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

For impairment recognized on receivables and contract assets, please see note 27 Credit Risk.

The contract liabilities mainly include advance consideration received from customers and expected volume discounts payable to customers in relation to sales made. The contract liabilities of the previous year have been realized during 2024.

3. Research and Development

At the end of the year, 577 employees (headcount) were engaged in research and development relating entirely to continuing operations (579 employees in 2023). The total cost of these activities including impairment costs, amounted to EUR 14,776 thousand compared to EUR 13,071 thousand in 2023 (see note 7). Internal development costs amounting to EUR 33,173 thousand (EUR 37,128 thousand) were capitalized as intangible assets.

4. Intangible Assets

EUR thousand	2024				
	Goodwill	Development costs	Capitalized software	Others restated [1]	Total restated [1]
Cost					
As of January 1 (as reported)	152,256	558,636	145,810	514,550	**1,371,252**
Restatement	0	0	0	-237,645	**-237,645**
As of January 1 (restated)	152,256	558,636	145,810	276,905	**1,133,607**
Exchange adjustments	-2,075	0	-66	-2,346	**-4,487**
Additions	0	93,828	6,261	11,119	**111,208**
Changes in consolidation scope	7,961	0	0	0	**7,961**
Disposals	0	-29,119	-70	-3,423	**-32,612**
Transfers	0	5	8,319	-6,685	**1,639**
As of December 31	**158,142**	**623,350**	**160,254**	**275,570**	**1,217,316**
Accumulated amortization					
As of January 1	0	337,966	107,226	205,268	**650,460**
Exchange adjustments	0	0	-61	-1,094	**-1,155**
Disposals	0	-28,782	-70	-3,344	**-32,196**
Amortization	0	15,844	16,934	17,236	**50,014**
Impairment	0	5,638	0	0	**5,638**
Transfers	0	0	0	-6,760	**-6,760**
As of December 31	**0**	**330,666**	**124,029**	**211,306**	**666,001**
Carrying amount as of January 1 (restated)	152,256	220,670	38,584	71,637	**483,147**
Carrying amount as of December 31	**158,142**	**292,684**	**36,225**	**64,264**	**551,315**

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 32.

EUR thousand	2023				
	Goodwill	Development costs	Capitalized software	Others restated [1]	Total restated [1]
Cost					
As of January 1 (as reported)	134,186	520,231	131,569	452,325	**1,238,311**
Restatement	0	0	0	-212,402	**-212,402**
As of January 1 (restated)	134,186	520,231	131,569	239,923	**1,025,909**
Exchange adjustments	-1,217	-1	16	-1,325	**-2,527**
Additions	0	59,850	4,422	14,295	**78,567**
Changes in consolidation scope	20,687	0	4	28,097	**48,788**
Disposals	-1,400	-563	-11,226	-4,048	**-17,237**
Transfers	0	-20,881	21,025	-37	**107**
As of December 31	**152,256**	**558,636**	**145,810**	**276,905**	**1,133,607**
Accumulated amortization					
As of January 1	1,400	319,036	102,382	181,543	**604,361**
Exchange adjustments	0	0	11	-294	**-283**
Disposals	-1,400	-563	-9,282	-2,291	**-13,536**
Amortization	0	19,425	14,115	15,786	**49,326**
Impairment	0	68	0	10,589	**10,657**
Transfers	0	0	0	-65	**-65**
As of December 31	**0**	**337,966**	**107,226**	**205,268**	**650,460**
Carrying amount as of January 1 (restated)	132,786	201,195	29,187	58,380	**421,548**
Carrying amount as of December 31 (restated)	**152,256**	**220,670**	**38,584**	**71,637**	**483,147**

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 32.

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Other intangible assets mainly include patents and licenses. 2023 amounts for intangible assets have been restated due to emission rights accounting policy change. For further details, please refer to note 32.

Additions arising from internal development amounted to EUR 33,173 thousand (EUR 37,128 thousand).

5. Property, Plant and Equipment

EUR thousand	2024			
	Production plants	Machinery and equipment	Construc-tion in progress	Total
Cost				
As of January 1	6,361,839	130,134	1,516,882	**8,008,855**
Exchange adjustments	-68,858	-645	-1,212	**-70,715**
Additions	106,520	2,608	558,455	**667,583**
Changes in consolidation scope	34,083	218	8	**34,309**
Disposals	-102,074	-17,950	-3,066	**-123,090**
Transfers	183,836	4,682	-190,158	**-1,640**
As of December 31	**6,515,346**	**119,047**	**1,880,909**	**8,515,302**
Accumulated depreciation				
As of January 1	4,231,476	96,705	0	**4,328,181**
Exchange adjustments	-45,821	-448	0	**-46,269**
Disposals	-101,400	-17,866	0	**-119,266**
Depreciation	268,977	7,418	0	**276,395**
Impairment	10,221	0	0	**10,221**
Transfers	6,760	0	0	**6,760**
As of December 31	**4,370,213**	**85,809**	**0**	**4,456,022**
Carrying amount as of January 1	2,130,363	33,429	1,516,882	**3,680,674**
Carrying amount as of December 31	**2,145,133**	**33,238**	**1,880,909**	**4,059,280**

EUR thousand	2023			
	Production plants	Machinery and equipment	Construc-tion in progress	Total
Cost				
As of January 1	5,911,890	123,702	1,277,834	**7,313,426**
Exchange adjustments	6,710	-237	-1,448	**5,025**
Additions	261,343	1,860	488,896	**752,099**
Changes in consolidation scope	40,506	1,585	8,031	**50,122**
Disposals	-97,248	-5,180	-9,508	**-111,936**
Transfers	238,638	8,404	-246,923	**119**
As of December 31	**6,361,839**	**130,134**	**1,516,882**	**8,008,855**
Accumulated depreciation				
As of January 1	4,057,696	95,510	0	**4,153,206**
Exchange adjustments	5,028	-151	0	**4,877**
Disposals	-94,378	-5,096	-8,686	**-108,160**
Depreciation	248,895	6,442	0	**255,337**
Impairment	14,170	0	8,686	**22,856**
Transfers	65	0	0	**65**
As of December 31	**4,231,476**	**96,705**	**0**	**4,328,181**
Carrying amount as of January 1	1,854,194	28,192	1,277,834	**3,160,220**
Carrying amount as of December 31	**2,130,363**	**33,429**	**1,516,882**	**3,680,674**

Production plants include the following carrying amounts: land amounting to EUR 36,283 thousand (EUR 36,962 thousand), buildings amounting to EUR 316,130 thousand (EUR 325,957 thousand), immovable machinery amounting to EUR 1,573,730 thousand (EUR 1,572,637 thousand) and immovable equipment amounting to EUR 218,990 thousand (EUR 194,807 thousand).

In 2024, borrowing costs amounting to EUR 19,793 thousand (EUR 15,973 thousand) have been capitalized, using an average interest rate of 1.6% (1.5%). Additions to property, plant and equipment that were not paid at the end of the reporting period amounted to EUR 25,819 thousand (EUR 24,736 thousand).

Additions comprise major projects advanced in 2024, which are the new world-scale propane dehydrogenation (PDH) plant at the existing production site in Kallo (Belgium), the new automotive compounding capacity in Schwechat (Austria), the Semicon project in Antwerp (Belgium), which supports growth in the Energy segment by creating continuous production chains and improving quality control, and a project in Stenungsund (Sweden) which aims to concentrate all European XLPE manufacturing on two parallel closed trains in order to remove key risks from reactor to end product and ensure availability of the product for the power cable industry.

The line transfers show transfers of EUR 1,639 thousand (EUR -107 thousand) between property, plant and equipment and intangible assets and transfers of EUR 1 thousand (EUR 226 thousand) to right-of-use assets according to IFRS 16.

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As of December 31, 2024, Borealis' contractual commitments amounted to EUR 378,678 thousand (EUR 205,977 thousand) for the acquisition of property, plant and equipment (see note 21). The main increase results from the new PDH2 plant in Kallo (Belgium), with capital commitments of EUR 112,263 thousand (EUR 40,592 thousand).

Assets Pledged

Assets pledged amounted to EUR 35,412 thousand (EUR 57,427 thousand) and relate to property, plant and equipment. The commitments covered by the above assets amounted to EUR 29,183 thousand (EUR 22,617 thousand) at the end of the year.

6. Leases

The recognized right-of-use assets relate to the following types of assets:

EUR thousand	31.12.2024	31.12.2023
Production plants	612,482	594,703
Machinery and equipment	107,826	67,501
Carrying amount	**720,308**	**662,204**

Additions to the right-of-use assets, including the effect of reassessed contracts, amounted to EUR 138,824 thousand (EUR 100,853 thousand) in 2024.

Leased production plants include land, building space, immovable equipment and logistics facilities, such as storage tanks, warehouses, and pipelines. Leased machinery and equipment include company cars, material handling equipment, such as forklifts, railcars and an ethane marine carrier. The majority of leases by number relate to company cars with a typical term of four years and to material handling equipment with a typical term of six years. In general, leases for company cars and material handling equipment do not contain extension options, but a new contract for a replacement asset is usually put in place after the lease has ended.

Lease liabilities are presented in the balance sheet as follows:

EUR thousand	31.12.2024	31.12.2023
Current lease liabilities	80,358	48,420
Non-current lease liabilities	671,325	630,430
Carrying amount	**751,683**	**678,850**

The lease liabilities are mainly driven by two material contracts, which together represent 59% (66%) of the carrying amount as of the reporting date: leasing contracts for hydrocarbons logistics and storage infrastructure related to the new PDH plant in Kallo, Belgium. The minimum lease term for the contracts ends in 2052. Both contracts contain extension options.

The following amounts relating to leases were included in the income statement:

EUR thousand	2024	2023
Included in production costs, sales and distribution costs, administration costs and R&D costs		
Depreciation charge of right-of-use assets	79,894	54,648
Production plants	44,231	35,282
Machinery and equipment	35,663	19,366
Impairment of right-of-use assets	0	11,816
Expense relating to short-term leases	5,437	5,961
Expense relating to leases of low value assets that are not shown above as short-term leases	1,688	1,095
Expense relating to variable lease payments not included in lease liabilities	1,441	1,620
Included in financial expenses		
Interest expense	15,392	11,732

The total cash outflow for leases was EUR 93,664 thousand (EUR 72,688 thousand) in 2024.

Variable Lease Payments

Uncertainty arises from variable lease payments that depend on an index or a rate. Such variable lease payments are usually included in contracts for rented land, building space, pipelines or storage and aim to compensate the lessor for price inflation during the contract period. The rates relate to baskets of industry-specific price indices or to single consumer price indices of countries mainly in the euro zone. Borealis does not expect any material increases of the Group's lease liability resulting from changes in those indices.

Extension and Termination Options

Extension and termination options are included in a number of leases across the Group. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods covered by termination options) are only included in the lease term if it is reasonably certain that the lease will be extended (or not terminated).

Potential undiscounted future cash outflows of EUR 250,828 thousand (EUR 197,017 thousand) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). These mainly relate to the vessels and the Belgium land lease.

The assessment of reasonable certainty is only reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and is within the control of the

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lessee. In 2024, the effect of reassessed contracts was EUR -7,808 thousand (EUR 0 thousand).

As of the reporting date, the Group has lease commitments in the amount of EUR 133,277 thousand (EUR 90,990 thousand) within the scope of the long-term charter contract for a custom-built, ice-class vessel designed to transport Liquefied Petroleum Gas (LPG) from North America to Borealis' crackers in Europe, starting from mid-2027 onward.

7. Depreciation, Amortization and Impairment

Depreciation, amortization and impairment are allocated in the income statement as follows:

EUR thousand	2024	2023
Production costs		
Depreciation and amortization	342,504	306,487
Impairment	10,092	35,108
Sales and distribution costs		
Depreciation and amortization	38,435	36,817
Administration costs		
Depreciation and amortization	26,440	22,482
Impairment	2	1,762
Research & development costs		
Impairment	5,765	8,459
Total	**423,238**	**411,115**

The total amount of depreciation, amortization and impairment includes EUR 1,079 thousand loss (EUR 6,479 thousand loss) from disposal of fixed assets.

Borealis has identified the sorting line and other related capitalized assets at Renasci N.V. as idle assets, as these assets are currently not in use due to the lack of additional technical calibration. Consequently, Borealis' management decided to impair the production plants in 2024 by EUR 9,699 thousand.

On an annual basis, the Group tests whether any impairment of goodwill is required. The recoverable amount of a cash generating unit (CGU) is determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets covering a five-year period. Key assumptions of the forecasted cash flows are volumes sold and underlying industry margins. These are estimated based on industry reports issued by highly regarded business intelligence providers and management's experience. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

In 2024, for the project related to the new PDH plant construction within the CGU Base Chemicals, a higher estimate was made for the total investment cost and a delay anticipated in the expected production commencement. Following these developments, the recoverable amount of the CGU was recalculated as of December 31, 2024. None of the calculated scenarios resulted in the need for an impairment.

Post-tax discount rates (weighted average cost of capital) reflect specific risks relating to the relevant segments and the countries in which they operate.

The long-term growth rate is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

The impairment test for goodwill and fixed assets is prepared with the valuation date of November 30, 2024. The impairment test for at-equity consolidated entities is prepared with the valuation date of December 31, 2024.

The allocated goodwill for each CGU as well as parameters influencing the calculation of the value in use can be seen in the following table:

Impairment test parameters 2024					
Segment	**Polyolefins**				
Cash-generating unit	Polyethylene	Polypropylene	Recyclates	Brazil [1]	South Korea [1]
Allocated goodwill in EUR thousand	50,687	46,922	36,474	3,662	20,211
Post-tax discount rate	7.3%	7.3%	7.3%	9.0%	7.3%
Growth rate	0.1%	1.2%	2.7%	2.0%	2.5%

1) The change in the allocated goodwill of the CGU compared to November 30, 2023, results entirely from foreign currency revaluation, since this unit is valued in a functional currency.

Impairment test parameters 2023					
Segment	**Polyolefins**				
Cash-generating unit	Polyethylene	Polypropylene	Recyclates	Brazil	South Korea
Allocated goodwill in EUR thousand	50,687	42,387	33,695	4,348	21,027
Post-tax discount rate	7.5%	7.5%	7.3%	9.8%	7.5%
Growth rate	1.0%	1.3%	2.7%	2.7%	2.6%

In addition to the parameters above, sensitivities regarding discount rates are taken into consideration. An increase of 0.5% in the discount rate for the CGU Recyclates would result in an impairment of EUR 20,016 thousand.

In an accelerated decarbonization scenario ensuring the reaching of the climate goals according to the Paris Agreement, Borealis' management would not see any negative effects on the overall demand for polyolefin solutions. Pricing of polyolefin is mainly driven by base chemical markets like naphtha, ethane and propane etc. An accelerated change in the world's energy landscape might lead to different price movements in those relevant base chemicals, temporarily affecting the profitability of some assets in the polyolefin value chain. Driven by the

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expected strong demand for polyolefin solutions, Borealis' management does not see any substantial negative effects on the overall integrated value chain.

8. Changes in Consolidation Scope

8.1. Sale of Borealis NITRO

The sale of Borealis NITRO to Agrofert, a.s. and its wholly owned subsidiary SKW Stickstoffwerke Pisteritz GmbH (together Agrofert) was completed on July 5, 2023. Following the completion of the sale, Borealis no longer holds any shares in Borealis NITRO. The transaction-related agreements stipulate additional payments between buyer and seller during future periods after the completion date, including deferred installments of the purchase price. In 2024, Borealis received EUR 50,000 thousand from deferred installments and paid EUR 4,000 thousand to Agrofert in connection with the transaction.

During the second half of 2024, both parties completed the process of agreeing on the final closing accounts (and in consequence the final purchase price). As of December 31, 2024 there are no further future payments under the purchase price agreement other than pass-through elements. Other receivables and other assets amounting to EUR 1,777 thousand (EUR 60,520 thousand) related to the sale of Borealis NITRO are entirely classified as non-current (EUR 1,777 thousand) as of the reporting date. Related liabilities amounted to EUR 0 thousand (EUR 28,226 thousand) and are included under non-current other liabilities. A net gain of EUR 14,099 thousand (net loss EUR 66,695 thousands) was recognized in the profit (loss) from discontinued operation.

Furthermore, tax income of EUR 8,525 thousand (EUR 55,041 thousand) has been recognized in the profit from discontinued operation. This relates to a re-measurement of the expected liquidation loss of Borealis France S.A.S., which owned the French companies in the Borealis NITRO disposal group.

The results of the discontinued operation are shown in the table below:

EUR thousand	2024	2023 restated [1]
Total sales	0	688,473
Elimination of inter-segment revenue	0	0
Net sales	**0**	**688,473**
Other operating income	0	19,198
Total sales and other income	**0**	**707,671**
Total expenses	0	-747,664
Elimination of inter-segment expenses	0	0
Expenses	**0**	**-747,664**
Operating (loss) profit	**0**	**-39,993**
Financial result	0	335
Measurement of discontinued operation and result from disposal	14,099	-66,695
Profit (loss) before taxation	**14,099**	**-106,353**
Taxes on income	0	3,660
Taxes on measurement of discontinued operation	8,525	55,041
Profit (loss) from discontinued operation, net of tax	**22,624**	**-47,652**
Attributable to:		
Non-controlling interests	0	0
Equity holders of the parent	22,624	-47,652

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 32.

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The following assets and liabilities were reclassified as held for sale:

EUR thousand	31.12.2024 Total	31.12.2023 Total	1.1.2023 restated [1] Total
Assets			
Non-current assets			
Intangible assets	0	0	3,101
Property, plant and equipment	0	0	651,874
Right-of-use assets	0	0	12,081
Investments in associated companies and joint ventures	0	0	4,645
Other investments	0	0	15,940
Other receivables and other assets	0	0	9,084
Deferred tax assets	0	0	5,153
Current assets			
Inventories	0	0	307,564
Trade receivables	0	0	146,613
Income tax receivables	0	0	4,236
Other receivables and other assets	0	0	164,839
Cash and cash equivalents	0	0	16,198
Assets of the disposal group held for sale	**0**	**0**	**1,341,328**

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 32.

EUR thousand	31.12.2024 Total	31.12.2023 Total	1.1.2023 restated [1] Total
Liabilities			
Non-current liabilities			
Lease liabilities	0	0	8,001
Deferred tax liabilities	0	0	12,632
Employee benefits	0	0	48,776
Provisions	0	0	21,619
Other liabilities	0	0	15,950
Current liabilities			
Lease liabilities	0	0	4,720
Trade payables	0	0	280,987
Income taxes	0	0	57,628
Provisions	0	0	18,330
Other liabilities	0	0	49,628
Liabilities directly related to the disposal group	***0***	***0***	***518,271***

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 32.

8.2. Business Combination Rialti

On October 31, 2023, Borealis via Borealis AG, Vienna, Austria, acquired 100% of the shares of Rialti S.p.A., Taino, Italy (Rialti) from Sagittarius Holding S.r.l. (the seller).

Rialti is one of the European market leaders specializing in the production of sustainable polypropylene (PP) compounds with a focus on mechanically recycled PP feedstock from post-industrial and post-consumer waste. With over thirty years' experience, Rialti utilizes its annual capacity of 50 kilotons to make injection molding and extrusion PP compounds with applications in different industries, including automotive, appliances and construction.

The acquisition brings significant expertise and capacity to Borealis, expanding its PP compounding business and, in particular, increasing its volume of PP compounds based on mechanical recyclates. The improved capacity will strengthen Borealis' specialty and circular portfolios, enabling the Company to meet customer demand for an ever-wider range of sustainable, high-performance solutions.

The acquisition has been accounted for using the acquisition method. The fair value of the acquired assets and liabilities as at the date of acquisition is final.

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Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities of Rialti as at the date of acquisition were:

EUR thousand	Fair value recognized on acquisition
Assets	
Non-current assets	
Property, plant and equipment	15,161
Intangible assets	8,759
Right-of-use assets	843
Other receivables and other assets	122
Deferred tax assets	52
Current assets	
Inventories	7,296
Trade receivables	13,765
Other receivables and other assets	491
Cash and cash equivalents	10,963
Total assets acquired	**57,452**
Liabilities	
Non-current liabilities	
Loans and borrowings	1,792
Lease liabilities	852
Employee benefits	1,143
Current liabilities	
Loans and borrowings	1,528
Trade payables	5,845
Income taxes	1,104
Other liabilities	1,212
Total liabilities	**13,476**
Total identifiable assets fair value	**43,976**
Total purchase price consideration	68,898
Goodwill arising on acquisition	24,922
Percentage acquired	100%

The total acquisition costs of 100% of the share capital of Rialti comprised an initial cash payment in October 2023 of EUR 56,663 thousand, subsequent cash payments in February and April 2024 of EUR 9,116 thousand, contingent considerations of EUR 3,119 thousand, and costs of EUR 1,194 thousand directly attributable to the acquisition. The cash acquired with this acquisition amounted to EUR 10,963 thousand, resulting in net cash outflow on the acquisition of EUR 45,485 thousand in 2023. The transaction costs have been expensed and are included under administration costs in the income statement and are part of operating cash flows in the statement of cash flows.

Borealis agreed with the seller to transfer additional considerations up to a total maximum amount of EUR 8,238 thousand to the seller if the agreed requirements are met. The release of EUR 5,119 thousand in 2024 resulted in a remaining consideration of EUR 3,119 thousand unchanged. As of December 31, 2024, no claims have been made that would indicate a reduction of the remaining consideration.

The goodwill of EUR 24,922 thousand comprises the value of the expected synergies and other benefits from combining the assets and activities of Rialti with those of Borealis and has been allocated to the cash generating unit Polypropylene. None of the recognized goodwill is deductible for income tax purposes.

8.3. Business Combination Integra

On March 28, 2024, Borealis via Borealis AG, Vienna, Austria, acquired 100% of the shares of Integra Plastics AD (after acquisition renamed Integra Plastics EAD), Elin Pelin, Bulgaria (Integra) from Betainvest EOOD and Vallenova Limited (the sellers).

Integra operates a modern advanced mechanical recycling plant built in 2019 with state-of-the-art equipment and an annual output capacity of more than 20 kilotons. Integra has the ability to transform post-consumer waste into high-quality polyolefin recyclates suitable for demanding applications.

The acquisition strengthens Borealis' specialty and circular portfolio, enabling the Company to meet growing customer demand for more sustainable solutions. Combining Integra's advanced mechanical recycling expertise and capacity with Borealis' know-how and innovation leadership, contributes considerably to advancing circularity in the plastics industry. The move also represents a further proof point reflecting Borealis' EverMinds™ commitment to accelerate the transition to a truly circular economy.

The acquisition has been accounted for using the acquisition method. The fair value of the acquired assets and liabilities as at the date of acquisition is preliminary and may be adjusted as additional information is obtained.

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Assets acquired and liabilities assumed

The preliminary fair value of the identifiable assets and liabilities of Integra as at the date of acquisition were:

EUR thousand	Fair value recognized on acquisition
Assets	
Non-current assets	
Property, plant and equipment	34,309
Deferred tax assets	8
Current assets	
Inventories	3,397
Trade receivables	2,149
Other receivables and other assets	134
Cash and cash equivalents	358
Total assets acquired	**40,355**
Liabilities	
Current liabilities	
Trade payables	880
Provisions	1,023
Other liabilities	1,462
Total liabilities	**3,365**
Total identifiable assets fair value	**36,990**
Total purchase price consideration	40,716
Goodwill arising on acquisition	3,726
Percentage acquired	100%

The total acquisition costs of 100% of the share capital of Integra comprised an initial cash payment of EUR 12,434 thousand to the sellers in March 2024, repayment of an external loan of EUR 22,812 thousand and assumption of a former shareholder loan of EUR 4,521 thousand against the same amount, and costs of EUR 906 thousand directly attributable to the acquisition (EUR 237 thousand in 2024). The cash acquired with this acquisition amounted to EUR 358 thousand, resulting in net cash outflow on the acquisition of EUR 39,410 thousand in 2024. The transaction costs have been expensed and are included under administration costs in the income statement and are part of operating cash flows in the statement of cash flows.

Borealis agreed with the sellers to transfer additional considerations up to a total maximum amount of EUR 6,000 thousand to the seller if such amount is not utilized to cover claims under the share purchase agreement. As of December 31, 2024, due to claims notified by Borealis to the sellers, the remaining consideration is valued at EUR 0 thousand.

The goodwill of EUR 3,726 thousand comprises the value of the expected synergies and other benefits from combining the assets and activities of Integra with those of Borealis and has been

allocated to the cash generating unit Recyclates. None of the recognized goodwill is deductible for income tax purposes.

8.4. Other Changes

Residual changes of subsidiaries in 2024 are summarized below.

Borealis Rus LLC was liquidated on September 5, 2024.

Following a capital increase, the shareholding in Renasci N.V. changed from 98.56% to 99.18% in 2024.

For a full list of all subsidiaries, please refer to note 34.

9. Investments in Associated Companies and Joint Ventures

	Shares in associated companies and joint ventures	
EUR thousand	**2024**	**2023**
Carrying amount as of January 1	2,479,258	2,796,851
Exchange adjustments	143,207	-97,499
Changes in consolidation scope - additions	0	52,500
Changes in consolidation scope - disposal	0	-24,766
Investments and aquisitions	65	93,956
Disposals	0	-1,250
Dividends received	-434,154	-454,887
Impairments	0	-43,724
Net results of associated companies and joint ventures	241,616	160,456
Changes in equity reserves	1,199	-2,379
Carrying amount as of December 31	**2,431,191**	**2,479,258**

Borealis acquired additional stakes in Renasci N.V. (Renasci) in 2023 and Renasci was no longer classified as an associated company. Part of the identified assets of Renasci were shares in associated companies.

The impairments in 2023 have been considered in the line item “Financial expenses” in the consolidated income statement. For further information, please refer to note 18.

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Borealis recalculated the recoverable amount for its investment in Bayport Polymers LLC (Baystar) as of December 31, 2024, after a significant downturn in the performance of this joint venture was observed in 2024. The results of Baystar were affected by the slower ramping up of the new Bay 3 PE plant due to operational constraints. None of the calculated scenarios showed any need for an impairment.

The Group presents the investments in associated companies and joint ventures as follows:

EUR thousand	2024	2023
Non-material associated companies	27,993	33,506
Material joint ventures		
Borouge PLC	1,544,910	1,475,432
Bayport Polymers LLC (Baystar)	478,226	585,641
Borouge 4	351,823	360,759
Non-material joint ventures	28,239	23,920
Carrying amount as of December 31	**2,431,191**	**2,479,258**

The investment in Kilpilahden Voimalaitos Oy is part of the Base Chemicals segment. The shares in Bayport Polymers LLC (Baystar), Recelerate GmbH and BlueAlp Holding B.V. are included in the Polyolefins segment. All other investments in associated companies and joint ventures are part of the non-allocated segment.

Associated Companies

The Group has the following investments in associated companies:

		Ownership in %	
Associated companies	**Country**	**2024**	**2023**
BlueAlp Holding B.V.	The Netherlands	21.25	21.25
Industrins Räddningstjänst i Stenungsund AB [1)]	Sweden	25.00	25.00
Kilpilahden Voimalaitos Oy	Finland	20.00	20.00
Petrogas International B.V. [1)]	The Netherlands	25.00	25.00

1) Excluded from consolidation at equity due to immateriality

Summary of financial information for non-material associated companies, adjusted for ownership by the Group:

EUR thousand	2024	2023
Net profit for the year	-5,578	1,088
Other comprehensive income	0	0
Total comprehensive income	**-5,578**	**1,088**

Joint Ventures

The Group has the following investments in joint ventures:

Joint ventures	Country	Ownership in % 2024	2023
Borouge Pte. Ltd.	Singapore	45.76	45.76
Borouge PLC	United Arab Emirates	36.00	36.00
Borouge 4 LLC	United Arab Emirates	40.00	40.00
Bayport Polymers LLC (Baystar)	US	50.00	50.00
BTF Industriepark Schwechat GmbH [1)]	Austria	50.00	50.00
Recelerate GmbH	Germany	50.00	50.00
C2PAT GmbH [1)]	Austria	25.00	25.00
PetroPort Holding AB	Sweden	50.00	50.00

1) Excluded from consolidation at equity due to immateriality

Material Joint Venture Borouge PLC

Borouge PLC is registered in Abu Dhabi, United Arab Emirates, and is the holding company for its 100% interest in Abu Dhabi Polymers Company Limited (Borouge) (ADP) and its 84.75% interest in Borouge Pte. Ltd. (PTE). Borouge investments (Borouge PLC, ADP, PTE) are a leading provider of innovative, value-creating plastic solutions for energy, infrastructure, automotive, healthcare and agriculture industries as well as advanced packaging applications and are also responsible for marketing and sales of the products produced. Borouge PLC is jointly controlled by Abu Dhabi National Oil Company (54%) and a subsidiary of Borealis AG (36%), the remaining 10% are listed on Abu Dhabi Securities Exchange.

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The following table illustrates the full summarized financial information for Borouge PLC:

	Borouge PLC	
EUR thousand	**2024**	**2023**
Non-current assets	6,291,884	6,270,961
Current assets	2,089,544	1,823,062
thereof cash and cash equivalents	402,835	320,290
Non-current liabilities	-3,167,674	-3,165,188
thereof non-current financial liabilities (excl. other liabilities and provisions)	-2,984,837	-2,988,327
Current liabilities	-899,521	-814,956
thereof current financial liabilities (excl. trade payables, other liabilities and provisions)	-8,703	-7,535
Equity	**4,314,233**	**4,113,879**
Borealis share	36%	36%
Share of net assets	1,553,124	1,480,997
Adjustments [1)]	-8,214	-5,565
Carrying amount as of December 31	**1,544,910**	**1,475,432**
Net sales	5,565,829	5,355,909
Depreciation, amortization, impairments and write-ups	-510,435	-529,150
Interest income	26,373	24,799
Interest expenses	-188,569	-204,299
Taxes on income and profit	-467,684	-370,233
Net profit for the year	1,143,028	926,572
Other comprehensive income	4,500	-6,075
Total comprehensive income 100%	**1,147,528**	**920,497**
Total comprehensive income 36%	413,110	331,379
Adjustments [1)]	-4,292	-2,962
Borealis share of total comprehensive income	**408,818**	**328,417**
Dividends received by Borealis from Borouge PLC	429,577	438,610
Fair value of Borealis' interest in Borouge PLC based on quoted market price as of December 31	6,806,656	6,586,141

1) Adjustments relate to the elimination of unrealized profit on sales and the non-controlling interests

Material Joint Venture Baystar

Bayport Polymers LLC (Baystar) is a petrochemical company primarily engaged in the manufacturing and sales of polyethylene and ethylene, under the trade name Baystar. Baystar, registered in Pasadena (incorporated in Wilmington), is jointly controlled by a subsidiary of Total Energies SE (50%) and a subsidiary of Borealis AG (50%).

The following table illustrates the full summarized financial information for Baystar:

EUR thousand	2024	2023
Non-current assets	3,991,780	3,871,141
Current assets	265,596	351,703
thereof cash and cash equivalents	22,249	41,273
Non-current liabilities	-2,914,554	-2,683,318
thereof non-current financial liabilities (excl. other liabilities and provisions)	-2,911,819	-2,681,093
Current liabilities	-362,958	-342,711
thereof current financial liabilities (excl. trade payables, other liabilities and provisions)	-178,280	-194,597
Equity	**979,864**	**1,196,815**
Borealis share	50%	50%
Share of net assets	489,932	598,407
Adjustments [1)]	-11,706	-12,766
Carrying amount as of December 31	**478,226**	**585,641**
Net sales	644,107	576,947
Depreciation, amortization, impairments and write-ups	-199,619	-134,585
Interest income	2,161	2,405
Interest expenses	-199,156	-107,024
Taxes on income and profit	-1,412	-176
Net profit for the year	-279,984	-316,654
Other comprehensive income	0	0
Total comprehensive income 100%	**-279,984**	**-316,654**
Total comprehensive income 50%	-139,992	-158,327
Adjustments [1)]	446	0
Borealis share of total comprehensive income	**-139,546**	**-158,327**
Dividends received by Borealis from Baystar	0	0

1) Adjustments relate to the elimination of unrealized profit on sales

Material Joint Venture Borouge 4

Borouge 4 LLC (Borouge 4) is registered in Abu Dhabi and executes the ongoing growth project, the construction of the global expansion project Borouge 4 being build in Ruwais (UAE). Borouge 4 is jointly controlled by Abu Dhabi National Oil Company (60%) and a subsidiary of Borealis AG (40%).

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The following table illustrates the full summarized financial information for Borouge 4:

EUR thousand	2024	2023
Non-current assets	4,858,579	2,867,783
Current assets	204,218	304,606
thereof cash and cash equivalents	40,397	2,939
Non-current liabilities	-3,641,871	-1,752,242
thereof non-current financial liabilities (excl. other liabilities and provisions)	-3,641,871	-1,752,242
Current liabilities	-517,656	-494,539
thereof current financial liabilities (excl. trade payables, other liabilities and provisions)	-5,511	-3,223
Equity	**903,270**	**925,608**
Borealis share	40%	40%
Share of net assets	361,308	370,244
Adjustments [1)]	-9,485	-9,485
Carrying amount as of December 31	**351,823**	**360,759**
Net sales	0	0
Depreciation, amortization, impairments and write-ups	0	0
Interest income	2,710	3,519
Interest expenses	-5,949	-1,958
Taxes on income and profit	0	0
Net profit for the year	-77,945	-55,683
Other comprehensive income	0	0
Total comprehensive income 100%	**-77,945**	**-55,683**
Total comprehensive income 40%	-31,178	-31,178
Adjustments	0	0
Borealis share of total comprehensive income	**-31,178**	**-31,178**
Dividends received by Borealis from Borouge 4	0	0

1) Adjustments relate to the elimination of unrealized profit on sales

Summary of financial information for non-material joint ventures, adjusted for ownership by the Group:

EUR thousand	2024	2023
Net profit for the year	10,720	9,364
Other comprehensive income	-359	-191
Total comprehensive income	**10,361**	**9,173**

Please refer to note 30 for information related to transactions with the associated companies and joint ventures.

10. Other Investments, Other Receivables and Other Assets and Loans Granted

Other investments include interests in infrastructure companies in Germany and the participation in Bockatech Limited, a UK-based company. Bockatech Limited commercializes Bockatech EcoCore, which is a patented manufacturing technology for foamed articles, using Borealis HMS (high melt strength) polypropylene. Other investments also include subsidiaries that are not consolidated on a materiality basis and which are mainly distribution and blending entities (see note 28).

The non-current other receivables and other assets mainly consist of marketable securities and bonds (long-term deposits for statutory, regulatory and tax requirements), financial guarantee receivables, prepayments, contract assets and government grant receivables in Belgium. The loans granted include shareholder loans with Bayport Polymers LLC amounting to EUR 765,956 thousand (EUR 697,633 thousand), with Borouge 4 LLC amounting to EUR 425,539 thousand (EUR 150,790 thousand) and with Kilpilahden Voimalaitos Oy amounting to EUR 55,181 thousand (EUR 52,470 thousand). For further details, please refer to note 30.

Other current receivables also include receivables related to the sale of Borealis NITRO amounting to EUR 0 thousand (EUR 58,743 thousand) (see note 8.1).

11. Taxation

EUR thousand	2024	2023
Taxes		
Income tax payable	-92,009	-22,078
Change in deferred tax [1)]	-38,416	17,043
Adjustment to prior year's tax charge	-5,529	2,874
Taxes on income	**-135,954**	**-2,161**

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 32.

Out of the total income tax payable of EUR 92,009 thousand (EUR 22,078 thousand), an amount of EUR 62,012 thousand (EUR -1,141 thousand) relates to income tax payable accrued by members of the Austrian tax group headed by OMV Aktiengesellschaft.

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Calculation of tax expenses at statutory rates for tax expense accounting at the effective group tax rate:

EUR thousand	2024		2023	
Tax expenses at statutory rates (weighted average tax rate of the Group)	**23%**	**162,660**	**24%**	**51,122**
Tax effect of result in associated companies and joint ventures	-12%	-88,532	-34%	-72,059
Tax effect of permanent differences	0%	602	-2%	-3,531
Adjustment of valuation allowance/ reassessment of unrecognized tax assets	9%	58,267	18%	37,392
Prior year's adjustments and other effects	0%	2,957	-5%	-10,763
Taxes on income	**20%**	**135,954**	**1%**	**2,161**

The effective tax rate for 2024 was impacted by impairments of deferred tax assets on tax losses carried forward and tax losses in the year for which no deferred tax asset was recognized.

	Balance sheet		Income statement	
EUR thousand	**2024**	**2023**	**2024**	**2023**
Deferred tax assets				
Property, plant and equipment	3,098	6,819	-3,708	2,643
Intangible assets [1]	36,363	56,137	-19,813	6,979
Adjusted depreciation for tax purposes	**39,461**	**62,956**		
Revaluation of cash flow hedges	4,794	4,295	0	945
Net gain on hedge of a net investment	12,660	11,033	0	0
Valuation of inventories for tax purposes	11,322	9,970	1,274	1,587
Fair values compared to tax values	**28,776**	**25,298**		
Interest-bearing liabilities	162,096	150,765	11,079	9,846
Employee benefits	51,576	47,199	4,075	-7,633
Other provisions	11,602	7,639	4,042	2,058
Financial assets	674	3,445	-2,771	-232
Tax impairments according to Section 12 (3)(2) of the Austrian Corporate Income Tax Act (KStG)	14,026	13,218	808	12,336
Other assets and liabilities [1]	13,428	18,077	-5,001	9,982
Other timing differences	**253,402**	**240,343**		
Losses available for offsetting against future taxable income	**283,335**	**324,673**	-61,103	-8,294
Netting with deferred tax liabilities	**-484,934**	**-508,289**		
Deferred tax assets	**120,040**	**144,981**	**-71,118**	**30,217**

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 32.

	Balance sheet		Income statement	
EUR thousand	**2024**	**2023**	**2024**	**2023**
Deferred tax liabilities				
Property, plant and equipment	-383,772	-370,340	-16,897	-28,078
Intangible assets	-61,750	-71,279	9,529	-16,661
Accelerated/adjusted depreciation for tax purposes	**-445,522**	**-441,619**		
Revaluation of cash flow hedges	0	0	0	13,968
Valuation of inventories for tax purposes	-16,050	-16,030	-20	-1,806
Fair values compared to tax values	**-16,050**	**-16,030**		
Interest-bearing liabilities	-12,932	-11,160	-1,772	1,188
Employee benefits	-13,806	-9,950	-5,576	1,609
Other provisions	0	0	0	71
Financial assets	-141,301	-168,316	36,160	13,432
Other assets and liabilities [1)]	-42,883	-54,147	11,278	3,103
Other timing differences	**-210,922**	**-243,573**		
Netting with deferred tax assets	**484,934**	**508,289**		
Deferred tax liabilities	**-187,560**	**-192,933**	**32,702**	**-13,174**
Net tax asset/liability	**-67,520**	**-47,952**	**-38,416**	**17,043**

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 32.

Out of the deferred tax assets recognized for losses available for offsetting against future taxable income, an amount of EUR 1,929 thousand (EUR 5,942 thousand) relates to a carry forward of negative tax results of a member of the Austrian tax group headed by OMV Aktiengesellschaft.

Deferred tax assets of EUR 138,490 thousand (EUR 129,965 thousand) on the expected liquidation loss of a French entity, which owned the French companies, have been recognized for losses available for offsetting against future taxable income. As this liquidation loss is related to the Borealis NITRO disposal, the resulting gain has been recognized in the Consolidated Income Statement in the line item Profit (loss) from discontinued operation, net of tax.

In addition to capitalized tax assets, the Group has unrecognized tax losses amounting to EUR 1,018,808 thousand (EUR 771,373 thousand) and unrecognized temporary differences of EUR 9,648 thousand (EUR 29,292 thousand), where current forecasts indicate insufficient future profits in the foreseeable future, thus resulting in unrecognized tax assets of EUR 248,663 thousand (EUR 199,329 thousand). The losses carried forward have no expiry date.

EUR thousand	**2024**	**2023**
Deductible temporary differences	2,412	7,323
Tax losses carried forward	246,251	192,006
Total unrecognized net tax assets	**248,663**	**199,329**

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The recognized deferred tax assets are expected to be utilized against future profits based on internal projections in the relevant jurisdictions. Deferred tax expenses as a result of changes in estimates of deferred tax assets due to forecasts indicating insufficient future profits amount to EUR 17,549 thousand (EUR 17,325 thousand). Dividend income from Group entities has no tax effect for the Borealis Group. The temporary differences relating to subsidiaries amount to EUR 0 thousand (EUR 0 thousand), for which no deferred tax liability has been recognized in accordance with IAS 12.39 Income Taxes.

In December 2023, the Government of Austria, where the ultimate parent company of the Group is incorporated, enacted the Pillar Two legislation (Mindestbesteuerungsgesetz) effective from January 1, 2024. Under this legislation, Group companies are subject to Pillar Two income taxes on profits that are taxed at an effective tax rate of less than 15%. Certain subsidiaries of the Group are subject to a qualified domestic minimum tax in the countries where Pillar Two rules were transposed into national law.

The Group has performed a preliminary calculation of transitional safe harbors for Pillar Two purposes. Based on the preliminary safe harbors calculation and the detailed Pillar Two calculation for those jurisdictions not qualifying for the safe harbors, no material exposure to Pillar Two income taxes is expected.

Tax Contingencies

Some Borealis Group companies are currently subject to tax audits performed by their respective tax authorities. Management's opinion is that the Company is in compliance with all applicable regulations.

12. Inventories

EUR thousand	2024	2023
Finished products	958,628	887,421
Raw materials and consumables	361,694	415,885
Total	**1,320,322**	**1,303,306**

The costs for the consumption of inventories recognized during the period in the income statement amounted to EUR 5,541,192 thousand (EUR 5,769,929 thousand), including write-downs of EUR 17,382 thousand (EUR 30,969 thousand).

13. Equity

Share Capital and Contributions by Shareholders

	Share capital		Contributions by shareholders	
EUR thousand	2024	2023	2024	2023
Balance as of January 1	300	300	1,599,097	1,599,097
Capital increase (decrease)	0	0	0	0
Balance as of December 31	**300**	**300**	**1,599,097**	**1,599,097**

The share capital of Borealis AG (parent company) amounts to EUR 300,000.00 (EUR 300,000.00) and is divided into 300,000 (300,000) fully paid shares with a par value of EUR 1.00, none of which have special voting rights.

The contributions by shareholders amounted to EUR 1,599,097 thousand (EUR 1,599,097 thousand).

Borealis AG is owned:

- 39.00% by OMV Borealis Holding GmbH, Trabrennstrasse 6–8, 1020 Vienna, Austria,
- 32.67% by OMV Downstream GmbH, Trabrennstrasse 6–8, 1020 Vienna, Austria,
- 3.33% by OMV Aktiengesellschaft, Trabrennstrasse 6–8, 1020 Vienna, Austria, and
- 25.00% by MPP Holdings GmbH, Sterngasse 13, 1010 Vienna, Austria.

The ultimate controlling party is OMV Aktiengesellschaft, Vienna, Austria. Distribution of dividends to its shareholders does not have any tax effect for Borealis AG.

The Group's objectives are to safeguard the entity's ability to continue as a going concern and to provide an adequate return to its shareholders. The Group monitors capital on the basis of the gearing ratio. This gearing ratio is calculated as net interest-bearing debt divided by total equity. The Group's target is to keep the gearing ratio within a range of 35%–65% to meet the business needs of the Group. As of year-end, the gearing ratio stands at 11% (-2%), which is below the target range but compared to 2023, the ratio has increased by 13%-points.

Other

In 2024, a resolution was passed to distribute a dividend of EUR 103,000 thousand based on the 2023 financial results. Additionally, in December 2024, shareholders agreed on a special dividend of EUR 978,150 thousand that was also based on the 2023 financial statements.

14. Personnel and Share-Based Payments

EUR thousand	2024	2023
Personnel expenses		
Salaries and wages	530,585	504,998
Costs of defined contribution plans	30,733	29,618
Costs of defined benefit plans and other long-term employee benefits	26,036	30,899
Social security costs	112,840	116,083
Other personnel expenses	39,193	28,484
Total	**739,387**	**710,082**

Costs of defined benefit plans and other long-term employee benefits are recognized in the production costs at EUR 22,644 thousand (EUR 26,747 thousand), sales and distribution costs at EUR 2,430 thousand (EUR 2,918 thousand), administration costs at EUR 912 thousand (EUR 1,178 thousand) and research and development costs at EUR 51 thousand (EUR 56 thousand).

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Number of employees (headcount) by country as of December 31	2024	2023
Austria	1,486	1,492
Belgium	1,291	1,311
Finland	949	953
Sweden	988	1,002
Other Europe	834	698
Non-Europe	542	487
Total	**6,090**	**5,943**

The remuneration of former and current management is shown in the table below:

EUR thousand	2024	2023
Salaries management (Executive Board)	6,463	8,194
Pension and severance costs management (Executive Board)	555	613
Salaries other key management	1,485	2,412
Pension and severance costs other key management	71	126
Total	**8,574**	**11,345**

From the salaries of the Executive Board of EUR 6,463 thousand (EUR 8,194 thousand), EUR 2,832 thousand (EUR 1,696 thousand) were paid to former members of the Executive Board.

From the pension and severance costs of the Executive Board of EUR 555 thousand (EUR 613 thousand), EUR 0 thousand (EUR 42 thousand) were paid to former members of the Executive Board.

No loans were granted to current or former members of the Executive Board. The remuneration paid to members of the Supervisory Board amounted to EUR 856 thousand (EUR 856 thousand).

Long Term Incentive (LTI) Plans

LTI plans with similar conditions have been granted to the Executive Board and selected employees. All LTI plans are classified as cash-settled share-based payment transactions. At vesting date, shares of the ultimate parent (OMV Aktiengesellschaft) will be transferred to the management and share equivalents to selected employees. The number of shares or share equivalents is determined depending on the achievement of defined performance criteria. The Performance Criteria and their corresponding weightings for the Executive Board Members and selected Senior Managers are defined in the Remuneration Policy and are as follows: Relative Total Shareholder Return (30%), Organic Free Cash Flow (35%) and company specific targets including ESG (35%); and are updated for the yearly plan ahead. Based on predefined criteria (e.g., fatalities, TRIR, process safety – also in comparison to industry benchmarks), a Health & Safety Malus of between 0.8 and 1.0 is applied to the overall target achievement for Executive Board Members. In case of severe incidents, the Remuneration Committee may reduce the payout to zero. The defined performance criteria may not be amended during the performance period of the LTI plans. However, in order to maintain the incentivizing character of the program, the Remuneration Committee will have discretion to adjust the threshold/target/maximum levels

in case of material changes in external factors such as oil and gas prices. The adjustment is possible in both directions and will be determined by the Remuneration Committee. Disbursement is made in cash or shares of the ultimate parent.

Executive Board members as active participants of the plans are required to build up an appropriate volume of shares of the ultimate parent and to hold those shares until retirement or departure from the Company. The shareholding requirement is defined as a percentage of the respective Target Long Term Incentive. Until fulfillment of the shareholding requirement, disbursement is in the form of shares, whilst thereafter the plan participants can decide between cash or share settlement. As long as the shareholding requirements are not fulfilled, the shares granted net of taxes are transferred to a trustee deposit, managed by OMV Aktiengesellschaft.

The fair value of the liability for the LTI plans is measured at each reporting date and at the settlement date and is recognized over the vesting period. Total expenses relating to share-based payment transactions amounted to EUR 4,186 thousand (EUR 3,178 thousand).

15. Employee Benefits

Most Group companies operate post-employment and other long-term benefit plans. The forms and benefits vary in terms of conditions and practices in the countries concerned. The plans include both defined contribution plans and plans that provide defined benefits based on employees' years of service and the estimated salary on retirement. A summary is shown below.

EUR thousand	2024	2023
Pensions and other post-employment benefit plans		
Present value of funded defined benefit pension plans	296,924	283,276
Fair value of plan assets	-227,985	-214,293
Deficit of funded defined benefit pension plans	68,939	68,983
Present value of unfunded defined benefit pension plans	143,686	141,214
Total deficit of defined benefit pension plans	212,625	210,197
Severance and medical plans	34,805	36,104
Pensions and other post-employment benefit plans	**247,430**	**246,301**
Other long-term employee benefits	28,157	25,396
Net liability recognized in the balance sheet	**275,587**	**271,697**

The Group operates defined post-employment benefit plans in the EU, Norway, South Korea and the United Arab Emirates under broadly similar regulatory frameworks. These comprise pension plans, severance plans as well as post-retirement medical plans.

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Defined Benefit Pension Plans

The pension plans are typically final salary pension plans which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. The pension payments are generally updated in line with the retail price or a similar index. The benefit payments related to funded plans are from insurance funds, however, there are also a number of unfunded plans where the Company meets the benefit payment obligation as it falls due. The movement in the benefit pension obligation and the plan assets over the year is as follows:

EUR thousand	2024	2023
Defined benefit obligation as of January 1	**424,490**	**401,418**
Net current service cost	18,551	17,711
Interest cost on defined benefit obligation	14,347	15,816
Past service cost	2,429	0
Total amount recognized in the income statement	35,327	33,527
Gains (-)/losses (+) due to changes in demographic assumptions	1,084	4
Gains (-)/losses (+) due to changes in financial assumptions	11,846	5,200
Experience gains (-)/losses (+)	-7,278	8,159
Exchange rate gains (-)/losses (+)	-748	530
Total amount recognized in other comprehensive income (actuarial gains and losses)	4,904	13,893
Actual benefits (and taxes) paid directly from the plan assets	-15,642	-20,000
Actual benefits paid directly by employer	-5,609	-5,760
Actual plan participants' contributions	6	1,577
Exchange rate gains (-)/losses (+)	-2,866	-165
Defined benefit obligation as of December 31	**440,610**	**424,490**
Fair value of plan assets as of January 1	**214,293**	**184,528**
Interest income on plan assets less administrative expenses	7,225	7,309
Total amount recognized in the income statement	7,225	7,309
Return on plan assets excluding amounts included in interest income	-2,907	-5,286
Total amount recognized in other comprehensive income (actuarial gains and losses)	-2,907	-5,286
Actual benefits (and taxes) paid directly from the plan assets	-15,642	-20,000
Actual plan participants' contributions	6	1,577
Actual employer contributions	25,195	46,362
Exchange rate gains (-)/losses (+)	-185	-197
Fair value of plan assets as of December 31	**227,985**	**214,293**

The majority of pension commitments are attributable to plans in Austria and Belgium and were transferred to external pension funds managed by APK Pensionskasse AG in Austria as well as Vivium PLC, Towers Watson Lifesight Ltd and KBC Asset Management NV in Belgium. The investment of plan assets in Austria is governed by Section 25 of the Austrian Pension Fund Act and the Investment Fund Act. In addition to these regulations, the investment guidelines of APK Pensionskasse AG regulate the spread of asset allocation, the use of umbrella funds and the selection of fund managers. The investment plans in Belgium follow the investment strategy of the respective insurance company as well as local legal regulations.

The plan assets in 2024 and 2023 mainly consist of insurance contracts.

Severance and Medical Plans

Severance plans are operated in the Austrian Group companies and cover employees who started their service before January 1, 2003. Furthermore, the Group operates severance plans in Austria, Italy and the United Arab Emirates. Medical plans reimburse certain medical costs for retired employees, mainly in Belgium. The movement in the severance and medical obligation over the year is as follows:

EUR thousand	2024	2023
Defined benefit obligation as of January 1	**36,104**	**35,080**
Net current service cost	712	539
Interest cost on defined benefit obligation	1,342	1,266
Total amount recognized in the income statement	2,054	1,805
Gains (-)/losses (+) due to changes in financial assumptions	1,709	-2,226
Experience gains (-)/losses (+)	-1,089	2,874
Total amount recognized in other comprehensive income (actuarial gains and losses)	620	648
Actual benefits paid directly by employer	-4,006	-2,742
Changes in the consolidation scope and other changes	0	1,333
Exchange rate gains (-)/losses (+)	33	-20
Defined benefit obligation as of December 31	**34,805**	**36,104**

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Other Long-term Employee Benefits

Other long-term employee benefits provided by the Group companies include mainly items such as jubilee payments and pre-pension benefits. The movement in the other long-term benefit obligation over the year is as follows:

EUR thousand	2024	2023
Defined benefit obligation as of January 1	**25,396**	**24,542**
Net current service cost	1,875	1,435
Past service cost	0	1,200
Interest cost on defined benefit obligation	912	846
Gains (-)/losses (+) due to changes in demographic assumptions	0	140
Gains (-)/losses (+) due to changes in financial assumptions	918	-1,403
Experience gains (-)/losses (+)	1,551	658
Total amount recognized in the income statement	5,256	2,876
Actual benefits paid directly by employer	-2,499	-2,110
Other changes	3	88
Defined benefit obligation as of December 31	**28,156**	**25,396**

Additional disclosures for post-employment benefit plans

Discount rates, projected future salary, pension increases and expected rates of return on plan assets vary for the different defined benefit plans, as they are determined in light of local conditions. Assumptions regarding future mortality are based on published statistics and mortality tables. The principal assumptions used were as follows (expressed as weighted averages):

Percent	2024		2023	
	Pensions	Severance and medical plans	Pensions	Severance and medical plans
Discount rate	3.3%	3.1%	3.4%	3.8%
Projected future salary growth	3.1%	2.7%	3.1%	3.1%
Expected pension increase	0.7%	-	0.7%	-

The sensitivity of the defined benefit obligation for pensions and other post-employment benefit plans to changes in the principal assumptions is:

		Impact on defined benefit obligation			
		Pensions		Severance and medical plans	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	Decrease by 5.6%	Increase by 6.3%	Decrease by 5.1%	Increase by 5.6%
Projected future salary growth	0.5%	Increase by 4.3%	Decrease by 4.0%	Increase by 3.0%	Decrease by 2.9%
Expected pension increase	0.5%	Increase by 2.4%	Decrease by 2.2%	-	-

The above sensitivity analyses are based on a change in an assumption while maintaining all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated using the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit obligation recognized in the balance sheet.

Expected contributions to post-employment benefit plans for the year 2025 are EUR 35,514 thousand (EUR 30,247 thousand). The weighted average duration of the defined benefit obligation is 11.3 years (11.0 years). The defined benefit plans expose the Group to actuarial risks, mainly the longevity risk, interest rate and market (investment) risk.

16. Provisions

EUR thousand	2024					
	Restructuring	Decommissioning	Legal	Environmental	Other	Total
As of January 1	3,420	34,234	2,936	24,010	57,280	**121,880**
Additions	3,491	33,741	425	811	85,172	**123,640**
Changes in the consolidation scope	0	0	0	0	1,023	**1,023**
Reclassification	0	0	44	0	-44	**0**
Utilized	-2,189	-73	-552	-8,803	-41,202	**-52,819**
Reversed	-499	-6,463	-427	-2,629	-4,726	**-14,744**
Interest expense (+) / income (-)	0	704	0	0	0	**704**
Exchange adjustments	-1	31	-281	0	-122	**-373**
Balance as of December 31	**4,222**	**62,174**	**2,145**	**13,389**	**97,381**	**179,311**
Other provisions current	4,222	0	719	11,627	87,232	**103,800**
Other provisions non-current	0	62,174	1,426	1,762	10,149	**75,511**
Balance as of December 31	**4,222**	**62,174**	**2,145**	**13,389**	**97,381**	**179,311**

Provisions are generally based on past events and commitments arising thereon. The timing of cash outflows cannot be determined with certainty for all provisions.

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Restructuring

Provisions for restructuring cover estimated costs for the ongoing restructuring programs.

Decommissioning

Provisions for decommissioning cover mainly the expected clean-up and dismantling costs for plants situated on rented land in Germany, Austria and Belgium. It is expected that EUR 4,844 thousand will be used by 2027, EUR 51,663 thousand by 2052 and EUR 5,135 thousand by 2073. In 2024 an additional provision of EUR 33,580 thousand for the PDH2 Kallo plant has been recognized.

Legal

Legal provisions represent litigation provisions in various business areas.

Environmental

Environmental provisions cover several environmental exposures in the Group. In 2023, an environmental provision was recognized to cover future transport and removal costs of contaminated soil on Kallo site in the amount of EUR 22,435 thousand. It is estimated that the remaining provision of EUR 11,065 thousand will be used until the end of 2025.

Other

Other provisions cover numerous types of obligations, including short-term and long-term incentive plans. EUR 10,677 thousand (EUR 13,597 thousand) of these provisions relates to the new LTI plan implemented in 2021, which is share-based. Note 14 provides additional information regarding share-based payments.

17. Financial Risk Management

The Group is exposed through its operations to the following financial risks:

- Liquidity risk (note 21)
- Foreign currency risk (note 23)
- Interest rate risk (note 24)
- Commodity price risk (note 25)
- Credit risk (note 27)

The objective of financial risk management is to support the core businesses of Borealis. Financial risk management is centralized in the Treasury and Funding department and operates within policies approved by the Executive Board. The Group provides written principles for overall risk management, as well as policies covering specific areas, such as foreign currency risk, interest rate risk, credit risk, commodity price risk or the use of derivative financial instruments. Borealis aims to minimize effects related to foreign currency, interest rate, liquidity, credit, commodity price and refinancing risks.

The use of any financial instrument is based on actual or forecasted underlying commercial or financial cash flows or identified risks as defined in the policy. When certain conditions are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item.

Note 22 provides an overview of the financial instruments used by Borealis to manage risk. For further details on hedging instruments, see note 22. Derivative Financial Instruments, note 23. Foreign Currency Risk, note 24. Interest Rate Risk and note 25. Commodity Price Risk. The risk management process in general is described in the Group Management Report.

18. Financial Income/Expenses

EUR thousand	2024	2023
Interest income from		
Cash and loans granted	168,452	142,702
Derivatives	5,217	6,618
Interest expenses to		
Finance institutions	-34,261	-38,703
Derivatives	-4,082	-5,325
Capitalized interest	19,793	15,973
Net foreign exchange gains/losses	-20,261	-15,264
Interest expenses for lease liabilities	-15,392	-11,732
Other financial income	9,095	11,967
Other financial expenses	-33,353	-63,678
Financial income/expenses	**95,208**	**42,558**

Other financial expenses include expenses for factoring of trade receivables in the amount of EUR 19,101 thousand (EUR 12,709 thousand).

In addition, other financial expenses in 2023 include the effect of fair value re-measurement of previously held interest in the equity investment Renasci N.V. (Renasci) which led to an expense of EUR 20,433 thousand and the re-measurement of the shares in BlueAlp Holding B.V. (BlueAlp) which led to an expense of EUR 23,291 thousand.

Interest income from cash and loans granted includes interest income from joint ventures, with Bayport Polymers LLC amounting to EUR 64,017 thousand (EUR 59,095 thousand) and with Borouge 4 LLC amounting to EUR 16,232 thousand (EUR 7,469 thousand).

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19. Gains and Losses from Financial Instruments

EUR thousand	2024	2023
Recognized in the income statement		
Change in fair value of commodity derivative contracts	-905	2,418
Change in fair value of cross currency interest rate swaps	-457	-1,666
Change in fair value of foreign exchange swaps	-9,682	4,832
Change in fair value of other investments and marketable securities and bonds	-256	4,574
Realized result on commodity derivative contracts	-1,893	-6,584
Realized result on cross currency interest rate swaps	-2,140	-2,722
Realized result on foreign exchange swaps	-4,832	-2,982
Realized result on other investments and marketable securities and bonds	1,055	1,387
Financial assets and liabilities at fair value through profit or loss	**-19,110**	**-743**
Amounts recognized in the income statement for realized cash flow hedges		
Commodity derivative contracts	-44,474	57,688
Interest rate swaps	3,275	4,015
Foreign exchange forwards	1,865	-971
Hedging instruments	**-39,334**	**60,732**
Interest income on cash and loans granted	168,452	142,702
Expenses for factoring of trade receivables	-19,101	-12,709
Impairment losses on trade receivables	872	-1,758
Impairment losses on loans granted	-2,104	-1,458
Impairment losses on deposits and other receivables	1,521	-1,111
Financial assets at amortized cost	**149,640**	**125,666**
Interest expenses and other expenses on financial liabilities	-37,552	-41,448
Interest expenses for lease liabilities	-15,392	-11,732
Financial liabilities at amortized cost	**-52,944**	**-53,180**
Net gain on financial guarantee receivables/liabilities	7,291	4,539
Financial guarantee	**7,291**	**4,539**

The amounts recognized in the income statement for commodity derivatives and foreign exchange forwards are booked as a correction to the net sales or to production costs that are being hedged. The amounts that are recognized in the income statement for interest rate derivatives and foreign exchange swaps are reported as part of financial income and expenses. Impairment losses on trade receivables are reported in sales and distribution costs, impairment losses on loans granted as well as impairment losses on deposits and other receivables are included in financial expenses.

EUR thousand	2024	2023
Recognized in other comprehensive income		
Commodity derivative contracts designated as cash flow hedge	-27,646	-329,503
Interest rate swaps outstanding designated as cash flow hedge	364	985
Foreign exchange forwards designated as cash flow hedge	-17,434	5,496
Foreign exchange effects on long-term loans part of net investments in foreign operations	-2,855	209
Foreign exchange effects on loans designated as hedge of investments in foreign operations	-5,394	5,510
Amounts reclassified to the income statement		
Commodity derivative contracts	44,474	-57,688
Interest rate swaps	-3,275	-4,015
Foreign exchange forwards	-1,865	971
Total recognized in other comprehensive income	**-13,631**	**-378,035**

Net foreign exchange gains/losses in the income statement are as follows:

EUR thousand	2024	2023
Foreign exchange gains from operating activities included in other operating income	62,198	50,276
Foreign exchange losses from operating activities included in production costs	-52,717	-43,229
Net foreign exchange gains/losses included in financial income/expenses	-20,261	-15,264
Total	**-10,780**	**-8,217**

20. Loans and Borrowings and Lease Liabilities

The composition of interest-bearing loans and borrowings and lease liabilities (current and non-current debt) as of December 31, 2024, was as follows:

EUR thousand		2024						
Due		Term loans	Bond	Utilized uncommitted facilities	Export credits	**Total loans and borrowings**	Unutilized committed facilities	**Lease liabilities**
After	5 years	133,204	0	0	0	**133,204**	0	**492,700**
Within	5 years	93,002	0	0	0	**93,002**	0	**23,967**
	4 years	153,480	0	0	0	**153,480**	0	**29,354**
	3 years	122,847	0	0	0	**122,847**	0	**50,551**
	2 years	85,535	0	0	0	**85,535**	1,000,000	**74,753**
Total non-current debt		**588,068**	**0**	**0**	**0**	**588,068**	1,000,000	**671,325**
Total current debt		334,205	300,000	0	0	**634,205**	58,138[1)]	**80,358**
Total debt		**922,273**	**300,000**	**0**	**0**	**1,222,273**	1,058,138	**751,683**

1) Borealis maintains EUR 58,138 thousand in export credit facilities (these were undrawn on December 31, 2024). These facilities are economically evergreen in nature but include one year's notice for cancellation.

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The composition of interest-bearing loans and borrowings (current and non-current debt) as of December 31, 2023, was as follows:

EUR thousand		2023						
Due		Term loans	Bond	Utilized uncommitted facilities	Export credits	**Total loans and borrowings**	Unutilized committed facilities	**Lease liabilities**
After	5 years	206,178	0	0	0	**206,178**	0	**480,255**
Within	5 years	156,023	0	0	0	**156,023**	0	**25,501**
	4 years	124,098	0	0	0	**124,098**	0	**34,644**
	3 years	87,627	0	0	0	**87,627**	1,000,000	**43,261**
	2 years	333,474	298,973	0	0	**632,447**	0	**46,769**
Total non-current debt		**907,400**	**298,973**	**0**	**0**	**1,206,373**	**1,000,000**	**630,430**
Total current debt		310,041	0	4	0	**310,045**	130,811[1)]	**48,420**
Total debt		**1,217,441**	**298,973**	**4**	**0**	**1,516,418**	**1,130,811**	**678,850**

1) Borealis maintains EUR 130,811 thousand in export credit facilities (these were undrawn on December 31, 2023). These facilities are economically evergreen in nature but include one year's notice for cancellation.

The carrying amounts of loans and borrowings and lease liabilities developed as follows:

EUR thousand	2024					
	Term loans	Bond	Utilized uncommitted facilities	Export credits	**Total loans and borrowings**	**Lease liabilities**
As of January 1	1,217,441	298,973	4	0	**1,516,418**	**678,850**
Repayment of loans and borrowings	-306,713	0	-4	0	**-306,717**	**0**
New lease liabilities	0	0	0	0	**0**	**138,502**
Principal elements of lease payments	0	0	0	0	**0**	**-69,706**
Exchange adjustments non-cash	11,519	0	0	0	**11,519**	**6,087**
Amortization of debt issuance cost	26	1,027	0	0	**1,053**	**-2,050**
Balance as of December 31	**922,273**	**300,000**	**0**	**0**	**1,222,273**	**751,683**

EUR thousand	2023					
	Term loans	Bond	Utilized uncommitted facilities	Export credits	**Total loans and borrowings**	**Lease liabilities**
As of January 1	1,254,340	298,460	1,330	0	**1,554,130**	**605,874**
Proceeds from loans and borrowings	57	0	4	0	**61**	**0**
Repayment of loans and borrowings	-42,761	0	-1,330	0	**-44,091**	**0**
New lease liabilities	0	0	0	0	**0**	**99,903**
Changes in consolidation scope	23,597	0	0	0	**23,597**	**26,656**
Principal elements of lease payments	0	0	0	0	**0**	**-50,938**
Exchange adjustments non-cash	-18,490	0	0	0	**-18,490**	**-1,131**
Amortization of debt issuance cost	698	513	0	0	**1,211**	**-1,514**
Balance as of December 31	**1,217,441**	**298,973**	**4**	**0**	**1,516,418**	**678,850**

The Group's financing mainly comprises committed credit lines (largely syndicated), term loans, bonds, private placements and export credits. The loans and borrowings are all measured at amortized cost.

Borealis continues to maintain a strong diversified liquidity position through its EUR 1 billion fully committed Syndicated Revolving Credit Facility (RCF), of which EUR 1 billion remained undrawn as of the end of December 2024, and by terming out its debt through diverse funding channels. The RCF was refinanced in December 2019 with a five-year tenor with two one-year extension options at lenders' discretion. The second and final RCF extension option was utilized in December 2021 and the new maturity date is now December 19, 2026.

As of December 31, 2024, the Group had total committed credit facilities of EUR 1,058,138 thousand (EUR 1,130,811 thousand). Besides the above-mentioned undrawn EUR 1 billion RCF, Borealis had OeKB Export Credit Facilities in the amount of EUR 58,138 thousand (EUR 130,811 thousand). These remained undrawn as of December 31, 2024.

In 2024, Borealis decreased its debt position by EUR 221,312 thousand, mainly driven by loans and borrowings repayments and partially offset by an increase in lease liabilities. The net debt position, which increased by EUR 1,098,308 thousand, mainly driven by a special dividend paid at year-end, resulted in a gearing ratio of 11%.

In November 2018, S&P Global Ratings issued a BBB+ rating with a stable outlook for Borealis. This constitutes the first public rating for the Company, which has been successfully active in a wide range of financing markets and instruments over the last ten years and has built up a robust and well-diversified funding portfolio. While Borealis' long-term banking partners and investors have always appreciated the strong credit quality of the Company, the public rating provides a very good additional evaluation basis for all external stakeholders. On February 24, 2025, S&P Global Ratings affirmed Borealis' BBB+ rating with a stable outlook.

Under Borealis' funding strategy, a strongly diversified financing portfolio has been implemented in past years with the aim of maintaining a balanced maturity profile. In addition, Borealis is pursuing a long-term relationship approach with a larger group of international financing institutions that support the Company in funding and risk management transactions.

Based on this, combined with a resilient balance sheet and the strong public rating, Borealis has access to a wide variety of attractive funding instruments (such as bonds, the German Schuldschein, US Private Placement, foreign investment financing, bank loans and other). In order to meet the financing needs in 2024 and beyond, Borealis will continue to explore several suitable financial instruments fitting its strategy.

The total outstanding amount of interest-bearing loans and borrowings excluding lease liabilities as of December 31, 2024, was EUR 1,222,273 thousand (EUR 1,516,418 thousand). The vast majority of the underlying loan agreements have financial covenants. Borealis uses two types of covenants, which are based on maintaining gearing and solvency ratios. As of December 31, 2024, Borealis was in compliance with all financial covenants and had significant headroom compared to the thresholds stipulated by the loan agreements.

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Currency Mix EUR thousand	2024	%	2023	%
EUR	1,616,509	82%	1,686,954	77%
USD	327,534	17%	472,925	22%
JPY	0	0%	31,949	2%
GBP	0	0%	212	0%
Other	29,913	2%	3,228	0%
Interest bearing total	**1,973,956**	**100%**	**2,195,268**	**100%**

21. Liquidity Risk

Liquidity risk is the risk of the Group encountering difficulty in meeting the obligations associated with its financial liabilities. Liquidity is managed on a daily basis to ensure the Group's liquidity requirement and is covered at all times with the lowest possible level of working capital. For further details on loans and borrowings and lease liabilities, see note 6, note 20 and for derivatives, note 22.

The Group has short-term deposits in order to fulfill the collateral requirements for the derivatives contracts amounting to EUR 24,705 thousand (EUR 19,548 thousand) and paid EUR 0 thousand (EUR 9,000 thousand) margin calls to cover the negative value of the outstanding swaps. The counterparties have an obligation to return the securities to the Group. The Group does not hold a deposit in respect of derivative contracts (EUR 0 thousand).

The following are the contractual maturities of non-derivative financial liabilities, including forecasted interest payments, derivative financial liabilities and off-balance sheet liabilities. All carrying amounts exclude outstanding interest accruals at year-end. Cash outflows are reported with a minus sign. For derivative financial liabilities the table shows net cash flows for net cash-settled derivatives and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

EUR thousand	2024						
Non-derivative financial liabilities	Carrying amount	**Contractual cash flows**	6 months or less	6–12 months	1–2 years	2–5 years	More than 5 years
EUR floating rate loans	-27,419	**-28,786**	-931	-449	-27,406	0	0
EUR fixed rate loans	-968,202	**-989,257**	-305,975	-308,552	-41,790	-302,638	-30,302
USD floating rate loans	-15,392	**-16,740**	-473	-436	-15,831	0	0
USD fixed rate loans	-211,260	**-262,152**	-4,522	-33,227	-12,105	-91,700	-120,598
Lease liabilities	-751,683	**-880,005**	-50,075	-43,279	-85,418	-126,903	-574,330
Trade payables	-909,687	**-909,687**	-909,687	0	0	0	0
Financial guarantee liabilities	-21,276	**-1,735,495**	-1,735,495	0	0	0	0
Total	**-2,904,919**	**-4,822,122**	**-3,007,158**	**-385,943**	**-182,550**	**-521,241**	**-725,230**

EUR thousand	2023						
Non-derivative financial liabilities	Carrying amount	**Contractual cash flows**	6 months or less	6–12 months	1–2 years	2–5 years	More than 5 years
EUR floating rate loans	-50,422	**-53,540**	-24,692	-588	-857	-27,403	0
EUR fixed rate loans	-1,018,472	**-1,084,309**	-63,492	-18,540	-625,668	-315,091	-61,518
USD floating rate loans	-183,125	**-195,599**	-16,587	-163,484	-711	-14,817	0
USD fixed rate loans	-232,449	**-289,872**	-39,314	-4,090	-35,489	-41,997	-168,982
JPY floating rate loans	-31,949	**-32,165**	-72	-32,093	0	0	0
Lease liabilities	-678,851	**-847,666**	-36,830	-29,969	-65,017	-135,469	-580,381
Trade payables	-849,548	**-849,548**	-849,548	0	0	0	0
Financial guarantee liabilities	-24,304	**-1,234,400**	-1,234,400	0	0	0	0
Total	**-3,069,120**	**-4,587,099**	**-2,264,935**	**-248,764**	**-727,742**	**-534,777**	**-810,881**

EUR thousand	2024					
Derivative financial liabilities	Carrying amount	**Contractual cash flows**	6 months or less	6–12 months	1–2 years	2–5 years
Foreign exchange contracts	-20,333					
Inflows		**1,297,784**	1,164,628	133,156	0	0
Outflows		**-1,321,426**	-1,180,407	-141,019	0	0
Feedstock derivatives	-1,541	**-17,325**	-10,884	-3,656	-2,785	0
Electricity derivatives	-47,586	**-55,849**	-21,984	-19,357	-13,568	-940
Total	**-69,460**	**-96,816**	**-48,647**	**-30,876**	**-16,353**	**-940**

EUR thousand	2023					
Derivative financial liabilities	Carrying amount	**Contractual cash flows**	6 months or less	6–12 months	1–2 years	2–5 years
Cross-currency interest rate swaps	-10,499	**-44,973**	-1,484	-43,489	0	0
Foreign exchange contracts	-185					
Inflows		**70,021**	63,818	6,203	0	0
Outflows		**-70,357**	-64,022	-6,335	0	0
Feedstock derivatives	-4,694	**-33,353**	-23,443	-2,937	-112	-6,861
Electricity derivatives	-58,804	**-89,429**	-27,097	-26,928	-26,234	-9,170
Total	**-74,182**	**-168,091**	**-52,228**	**-73,486**	**-26,346**	**-16,031**

EUR thousand	2024					
Off balance sheet liabilities	**Contractual cash flows**	6 months or less	6–12 months	1–2 years	2–5 years	More than 5 years
Short-term and low-value lease payments	**-1,580**	-820	-608	-120	-32	0
Capital commitments – property, plant and equipment	**-378,678**	-201,865	-107,228	-26,167	-43,418	0
Commitments in joint ventures	**-615,266**	0	-615,266	0	0	0

EUR thousand	2023					
Off balance sheet liabilities	**Contractual cash flows**	6 months or less	6–12 months	1–2 years	2–5 years	More than 5 years
Short-term and low-value lease payments	**-2,208**	-1,124	-923	-124	-37	0
Capital commitments – property, plant and equipment	**-205,977**	-139,288	-22,289	-38,296	-6,104	0
Commitments in joint ventures	**-818,100**	0	-818,100	0	0	0

For details in respect of off-balance sheet liabilities, please see note 5, note 30 and note 31.

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22. Derivative Financial Instruments

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk, interest rate risk and commodity price risk.

The Group's risk management strategy and how it is applied to manage risk is explained in note 17 and in the Group Management Report in general and in this note, notes 23, 24 and 25 in detail for the risks mentioned in the preceding paragraph.

Hedge Accounting Policies of the Group

Hedges are generally placed in the legal entities where the underlying exposure exists. When certain conditions are met, Borealis applies IFRS 9 hedge accounting principles in order to recognize the offsetting effects on profit or loss of changes in the fair value of the hedging instrument and the hedged items. Borealis has the following hedge accounting relationships:

- Cash flow hedging – foreign exchange (see this note and note 23)
- Cash flow hedging – interest rate (see this note and note 24)
- Cash flow hedging – commodity (feedstock, electricity, natural gas – see this note and note 25)
- Net investment hedging in a foreign operation (see note 23)

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives are not designated as hedging instruments, they are measured at fair value through profit or loss (FVPL) for accounting purposes.

The Group holds the following derivative financial instruments:

EUR thousand	2024	2023
Current assets		
Foreign exchange swaps – FVPL	30	4,949
Foreign exchange forwards – cash flow hedges	1,170	9,917
Interest rate swaps – cash flow hedges	0	2,911
Feedstock derivatives – FVPL	374	1,260
Feedstock derivatives – cash flow hedges	19,769	23,641
Electricity derivatives – FVPL	0	5,435
Electricity derivatives – cash flow hedges	6,040	10,008
Total current derivative financial instrument assets (Other receivables and other assets)	**27,383**	**58,121**

EUR thousand	2024	2023
Non-current assets		
Feedstock derivatives – FVPL	373	0
Feedstock derivatives – cash flow hedges	1,382	0
Electricity derivatives – cash flow hedges	10,145	2,523
Total non-current derivative financial instrument assets (Other receivables and other assets)	**11,900**	**2,523**

EUR thousand	2024	2023
Current liabilities		
Cross-currency interest rate swaps – FVPL	0	10,499
Foreign exchange swaps – FVPL	9,712	116
Foreign exchange forwards – cash flow hedges	10,621	68
Feedstock derivatives – FVPL	63	0
Feedstock derivatives – cash flow hedges	530	4,583
Electricity derivatives – cash flow hedges	32,431	24,503
Total current derivative financial instrument liabilities (Other liabilities)	**53,357**	**39,769**

EUR thousand	2024	2023
Non-current liabilities		
Feedstock derivatives – FVPL	328	0
Feedstock derivatives – cash flow hedges	619	112
Electricity derivatives – cash flow hedges	15,155	34,302
Total non-current derivative financial instrument liabilities (Other liabilities)	**16,102**	**34,414**

Impact of Hedge Accounting on Equity

The Group's hedging reserve disclosed in the Consolidated Statement of Changes in Equity relates to the following hedging instruments:

Hedging Reserve

EUR thousand	2024					
	Cash flow hedge – foreign currency	Cash flow hedge – interest rate	Cash flow hedge – feedstock	Cash flow hedge – electricity	Cash flow hedge – natural gas	Hedging reserve total
As of January 1	7,583	-1,867	14,591	-35,631	0	**-15,324**
Change in fair value of hedging instrument recognized in OCI	-17,434	364	1,955	-29,602	0	**-44,717**
Reclassifications from OCI to the income statement	-1,865	-3,275	0	44,474	0	**39,334**
Reclassifications to the cost of non-financial items	0	0	-901	0	0	**-901**
Deferred tax	4,439	669	-242	-3,422	0	**1,444**
Share of other comprehensive income of joint ventures accounted for using the equity method	0	2,031	0	0	0	**2,031**
As of December 31	**-7,277**	**-2,078**	**15,403**	**-24,181**	**0**	**-18,133**

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Hedging Reserve

EUR thousand	2023					
	Cash flow hedge – foreign currency	Cash flow hedge – interest rate	Cash flow hedge – feedstock	Cash flow hedge – electricity	Cash flow hedge – natural gas	Hedging reserve total
As of January 1	2,603	4,575	5,125	241,269	-2,606	**250,966**
Change in fair value of hedging instrument recognized in OCI	5,496	985	-30,965	-297,222	-1,316	**-323,022**
Reclassifications from OCI to the income statement	971	-4,015	0	-62,389	4,701	**-60,732**
Reclassifications to the cost of non-financial items	0	0	43,258	0	0	**43,258**
Deferred tax	-1,487	697	-2,827	82,711	-779	**78,315**
Share of other comprehensive income of joint ventures accounted for using the equity method	0	-4,109	0	0	0	**-4,109**
As of December 31	**7,583**	**-1,867**	**14,591**	**-35,631**	**0**	**-15,324**

Reserve for unrealized exchange gains/losses

EUR thousand	2024	2023
As of January 1 [1]	214,948	303,483
Foreign currency revaluation of USD loans, designated as net investment hedge	-5,394	5,510
Foreign currency revaluation of financial statements of foreign operations [1]	114,018	-92,663
Foreign currency revaluation of long-term loans to foreign operations	-2,855	209
Share of other comprehensive income of joint ventures accounted for using the equity method	-1,348	-710
Changes in consolidation scope	0	868
Foreign currency revaluation of financial statements of foreign operations – Non-controlling interests	2,092	-434
Deferred tax	1,898	-1,315
As of December 31 [1]	**323,359**	**214,948**

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 32.

As of December 31, 2024, and December 31, 2023, the Group had the following cash flow and net investment hedging relationships. The table shows the profile of the timing (maturity) of the nominal amount of the hedging instruments.

	2024									
	Unit	**Total**	*3 months* or less	*3–6* months	*6–12* months	*1–2* years	*2–3* years	*3–4* years	*4–5* years	More *than* 5 years
Foreign exchange forwards	EUR thousand	**317,492**	71,478	88,408	157,606	0	0	0	0	0
USD loans, designated as net investment hedge	USD thousand	**71,000**	0	0	30,000	21,000	20,000	0	0	0
Feedstock derivatives	metric tons	**629,926**	221,618	152,539	75,769	180,000	0	0	0	0
Electricity derivatives	GWh	**4,281**	483	494	1,009	1,542	753	0	0	0

		2023								
	Unit	**Total**	3 months or less	3–6 months	6–12 months	1–2 years	2–3 years	3–4 years	4–5 years	More than 5 years
Foreign exchange forwards	EUR thousand	**282,109**	69,104	53,773	159,232	0	0	0	0	0
USD loans, designated as net investment hedge	USD thousand	**120,000**	0	0	49,000	30,000	21,000	20,000	0	0
Interest rate swaps	EUR thousand	**99,548**	0	0	99,548	0	0	0	0	0
Feedstock derivatives	metric tons	**596,323**	75,448	318,505	198,770	3,600	0	0	0	0
Electricity derivatives	GWh	**4,027**	503	493	981	1,340	710	0	0	0

As of December 31, 2024, and December 31, 2023, no fair value hedges existed.

Offsetting

Financial assets and financial liabilities are offset only when the Group has a current and legally enforceable right to offset the recognized amounts and when there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In the normal course of business, the Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements.

The following table presents the recognized financial instruments (derivatives) that are offset, or subject to enforceable master netting arrangements, but are not offset. The "Net amount" column shows the impact on the Group's balance sheet if all offsetting rights were exercised.

EUR thousand	**2024**				
	Gross amounts	**Related amounts offset in the balance sheet**	**Amounts presented in the balance sheet**	**Related amounts not offset in the balance sheet**	**Net amount**
Financial assets					
Derivative financial instruments	61,115	-21,832	39,283	-908	38,375
Financial liabilities					
Derivative financial instruments	91,291	-21,832	69,459	-908	68,551

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EUR thousand	2023				
	Gross amounts	Related amounts offset in the balance sheet	Amounts presented in the balance sheet	Related amounts not offset in the balance sheet	Net amount
Financial assets					
Derivative financial instruments	115,374	-54,730	60,644	-185	60,459
Financial liabilities					
Derivative financial instruments	128,915	-54,730	74,185	-185	74,000

There is no further netting potential for non-derivative financial instruments.

23. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Borealis incurs foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than EUR. The most significant currencies in terms of hedged amounts are USD and SEK.

The foreign currency risk related to short-term commercial cash flows is hedged and limits for long-term foreign exchange exposures are established. Based on regular cash flow forecasts, Borealis hedges its foreign exchange exposure coming from forecasted sales and purchases and from committed investment projects.

Borealis hedges forecasted positions denominated in foreign currencies. At any time, Borealis may also hedge its long- term commercial exposures up to a predefined level and duration. Borealis normally hedges the currency positions using foreign exchange forward contracts. Borealis classifies its foreign exchange forward contracts, which hedge a forecasted currency position, as cash flow hedges and states them at fair value.

Changes in the fair value of foreign exchange forward contracts that hedge monetary assets and liabilities in foreign currencies and the forward legs of foreign exchange swaps used in liquidity management, for which no hedge accounting is applied, are recognized in the income statement. Both changes in the fair value of the forward contracts and the foreign exchange gains and losses relating to the monetary items are recognized as financial expenses.

There is an economic relationship between the hedged items and the hedging instruments as the critical terms of the foreign exchange forward contracts match the terms of the expected highly probable forecast transactions (i.e. nominal amount, exchange rate and expected payment date). Hence, the Group has established a hedge ratio of 1:1. To test the hedge effectiveness, the Group uses the Dollar Offset method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness may arise from:

- differences in the timing of the cash flows of the hedged items and the hedging instruments,
- different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments,
- the counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items,
- changes to the forecasted amount of cash flows of hedged items,
- change in fair value of the cross-currency basis spread element of the foreign exchange forward contracts ("ccbs").

Borealis does not recognize any ineffectiveness in the income statement due to immateriality.

Net Investment Hedges in Foreign Operations

A foreign currency exposure arises from the Group's long-term net investment in its subsidiaries, associated companies and joint ventures in foreign currencies. Foreign exchange translation differences relating to these net investments are recognized in other comprehensive income. Borealis has hedged part of its investment in a joint venture, which has USD as its functional currency, by designating certain external loans in USD as hedges of the Group's investments in its foreign operations. The hedged risk in the net investment hedge is the risk of a weakening USD against the EUR that will result in a reduction in the carrying amount of the Group's net investment in the joint venture in USD. The EUR/USD impact on the measurement of the loan is recognized in other comprehensive income.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the Dollar Offset method).

There is an economic relationship between the hedged item and the hedging instrument as the net investment creates a translation risk that will match the foreign currency risk on the USD borrowing. The Group has established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component. Hedge ineffectiveness will arise when the amount of the investment in the foreign joint venture becomes lower than the amount of the borrowing.

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Effects of Hedge Accounting on the Financial Position and Performance

The effects of the foreign currency-related hedging instruments on the Group's financial position and performance are as follows:

Foreign exchange forwards **EUR thousand**	**2024**	**2023**
Carrying amount (asset – current)	1,170	9,917
Carrying amount (liability – current)	10,621	68
Line item in the balance sheet where the hedging instrument is included	Other receivables and other assets/ Other liabilities	Other receivables and other assets/ Other liabilities
Total nominal amount	kEUR 317,492	kEUR 282,109
Hedge ratio	1:1	1:1
Hedged rate for the year	EUR/USD 1.07–1.14 EUR/SEK 11.25–11.73	EUR/USD 1.06–1.13 EUR/SEK 11.35–12.01
Change in fair value of the hedging instrument used for measuring ineffectiveness for the period	-17,434	5,496
Change in value of the hedged item used for measuring ineffectiveness for the period	17,434	-5,496
Hedging reserve (net of deferred taxes)	-7,277	7,583
Total hedging gain (+) or loss (-) recognized in OCI	-17,434	5,496
Hedge ineffectiveness recognized in the income statement	0	0
Amount reclassified from hedging reserve to the income statement	-1,865	971
Line item in the income statement affected by the reclassification	Net sales and production costs	Net sales and production costs

Net investment hedges in foreign operations **EUR thousand**	**2024**	**2023**
Carrying amount (liability)	68,342	108,597
Line item in the balance sheet where the hedging instrument is included	Loans and borrowings	Loans and borrowings
Total nominal amount	kUSD 71,000	kUSD 120,000
Hedge ratio	1:1	1:1
Change in fair value of the hedging instrument used for measuring ineffectiveness for the period	-5,394	5,510
Change in value of the hedged item used for measuring ineffectiveness for the period	5,394	-5,510
Reserve for unrealized exchange gains/losses (net of deferred taxes)	-22,880	-18,727
Balances remaining in the reserve for unrealized exchange gains/losses from hedging relationships for which hedge accounting is no longer applied	-20,114	-21,453
Total hedging gain (+) or loss (-) recognized in OCI	-5,394	5,510
Hedge ineffectiveness recognized in the income statement	0	0

Sensitivity Analysis

The Group's exposure to the risk of changes in foreign exchange rates primarily relates to the Group's operating activities, mainly invoicing in EUR and mainly purchasing raw materials in

USD and the Group's net investments in associated companies and joint ventures mainly denominated in USD. The sensitivity analysis has been prepared on the basis that the financial instruments in foreign currencies and all other parameters, apart from changes in foreign exchange rates themselves (foreign exchange rate against EUR), are constant, and on the basis of hedge designations in place as of December 31, 2024. The Group assumes that the prevailing polyolefin market pricing mechanisms reduce the foreign currency risk in practice. As of December 31, 2024, the Group showed a net payable (prior year: net payable) position in USD and a net receivable (prior year: net receivable) position in SEK.

Effect in EUR thousand	Profit before tax		Other comprehensive income	
	Strengthening +10%	Weakening -10%	Strengthening +10%	Weakening -10%
December 31, 2024				
USD	7,374	-6,033	-26,214	21,448
SEK	4,522	-3,700	13,973	-11,432
USD – including net investment	7,374	-6,033	257,231	-210,462
SEK – including net investment	4,522	-3,700	68,292	-55,876
December 31, 2023				
USD	-4,280	3,502	-29,573	24,196
SEK	2,553	-2,089	14,430	-11,806
USD – including net investment	-4,280	3,502	259,524	-212,338
SEK – including net investment	2,553	-2,089	70,280	-57,502

The key foreign exchange rates used for the Group were as follows:

	2024		2023	
	Closing rate	Average rate	Closing rate	Average rate
USD	1.0389	1.0827	1.1050	1.0813
SEK	11.4590	11.4322	11.0960	11.4788

24. Interest Rate Risk

Interest rate risk is the risk of the fair value or future cash flows of a financial instrument fluctuating because of changes in market interest rates.

Borealis adopts a policy of managing its interest rate risk through the modified duration of its loan portfolio. The average modified duration is allowed to deviate within a predefined range. Overall, Borealis' risk management strategy according to its financial procedures is to protect itself against adverse interest rate movements and to obtain predictable interest costs. As of December 31, 2024, Borealis had no outstanding interest rate swaps. In the event Borealis has interest rate swaps, Borealis classifies these interest rate swaps as cash flow hedges and states them at fair value. The purpose of these hedges is to fix the cash outflows related to the floating rate loans.

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The Group enters into interest rate swaps that have matching critical terms with the hedged item, such as reference rate, reset dates, payment dates, maturities and nominal amount.

The hedge ratios are based on interest rate swaps with a nominal amount in EUR and USD and a receive leg of a rate index. This results in 1:1 hedge ratios (100%). Since loans and hedging instruments are fully aligned and cannot be changed unless terminated, the hedge ratios will not change and hence, do not result in any imbalances that would create hedge ineffectiveness.

Hedge effectiveness will be assessed by comparing changes in the fair values of the hedging instruments to changes in the fair values of the respective hypothetical derivatives. The terms of the hypothetical derivative are such that its fair value changes offset exactly the changes in the fair value of the hedged item. The terms are identical to the hedging instrument but assume no counterparty risk. Hence, the hedge is expected to be highly effective.

A significant change in the credit risk of either Borealis or the counterparty is identified as a potential source of ineffectiveness. The Group treasury monitors the Company and the bank's credit risk for significant adverse changes.

Hedge ineffectiveness may arise from:

- differences in the timing of the cash flows of the hedged items and the hedging instruments,
- the counterparties' credit risk impacting the fair value movements of the hedging instruments and hedged items differently.

Of loans and borrowings, approximately 96 % (82 %) have a fixed interest rate and 4 % (18 %) are based on a floating interest rate before applying interest rate swaps. After applying interest rate swaps, approximately 96 % (89 %) have a fixed interest rate and 4 % (11 %) are based on a floating interest rate. The floating interest rates are set by adding a spread to the reference rates (mainly EURIBOR and SOFR).

Effects of Hedge Accounting on the Financial Position and Performance

The effects of the interest rate related to hedging instruments on the Group's financial position and performance are as follows:

Interest rate swaps **EUR thousand**	**2024**	**2023**
Carrying amount (asset – current)	0	2,911
Line item in the balance sheet where the hedging instrument is included	Other receivables and other assets/ Other liabilities	Other receivables and other assets/ Other liabilities
Total nominal amount	kEUR 0	kEUR 99,548
Hedge ratio	1:1	1:1
Weighted average hedged rate for the year	2.36%	2.36%
Change in fair value of the hedging instrument used for measuring ineffectiveness for the period	364	985
Change in value of the hedged item used for measuring ineffectiveness for the period	-364	-985
Hedging reserve (net of deferred taxes)	0	2,242
Total hedging gain (+) or loss (-) recognized in OCI	364	985
Hedge ineffectiveness recognized in the income statement	0	0
Amount reclassified from hedging reserve to the income statement	-3,275	-4,015
Line item in the income statement affected by the reclassification	Financial expenses	Financial expenses

Sensitivity Analysis

In managing interest rate risks, Borealis aims to reduce the impact of short-term fluctuations on its earnings. Over the long term, permanent changes in interest rates will have an impact on consolidated earnings. The sensitivity analysis has been prepared on the basis of the amount of net debt, floating interest rates of the debt and the derivatives as of December 31, 2024.

Effect in EUR thousand	**Profit before tax**		**Other comprehensive income**	
	Strengthening +1%	Weakening -1%	Strengthening +1%	Weakening -1%
December 31, 2024				
Interest rate	-247	249	0	0
December 31, 2023				
Interest rate	-437	442	705	-708

25. Commodity Price Risk

Commodity price risk is the risk of future cash flows or the fair value of inventories fluctuating because of changes in commodity prices. Borealis states its inventories at the lower of cost and net realizable value, taking into account future price developments. Commodity price risk is managed by the feedstock and energy traders and monitored by Trade Support and Risk Management. The commodity price risk exposure is calculated by a trading software program. Trade Support and Risk Management take a snapshot of all data in the trading system on a

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daily basis and retrieve the daily position from the system. The position is analyzed and compared with the trading limits. Traders use financial derivatives (i.e. financial swaps) in order to stay within the limits.

Feedstock

Borealis hedges some of its forecasted feedstock purchases and finished product sales through feedstock swaps. Cash flow hedge accounting is applied to those derivatives, except for the derivatives that are used to limit the price risk on the inventory held for immediate consumption. Some of the derivatives have been designated as cash flow hedges for future sales and purchases. Derivatives not designated as cash flow hedges are measured at fair value through profit or loss (FVPL).

Electricity

Borealis hedges its forecasted electricity purchases using electricity swaps. Cash flow hedge accounting has been applied for these derivatives.

Additionally, Borealis has contracted several long-term power purchase agreements which were entered into and continue to be held for own use. Therefore, they are accounted for as executory contracts.

Natural Gas

Borealis hedges part of its forecasted natural gas purchases and exposure in commercial contracts to changes in natural gas prices using natural gas swaps. Cash flow hedge accounting has been applied for these derivatives.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the commodity forward contracts match the terms of the expected highly probable forecast transactions (i.e., nominal quantity and expected pricing date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- differences in the timing of the cash flows of the hedged items and the hedging instruments, and
- changes to the forecasted amount of cash flows of hedged items and hedging instruments.

Effects of Hedge Accounting on the Financial Position and Performance

The effects of the commodity-related hedging instruments on the Group's financial position and performance are as follows:

Feedstock **EUR thousand**	**2024**	**2023**
Carrying amount (asset – current)	19,769	23,641
Carrying amount (asset – non-current)	1,382	0
Carrying amount (liability – current)	530	4,583
Carrying amount (liability – non-current)	619	112
Line item in the balance sheet where the hedging instrument is included	Other receivables and other assets/Other liabilities	Other receivables and other assets/Other liabilities
Total nominal amount	629,926 metric tons	596,323 metric tons
Hedge ratio	1:1	1:1
Change in fair value of the hedging instrument used for measuring ineffectiveness for the period	1,955	-30,965
Change in value of the hedged item used for measuring ineffectiveness for the period	-1,955	30,965
Hedging reserve (net of deferred taxes)	15,403	14,591
Total hedging gain (+) or loss (-) recognized in OCI	1,955	-30,965
Hedge ineffectiveness recognized in the income statement	0	0
Amount reclassified from hedging reserve to the cost of non-financial items	-901	43,258

Electricity **EUR thousand**	**2024**	**2023**
Carrying amount (asset – current)	6,040	10,008
Carrying amount (asset – non-current)	10,145	2,523
Carrying amount (liability – current)	32,431	24,503
Carrying amount (liability – non-current)	15,155	34,302
Line item in the balance sheet where the hedging instrument is included	Other receivables and other assets/Other liabilities	Other receivables and other assets/Other liabilities
Total nominal amount	4,281 GWh	4,027 GWh
Hedge ratio	1:1	1:1
Change in fair value of the hedging instrument used for measuring ineffectiveness for the period	-29,601	-297,231
Change in value of the hedged item used for measuring ineffectiveness for the period	29,601	297,231
Hedging reserve (net of deferred taxes)	-24,181	-35,631
Total hedging gain (+) or loss (-) recognized in OCI	-29,601	-297,231
Hedge ineffectiveness recognized in the income statement	0	0
Amount reclassified from hedging reserve to the income statement	44,474	-62,380
Line item in the income statement affected by the reclassification	Production costs	Production costs

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Natural gas EUR thousand	2024	2023
Line item in the balance sheet where the hedging instrument is included	Other receivables and other assets/Other liabilities	Other receivables and other assets/Other liabilities
Total nominal amount	0 GWh	0 GWh
Hedge ratio	1:1	1:1
Change in fair value of the hedging instrument used for measuring ineffectiveness for the period	0	-1,316
Change in value of the hedged item used for measuring ineffectiveness for the period	0	1,316
Total hedging gain (+) or loss (-) recognized in OCI	0	-1,316
Hedge ineffectiveness recognized in the income statement	0	0
Amount reclassified from hedging reserve to the income statement	0	4,701
Line item in the income statement affected by the reclassification	Production costs	Production costs

Sensitivity Analysis

The sensitivity analysis has been prepared for all derivative financial instruments on the basis that the amount of the feedstock held and all other parameters besides commodity prices (in particular sales prices) are constant and on the basis of the hedge designations in place on December 31, 2024. The Group assumes that the prevailing market pricing mechanisms reduce the commodity price risk in practice.

Effect in EUR thousand	Profit before tax		Other comprehensive income	
	Strengthening +1%	Weakening -1%	Strengthening +1%	Weakening -1%
December 31, 2024				
Feedstock – Naphtha	-138	138	-3,396	3,396
Feedstock – Other	49	-49	1,846	-1,846
Electricity	0	0	2,783	-2,783
Natural gas	0	0	144	-144
December 31, 2023				
Feedstock – Naphtha	-45	45	-2,068	2,068
Feedstock – Other	-37	37	-636	636
Electricity	0	0	3,624	-3,624
Natural gas	0	0	240	-240

26. Factoring

Borealis has a factoring program under which the Company sells certain trade receivables to external parties. The Group does not retain any major interest in the trade receivables and thus derecognizes the receivables sold accordingly. Several reserves are deducted from the nominal value of the sold receivables and will be released upon transfer of the respective collected receivables to Aurora Asset Purchaser DAC (Purchaser), a special purpose entity established in Ireland. The Purchaser is not consolidated under IFRS 10, since Borealis has neither decision-making power nor has any influence on how the special purpose entity finances the program and there is no link between decision-making power and the variability of returns from the Purchaser. Borealis continues to administer the relationship with debtors and has to transfer all receivables collected and previously sold to the Purchaser under this program.

The total nominal value sold to the Purchaser under the factoring program in the current year amounted to EUR 4,005,375 thousand (EUR 4,287,494 thousand). As of December 31, 2024, receivables worth EUR 440,600 thousand (EUR 432,522 thousand) were sold to the Purchaser under the factoring program. The reserves deducted from the nominal value of the sold receivables amounted to EUR 92,809 thousand (EUR 93,054 thousand) as of December 31, 2024, and are included in other current receivables. During the year, expenses amounting to EUR 6,295 thousand (EUR 1,545 thousand) were recognized in the income statement for the factoring program.

27. Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The Group has three types of financial assets that are subject to the expected credit loss model:

- trade receivables (excluding trade receivables at FVPL) and contract assets,
- cash and cash equivalents,
- debt investments carried at amortized cost.

On each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. For trade receivables, the Group applies the IFRS simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance.

Trade Receivables Credit Risk

A credit control procedure is in place. Credit risk is monitored on an ongoing basis. Credit risk for a specific counterparty is the sum of all outstanding trade receivables and is compared to the individual credit limit allocated to that counterparty. Credit limit evaluations are performed on a daily basis and all customers are reviewed annually at least. Approval and escalation limits are used to authorize the available credit limits to customers. For some trade receivables, the Group may obtain security in the form of guarantees (bank and parental guarantees), letters of credit or credit insurance, which can be called upon if the counterparty is in default under the terms of the agreement. As of the reporting date, Borealis has no large concentrations of credit risks for trade receivables from external parties representing more than 10% of the total outstanding trade receivables. For details on trade receivables from related parties, see note 30. No credit risk is retained in trade receivables sold under the factoring program (note 26).

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The maximum exposure to credit risk for trade receivables as of the reporting date by geographic region was:

EUR thousand	2024	2023
EU countries	349,208	270,209
Non-EU in Europe	120,112	86,719
US	49,540	37,485
Middle East and Asia	138,592	116,127
Other regions	120,401	89,726
Total	**777,853**	**600,266**

The maximum exposure to credit risk for trade receivables as of the reporting date by type of segment and group of customers was:

EUR thousand	2024	2023
Polyolefins [1]	611,252	436,653
Base Chemicals [1]	132,878	116,238
Non-Allocated [1]	33,723	47,375
Total	**777,853**	**600,266**

1) Reclassification for 2023 figures between type of segment and group of customers, total amount is unchanged.

All customers are classified in risk categories based on external and internal ratings with associated probabilities of default in order to measure the lifetime expected losses.

The table below shows the maximum exposure (gross carrying amount) for each risk class based on which loss allowance was determined for trade receivables (excluding trade receivables at FVPL).

EUR thousand	December 31, 2024				
	Equivalent to external rating	Probability of default	Gross carrying amount	Loss allowance	Credit-impaired
Risk category 1	AAA, AA+, AA, AA-, A+, A, A-	0.13%	104,946	-7	No
Risk category 2	BBB+, BBB, BBB-	0.44%	56,753	-14	No
Risk category 3	BB+, BB, BB-	1.18%	334,121	-206	No
Risk category 4	B+, B, B-	8.52%	124,855	-523	No
Risk category 5	CCC/CC	29.54%	84,155	-1,070	No
Risk category 6	SD/D	100.00%	9,141	-9,141	Yes
Total			**713,971**	**-10,961**	

EUR thousand	December 31, 2023				
	Equivalent to external rating	Probability of default	Gross carrying amount	Loss allowance	Credit-impaired
Risk category 1	AAA, AA+, AA, AA-, A+, A, A-	0.13%	34,088	-1	No
Risk category 2	BBB+, BBB, BBB-	0.44%	116,194	-28	No
Risk category 3	BB+, BB, BB-	1.18%	201,390	-123	No
Risk category 4	B+, B, B-	8.52%	140,422	-655	No
Risk category 5	CCC/CC	29.54%	91,646	-966	No
Risk category 6	SD/D	100.00%	12,173	-12,173	Yes
Total			**595,913**	**-13,946**	

The identified impairment loss for contract assets was immaterial.

The movement in the loss allowance in respect of trade receivables during the year was as follows:

EUR thousand	2024		2023	
	Lifetime ECL – not credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – not credit-impaired	Lifetime ECL – credit-impaired
Balance as of January 1	1,772	12,173	2,709	9,721
Impairment loss recognized	48	1,133	0	4,154
Written off		-2,114		-233
Reversal of impairment	0	-2,053	-937	-1,459
Exchange adjustments		2		-10
Balance as of December 31	**1,820**	**9,141**	**1,772**	**12,173**

In 2024, the Group did not renegotiate the terms of trade receivables. Generally, trade receivables written off during 2024 are not subject to enforcement activity.

The total guarantees received (bank guarantees and parental guarantees) in respect of the trade receivables amounted to EUR 262,673 thousand (EUR 295,976 thousand). The Group does not require collateral in respect of trade receivables. The Group does not have trade receivables for which no loss allowance is recognized because of collateral or guarantees received.

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Other Credit Risk

The Group is also exposed to credit risk relating to other financial assets. The maximum exposure to credit risk as of the reporting date is the carrying amount of each class of financial assets disclosed in note 28.

The table below shows the maximum exposure to credit risk (gross carrying amount) for financial assets that are measured at amortized cost and subject to a 12-month expected credit loss.

	Credit risk (Gross carrying amount)		Loss allowance recognized	
EUR thousand	**2024**	**2023**	**2024**	**2023**
Cash and cash equivalents	1,028,011	2,347,631	0	0
Debt investments carried at amortized cost				
Loans granted	1,253,382	905,683	-6,707	-4,768
Deposits and other receivables [1)]	170,932	167,860	-533	-2,054

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 32.

Borealis' cash balances are deposited with relationship banks or are invested in liquid securities with counterparties that fulfill a certain predefined credit rating threshold. Counterparty credit risks for long-term financial treasury transactions are managed by mandatory credit limits and external credit rating requirements or have undergone a special approval process. A real-time treasury system is used to monitor exposures and risk limits. Borealis' management does not expect any counterparty to fail to meet any of its current obligations.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. All of the entities' other debt investments at amortized cost are considered in general to have low credit risk and the loss allowance recognized during the period is therefore limited to 12-month expected losses.

For the financial guarantee liability, no loss allowance was recognized in the reporting period as the fair value less the cumulative amount of income recognized in accordance with the principles of IFRS 15 was higher than the amount of the loss allowance determined in accordance with the impairment requirements of IFRS 9. For further details on financial guarantee contracts, please refer to note 30.

28. Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value, if the carrying amount is a reasonable approximation of fair value.

EUR thousand	31.12.2024			31.12.2023 restated		
Assets	**Carrying amount**	**Fair value**	**Fair value hierarchy level**	**Carrying amount**	**Fair value**	**Fair value hierarchy level**
Other investments						
Other investments	21,994	21,994	3	23,621	23,621	3
thereof at fair value through profit or loss	**16,623**			**18,250**		
thereof at fair value through other comprehensive income	**5,371**			**5,371**		
Trade receivables						
Trade receivables	777,853			600,266		
thereof at amortized cost	**703,011**			**581,967**		
thereof at fair value through profit or loss	**74,842**			**18,299**		
Cash and cash equivalents						
Cash	193,249			403,163		
Other current deposits	834,762			1,944,468		
at amortized cost	**1,028,011**			**2,347,631**		
Loans granted (current and non-current)						
Loans granted	1,246,676	1,262,264	2	900,915	910,336	2
at amortized cost	**1,246,676**			**900,915**		
Other receivables and other assets (current and non-current)						
Marketable securities and bonds	29,039	29,039	1	28,014	28,014	1
at fair value through profit or loss	**29,039**			**28,014**		
Derivative financial instruments for which hedge accounting is applied	38,506	38,506	2	49,000	49,000	2
Hedging instruments	**38,506**			**49,000**		
Derivative financial instruments for which hedge accounting is not applied	777	777	2	11,643	11,643	2
at fair value through profit or loss	**777**			**11,643**		
Deposits and other receivables [1]	170,399			165,806		
thereof at amortized cost	**168,622**			**164,029**		
thereof at fair value through profit or loss	**1,777**			**1,777**		
Other non-financial assets	185,277	n/a	n/a	314,798	n/a	n/a
Total other receivables and other assets (current and non-current)	**423,998**			**569,261**		

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 32.

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EUR thousand	31.12.2024			31.12.2023 restated		
Liabilities	**Carrying amount**	**Fair value**	**Fair value hierarchy level**	**Carrying amount**	**Fair value**	**Fair value hierarchy level**
Loans and borrowings (current and non-current)						
Bond	300,000	296,259	1	298,973	290,505	1
Floating rate loans and borrowings	42,811	43,080	2	265,496	266,779	2
Fixed rate loans and borrowings	879,462	840,136	2	951,949	877,763	2
at amortized cost	**1,222,273**			**1,516,418**		
Trade payables						
Trade payables	909,687			849,547		
at amortized cost	**909,687**			**849,547**		
Other liabilities (current and non-current)						
Derivative financial instruments for which hedge accounting is applied	59,356	59,356	2	63,568	63,568	2
Hedging instruments	**59,356**			**63,568**		
Derivative financial instruments for which hedge accounting is not applied	10,104	10,104	2	10,615	10,615	2
at fair value through profit or loss	**10,104**			**10,615**		
Contingent consideration	3,119	3,119	3	8,000	8,000	3
Interest accruals on loans and borrowings	3,863			6,690		
Other financial liabilities	113,358			151,955		
at amortized cost	**120,340**			**166,645**		
Financial guarantee liabilities	21,276	21,276	2	24,305	24,305	2
Other non-financial liabilities [1)]	168,555	n/a	n/a	112,671	n/a	n/a
Total other liabilities (current and non-current)	**379,631**			**377,804**		

1) Comparative information has been restated due to emission rights accounting policy change. For further details, please refer to note 32.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly or indirectly. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in less active markets or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments' valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

In 2024 and 2023, no transfers between the different levels of the fair value hierarchy took place.

Other Investments

For details on other investments, see note 10. The equity value of the other investments is assumed to equal other investments' fair value. If the equity decreases (increases), the fair value decreases (increases) accordingly.

The following table presents the changes in other investments (level 3 items):

EUR thousand	2024	2023
Balance as of January 1	23,621	18,459
Investments and acquisitions	0	2,303
Disposal due to the liquidation of the company	-770	0
Fair value changes recognized in income statement (financial income/expenses)	-832	2,857
Exchange adjustments	-25	2
Balance as of the reporting date	**21,994**	**23,621**

Trade and Other Receivables and Other Assets

The fair value of trade and other receivables and assets is estimated to equal the nominal values less impairments (= carrying amount).

The carrying amount of deposits and other receivables is not materially different from their fair value.

Loans granted

The fair value of loans granted is calculated based on the present value of future principal and interest cash flows discounted at the market rate of interest adjusted for the respective counterparty credit risk as of the reporting date.

Derivatives

The fair value of foreign exchange derivatives is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the derivative using market rates as of the reporting date.

The fair value of interest rate swaps is estimated by discounting estimated future cash flows based on the terms and maturity of each derivative and using market rates for a hypothetical instrument as of the reporting date. The credit quality of counterparties did not lead to a significant change in the fair values.

The fair value of commodity derivatives is estimated by discounting the difference between current forward price and contractual forward price.

Other Non-financial Assets and Liabilities

Other non-financial assets and liabilities are shown solely for reconciliation purposes.

Non-derivative Financial Liabilities

Fair value for non-current and current loans and borrowings is calculated based on the present value of future principal and interest cash flows discounted at the market rate of interest adjusted for Borealis' credit risk as of the reporting date. All fair values are excluding the outstanding interest accruals as of the reporting date.

The fair value of trade and other payables is estimated to equal the carrying amount.

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Contingent Consideration

For the acquisition of the additional 48.55% stake in Renasci on November 30, 2023, a contingent consideration up to EUR 1,693 thousand was agreed based on an earnings target for 2024, 2025 and 2026. According to Borealis' assessment, the earnings target will not be met. Thus, the contingent consideration has been valued at a fair value of EUR 0 thousand (December 31, 2023: EUR 0 thousand).

The fair value of the contingent consideration for the acquisition of Rialti amounts to EUR 3,119 thousand as of December 31, 2024 (December 31, 2023: EUR 8,000 thousand). The actual claims in relation to warranties are the significant valuation input for determining the contingent consideration liability.

The fair value of the contingent consideration for the acquisition of Integra Plastics EAD amounts to EUR 0 thousand as of December 31, 2024. For more details, please refer to note 8.3.

29. Other Operating Income

In 2024, other operating income consisted mainly of insurance compensations of EUR 23,351 thousand, of which EUR 23,211 thousand related to the business interruption at Borouge (2023: EUR 6,699 thousand related to the business interruption at the Schwechat refinery). Borouge has concluded an insurance contract for business interruptions exclusively on behalf of Borealis. Contractually, the insurance compensation is directly attributable to Borealis and is therefore recognized in the books of Borealis. It also included gains of EUR 62,198 thousand (EUR 50,276 thousand) from foreign currency translation effects related to working capital. The figures in 2023 as reported included the release of the government grants received free of charge for CO_2 emissions. Due to the accounting policy change on emission rights, amounts have been restated. For further details, please refer to note 32.

30. Transactions with Related Parties

	Transaction values		Balance outstanding	
EUR thousand	**2024**	**2023**	**31.12.2024**	**31.12.2023**
Sales of goods and services to				
Associated companies	4,702	7,991	12,383	11,288
Joint ventures	526,141	530,666	140,614	119,181
Other related parties	67,063	70,014	6,559	9,095
thereof OMV subsidiaries	66,860	69,855	6,524	8,916
Purchases of goods and services from				
Associated companies	85,206	105,913	0	194
Joint ventures	485,902	380,636	146,727	91,289
Companies with significant influence	0	4	0	0
Other related parties	1,453,261	1,275,613	134,841	117,198
thereof OMV subsidiaries	1,444,078	1,268.384	132,307	113,790
Others				
Loans granted and related interest – Associated companies	2,767	2,500	55,181	52,492
Loans granted and related interest – Joint ventures	80,249	59,095	1,204,590	856,122
Financial guarantee receivables – Joint ventures	1,013	1,303	21,199	24,191
Financial guarantee liabilities – Joint ventures	6,279	3,236	21,276	24,304
Other financial liabilities – Joint ventures	0	0	0	67,873
Lease liabilities and related interest – Parent company	16	20	5,011	6,430
Lease liabilities and related interest – Other related parties	183	223	7,741	10,164
Income taxes receivable and related expense – Parent company	0	13,217	0	41,912
Income taxes liability and related expense – Parent company	62,012	0	57,662	0

Due to the sale of Borealis NITRO at the beginning of July 2023, only transaction values for the first six months from discontinued operation are included in 2023.

The sales to associated companies and joint ventures mainly include sales of finished goods and services. Transactions with joint ventures further include the granting of licenses for the use of Group technologies. Contract assets with Borouge PLC amounting to EUR 8,356 thousand (EUR 7,856 thousand with Abu Dhabi Polymers Company Limited) are included in the balance outstanding. For details on contract assets, please see note 2. Also included in the balance outstanding from associated companies are prepayments to Kilpilahden Voimalaitos Oy (KPP) of EUR 9,705 thousand(EUR 10,585 thousand). Purchases from joint ventures mainly include purchases of finished goods produced by Borouge in 2023 and sold in Europe, while in 2024

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purchases from Bayport Polymers LLC (Baystar) became significant as well, after the Baystar joint venture production ramped up with the completion in Q3 2023 of the new Bay 3 PE plant in Texas. Purchases from other related parties mainly relate to purchases of feedstock and utilities from OMV group companies. Receivables from and payables to related parties are included in trade receivables/payables. Other financial liabilities in 2023 to joint ventures relate to the outstanding payment of USD 75,000 thousand from the total capital contribution of USD 100,000 thousand in Bayport Polymers LLC (Baystar) which was settled on January 10, 2024.

Lease liabilities and related interest from the parent company represent rental of office facilities in Vienna from OMV Aktiengesellschaft. Lease liabilities and related interest from other related parties relate to rented land and infrastructure from OMV Deutschland Operations GmbH & Co KG and OMV Deutschland GmbH. Loans granted, including interest receivables, to joint ventures amounting to EUR 1,204,590 thousand (EUR 856,122 thousand) were outstanding from Baystar and Borouge 4 LLC (Borouge 4). For further details on loans granted, see note 10.

All transactions with related parties were conducted on an arm's length basis.

On December 31, 2024, undrawn financial commitments of USD 639,200 thousand (USD 904,001 thousand) to Borouge 4 stemmed from a shareholder loan agreement (SHL) entered into on February 3, 2023, with Borealis AG as lender and Borouge 4 as borrower to part finance the CAPEX requirements of Borouge 4. USD 428,800 thousand from the USD 1,068,000 thousand commitment have been drawn to date. The SHL is structured as a facility with a five-year tenor. Borealis retains the right to accelerate the prepayment of the outstanding amounts at the point of reintegration into Borouge PLC. Furthermore, Borealis AG provided a guarantee for the funding of Borouge 4 under the Italian Export Credit Agency agreement. The total guarantee amounts to USD 1,276,000 thousand plus interest (thereof USD 1,048,352 thousand utilized as of December 31, 2024) which is recognized as a financial liability of EUR 1,051 thousand (December 31, 2023: EUR 988 thousand).

Borealis provided a guarantee for a Revolving Credit Facility (RCF) used by Baystar as a liquidity instrument to conduct its ordinary course of business. The maximum amount of the credit facility is USD 200,000 thousand, of which 50% (USD 100,000 thousand) is guaranteed by Borealis, while the remaining USD 100,000 thousand is guaranteed by joint venture partner TotalEnergies. On January 3, 2025, Baystar closed an amendment to the existing RCF contract increasing the maximum amount of the credit facility to USD 300,000 thousand. At year end, Baystar's RCF was utilized at USD 170,000 thousand (of which USD 85,000 thousand was guaranteed by Borealis).

On April 19, 2022, a loan of USD 650,000 thousand was repaid by Baystar to Borealis. The repayment was financed from the two tranches of senior notes issued in USD in the amount of USD 350,000 thousand and USD 300,000 thousand, which mature in 2027 and 2032 respectively. Borealis provided a parental guarantee of USD 650,000 thousand for the full amount of the senior notes, which is recognized as a financial liability of EUR 18,836 thousand (EUR 21,690 thousand). Additionally, Borealis provided a parental guarantee for a lease of railcars with maximum exposure of USD 19,651 thousand as of the reporting date (USD 22,010 thousand) and recognized a financial liability of EUR 1,389 thousand (EUR 1,626 thousand).

As of January 1, 2021, selected Austrian entities of the Borealis Group belong to the OMV tax group and reimburse income tax payments directly to OMV Aktiengesellschaft with income tax liability to the parent company shown under Other current liabilities.

Austria has an indirect relationship with Borealis via OMV and Österreichische Beteiligungs AG (ÖBAG) and is therefore, together with companies under the control of the Republic of Austria, considered a related party. Borealis has transactions at arm's length in the normal course of business mainly with OMV AG and its subsidiaries (shown under "Other related parties") and VERBUND AG and its subsidiaries.

Via OMV, Borealis has an indirect relationship with the Emirate of Abu Dhabi, which is, together with the companies under control of Abu Dhabi also considered a related party. In 2024, there were transactions at arm's length in the normal course of business mainly with Compañía Española Distribuidora de Petróleos, S.A. (CEPSA), NOVA Chemicals Corporation and Abu Dhabi National Oil Company (ADNOC) and their subsidiaries.

For further information on dividends received from associated companies and joint ventures, please refer to note 9.

For further information regarding commitments to joint ventures and associated companies, see note 21. For information relating to dividends paid, please refer to the statement of changes in equity.

31. Commitments and Contingent Liabilities

Legal Claim Contingencies

While the Group has certain lawsuits pending, it is the Executive Board's opinion that these proceedings will not materially affect the Group's financial position.

Financial Guarantees

The Group is subject to numerous national and local tax laws and regulations concerning its sales and environmental activities. These laws and regulations may require the Group to issue guarantees to respective authorities for the Group's payment obligations. These guarantees have been provided to the extent the authorities have requested them.

The Group has committed to several rental guarantees mainly for its own rental agreements. The Group will be responsible if the tenant or Borealis itself fails to pay rent or causes any damage to property. No material losses are expected to arise from such contingent liabilities.

In addition to the contractual commitments for property, plant and equipment (see note 5), contractual obligations for additional capital contributions (see note 9 and note 30) and financial guarantee contracts (see note 30), no further significant risks and uncertainties have been identified compared to year-end 2023.

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32. Restatement

In 2024, Borealis has changed the calculation method for cash flow from the direct method to the indirect method. For further details, please refer to the Consolidated Cash Flow and Summary of Significant Accounting Policies.

On January 1, 2024, Borealis changed its accounting policy on emission rights which are received free of charge as a government grant. Previously, Borealis recognized freely allocated certificates as intangible assets at cost, at the spot price on the allocation date, and a government grant which was released during the respective financial year. A liability was built up for actual emissions. Based on the revised policy, Borealis recognizes the emission rights it has been granted at zero cost. As a consequence, no government grant is recognized. The liability for the actual emissions made is recognized at zero as long as there are sufficient freely allocated emission rights available. In case the actual emissions made exceed the available freely allocated emission rights, Borealis has to purchase additional emission rights in order to cover the obligation. To cover the obligation for actual emissions made, it is assumed that the freely allocated certificates are used first, followed by those which have already been purchased. A provision will be created in case of a remaining shortfall. The amendments apply retrospectively, hence comparative figures for prior periods have been restated accordingly.

In 2024, the management team assessed the accounting treatment for emission rights within the peer group. Based on this assessment, it was concluded that the net approach provides a more accurate reflection of the economic substance of the transactions involving government grants.

The change in the accounting policy aligns Borealis' accounting policy with that of the peer group and thus enhances the comparability of group´s financial statements, providing more relevant and reliable information to users.

In addition, the decision was made to align Borealis' accounting policy with that of the parent group OMV to ensure consistency and comparability between OMV group and Borealis group.

The tables below show the line items in both the balance sheet and the income statement that are affected by the policy change:

Balance Sheet - Assets
EUR thousand

	1.1.2023		
	as reported	**restatement**	**restated**
Intangible assets	633,950	-212,402	421,548
Deferred tax assets	23,794	29,973	53,767
Other receivables and other assets (current)	545,243	-15,955	529,288
Assets of the disposal group held for sale	1,523,215	-181,887	1,341,328

EUR thousand	31.12.2023		
	as reported	restatement	restated
Intangible assets	720,792	-237,645	483,147
Deferred tax assets	112,307	32,674	144,981
Other receivables and other assets (current)	485,331	-4,082	481,249

Balance Sheet - Equity and Liabilities

EUR thousand	1.1.2023		
	as reported	restatement	restated
Reserves	412,694	-2,444	410,250
Retained earnings	7,772,773	-97,900	7,674,873
Other liabilities (current)	387,249	-98,040	289,209
Liabilities directly related to the disposal group	700,158	-181,887	518,271

EUR thousand	31.12.2023		
	as reported	restatement	restated
Reserves	60,263	2,190	62,453
Retained earnings	7,559,146	-106,944	7,452,202
Other liabilities (current)	372,029	-104,299	267,730

Income Statement

EUR thousand	31.12.2023		
	as reported	restatement	restated
Other operating income	200,197	-117,375	82,822
Production costs	-6,288,669	105,630	-6,183,039
Taxes on income	-4,862	2,701	-2,161

33. Subsequent Events

On March 3, 2025, OMV and ADNOC reached an agreement on the key commercial terms for combining their polyolefins businesses. This agreement involves the creation of a new, jointly controlled joint venture company, Borouge Group International, which will combine Borealis and Borouge. The joint venture aims to serve as a platform for potential growth acquisitions in the polyolefins sector. Additionally, the joint venture company will acquire all shares in NOVA Chemicals from Nova Chemicals Holding GmbH, a subsidiary of Mubadala Investment Company PJSC. The acquisition is subject to regulatory and other conditions. OMV and ADNOC will each hold equal shares and joint control of the joint venture company. OMV will make a capital injection of EUR 1.608 billion, adjusted for dividends paid until the transaction's completion, expected in 2026. The joint venture company will be listed on the Abu Dhabi Securities Exchange, with a potential future listing on the Vienna Stock Exchange, and will be headquartered in Austria. This subsequent event is expected to have a significant impact on Borealis, as it will be part of the newly formed joint venture, Borouge Group International, and will benefit from potential growth opportunities and synergies within the polyolefins sector. As of the date of these financial statements, the financial impact for Borealis on this change cannot be estimated yet.

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34. Subsidiaries Included in the Consolidated Accounts

	Company name	Country	City	Percentage of shares owned 2024	Percentage of shares owned 2023
	Borealis AG				
■	Borealis Antwerpen N.V.	Belgium	Zwijndrecht	100.00	100.00
■	Borealis Argentina SRL [1]	Argentina	Buenos Aires	100.00	100.00
■	BOREALIS ASIA LIMITED [1]	Hong Kong	Hong Kong	100.00	100.00
■	Borealis Brasil S.A.	Brazil	Itatiba	80.00	80.00
■	BOREALIS CHEMICALS ZA (PTY) LTD [1]	South Africa	Germiston	100.00	100.00
■	Borealis Chile SpA [1]	Chile	Santiago	100.00	100.00
■	*Borealis Chimie S.A.R.L.* [1]	*Morocco*	*Casablanca*	*100.00*	*100.00*
■	Borealis Circular Solutions Holding GmbH	Austria	Vienna	100.00	100.00
■■	Renasci N.V.	Belgium	Ostend	99.18	98.56
■■■	Renasci Oostende Holding N.V.	Belgium	Ostend	99.18	98.56
■■■	Renasci Oostende SCP N.V.	Belgium	Ostend	99.18	98.56
■■■	Renasci Oostende Recycling N.V.	Belgium	Ostend	99.18	98.56
■	Borealis Colombia S.A.S. [1]	Colombia	Bogota	100.00	100.00
■	Borealis Denmark ApS [1]	Denmark	Copenhagen	100.00	100.00
■	Borealis Digital Studio B.V. [1]	Belgium	Mechelen	100.00	100.00
■	Borealis Financial Services N.V.	Belgium	Mechelen	100.00	100.00
■	Borealis France S.A.S.	France	Courbevoie	100.00	100.00
■■	Borealis Services S.A.S. [1]	France	Paris	100.00	100.00
■	Borealis Insurance A/S (captive insurance company)	Denmark	Copenhagen	100.00	100.00
■	BOREALIS ITALIA S.p.A.	Italy	Monza	100.00	100.00
■	Borealis Kallo N.V.	Belgium	Kallo	100.00	100.00
■	Borealis México, S.A. de C.V. [1]	Mexico	Mexico City	100.00	100.00
■	Borealis Middle East Holding GmbH	Austria	Vienna	100.00	100.00
■	Borealis Plasticos, S.A. de C.V. [1]	Mexico	Mexico City	100.00	100.00
■	Borealis Plastik ve Kimyasal Maddeler Ticaret Limited Sirketi [1]	Türkiye	Istanbul	100.00	100.00
■	Borealis Plastomers B.V.	The Netherlands	Geleen	100.00	100.00
■	Borealis Poliolefinas da América do Sul Ltda. [1]	Brazil	Itatiba	100.00	100.00
■	Borealis Polyolefins d.o.o. [1]	Croatia	Zagreb	100.00	100.00
■	Borealis Polyolefins S.R.L. [1]	Romania	Bucharest	100.00	100.00
■	Borealis Polyolefins s.r.o. [1]	Slovakia	Bratislava	100.00	100.00
■	Borealis Polska Sp. z o.o. [1]	Poland	Warsaw	100.00	100.00
■	Borealis Polymere GmbH	Germany	Burghausen	100.00	100.00
■	Borealis Polymers N.V.	Belgium	Beringen	100.00	100.00
■	Borealis Polymers Oy	Finland	Porvoo	100.00	100.00
■	Borealis Polyolefine GmbH	Austria	Schwechat	100.00	100.00
■	Borealis Química España S.A.	Spain	Barcelona	100.00	100.00
■	Borealis RUS LLC [1]	Russia	Moscow	0.00	100.00
■	Borealis s.r.o. [1]	Czech Republic	Prague	100.00	100.00
■	Borealis Sverige AB	Sweden	Stenungsund	100.00	100.00
■■	Borealis AB	Sweden	Stenungsund	100.00	100.00
■■■	Borealis Group Services AS	Norway	Bamble	100.00	100.00
■■■	Etenförsörjning i Stenungsund AB	Sweden	Stenungsund	80.00	80.00
■■■	KB Munkeröd 1:72 [1]	Sweden	Stenungsund	100.00	100.00
■	Borealis Technology Oy	Finland	Porvoo	100.00	100.00

1) Excluded from the consolidation due to immateriality (individual and in total) //
■ Subsidiary of Borealis AG // ■■ Second-tier subsidiary of Borealis AG // ■■■ More than second-tier subsidiary of Borealis AG

	Company name	Country	City	Percentage of shares owned	
				2024	2023
■	BOREALIS UK LTD	UK	Manchester	100.00	100.00
■	Borealis USA Inc.	US	Houston	100.00	100.00
■■	Borealis BoNo Holdings LLC	US	Houston	100.00	100.00
■■	Borealis Compounds Inc.	US	Port Murray	100.00	100.00
■■	Star Bridge Holdings LLC	US	Houston	100.00	100.00
■■■	Novealis Holdings LLC	US	Houston	100.00	100.00
■	DYM SOLUTION CO., LTD	South Korea	Cheonan	100.00	100.00
■	Ecoplast Kunststoffrecycling GmbH	Austria	Wildon	100.00	100.00
■	Integra Plastics EAD	Bulgaria	Sofia	100.00	0.00
■	mtm compact GmbH	Germany	Niedergebra	100.00	100.00
■	mtm plastics GmbH	Germany	Niedergebra	100.00	100.00
■	Rialti S.p.A.	Italy	Taino	100.00	100.00

■ Subsidiary of Borealis AG // ■■ Second-tier subsidiary of Borealis AG // ■■■ More than second-tier subsidiary of Borealis AG

For further details relating to changes in the legal structure during the financial year 2024, please see note 8.

35. Auditor's Fees

The following fee information relates to the auditors of the Group (including their related networking firms):

EUR thousand	2024		2023	
	Group auditor	thereof KPMG [1]	Group auditor	thereof KPMG [1]
Audit of Borealis AG's subsidiaries	1,063	166	911	154
Audit of consolidated and standalone financial statements of Borealis AG	435	435	404	404
Other assurance services	221	191	206	193
Tax consulting services	577	0	702	0
Other services	26	0	506	1
Total	**2,322**	**792**	**2,729**	**752**

1) KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

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36. Executive Board and Supervisory Board

Executive Board

Thomas Gangl (Chairperson until June 30, 2024), Stefan Doboczky (Chairperson since July 1, 2024), Daniel Turnheim, Wolfram Krenn, Philippe Roodhooft, Craig Arnold (Member since February 1, 2024)

Supervisory Board

Daniela Vlad (Chairperson until February 28, 2025), Alfred Stern (Chairperson since March 1, 2025), Khaled Salmeen (Vice Chairperson until June 3, 2024), Hetal Patel (Member since June 11, 2024 and Vice Chairperson since June 25, 2024), Reinhard Florey, Martijn Arjen van Koten, Khaled Al Zaabi (Member until June 3, 2024), Raul Felipe Prieto Suastegui (Member from June 11, 2024 until November 24, 2024), Michael James Baker (Member since November 25, 2024), Nikolai Philipp Wolfgang Riesenkampff (delegated by the Works Council, since November 20, 2024), Dorothea Wiplinger (delegated by the Works Council, since November 20, 2024), Gernot Baumgaertel (delegated by the Works Council, since November 20, 2024)

Vienna, March 4, 2025

Executive Board:

signed

Stefan Doboczky
Chief Executive Officer

signed

Daniel Turnheim
Chief Financial Officer

signed

Wolfram Krenn
Executive Vice President
Base Chemicals & Operations

signed

Philippe Roodhooft
Executive Vice President
Joint Ventures & Growth Projects

signed

Craig Arnold
Executive Vice President
Polyolefins, Circular Economy Solutions
and Innovation & Technology

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Statement of the Executive Board according to Section 124(1)(3) of the Vienna Stock Exchange Act

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group Management Report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Company faces.

Vienna, March 4, 2025

Executive Board:

signed

Stefan Doboczky
Chief Executive Officer

signed

Daniel Turnheim
Chief Financial Officer

signed

Wolfram Krenn
Executive Vice President
Base Chemicals & Operations

signed

Philippe Roodhooft
Executive Vice President
Joint Ventures & Growth Projects

signed

Craig Arnold
Executive Vice President
Polyolefins, Circular Economy Solutions
and Innovation & Technology

Report of the Supervisory Board of Borealis AG

In the year under review, the Supervisory Board received a comprehensive overview of the activities of the Executive Board of Borealis AG and performed its duties and exercised its powers under the law and the articles of association in five plenary sessions.

The Executive Board informed the Supervisory Board regularly, in a timely fashion and comprehensively, both in writing and verbally, on all the relevant issues of business development as well as on the state and strategy of the Company and the important group companies, including risk conditions and risk management.

The Executive Board of Borealis AG submitted the Standalone Annual Report 2024 containing the financial statements as of December 31, 2024 and the management report, and the Group Annual Report 2024 containing the consolidated financial statements as of December 31, 2024, and the group management report consisting of the financial and non-financial part to the Supervisory Board and explained it thoroughly.

The financial statements of Borealis AG have been prepared in accordance with the applicable provisions of the Austrian Commercial Code ("Unternehmensgesetzbuch"), and KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft issued the unqualified audit opinion ("uneingeschränkter Bestätigungsvermerk") on the financial statements.

Furthermore, the consolidated financial statements of Borealis AG have been prepared in accordance with the International Financial Reporting Standards (IFRS), and KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft issued the unqualified audit opinion ("uneingeschränkter Bestätigungsvermerk") on the consolidated financial statements.

The (consolidated) financial statements documents, the management report and the group management report consisting of the financial and non-financial part, and the audit reports were submitted to the Audit Committee and the Supervisory Board in due time. Following a thorough examination and discussion by the Audit Committee and the Supervisory Board with the auditors, the Supervisory Board reached the final agreement that no material objections would be raised, and the drawn up financial statements, the management report, the proposal for the appropriation of retained earnings, the proposal for the appointment of the auditor for the financial year 2025, the consolidated financial statements and the group management report consisting of the financial and non-financial part were approved/acknowledged.

Vienna, March 5, 2025

signed

Alfred Stern
Chairperson of the Supervisory Board

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Group Auditor's Reports

Independent Assurance Report on the Non-financial Reporting pursuant to Section 267a UGB

We have performed a limited assurance engagement in connection with the consolidated non-financial statement pursuant to Section 267a of the Austrian Commercial Code (UGB) in the group management report in section Non-financial statement for the financial year 2024 of the

Borealis AG,
Vienna, Austria

(hereinafter also referred to as „Company").

Conclusion with limited assurance

Based on our procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial statement pursuant to Section 267a UGB (hereinafter referred to as „non-financial reporting") in the group management report in section Non-financial statement is not prepared, in all material respects, in compliance with the statutory provisions of Article 19a and Article 29a of Directive 2013/34/EU and the statutory provisions of the Austrian Sustainability and Diversity Improvement Act (Section 267a UGB), including

- the requirements of the delegated regulation (EU) 2023/2772 (hereinafter referred to as „ESRS")
- the reporting requirements according to Article 8 of the EU Regulation 2020/852 (hereinafter referred to as „EU-Taxonomy-Regulation"), and
- the process carried out by the company to identify the information to be included in the consolidated non-financial reporting in accordance with the legal requirements and standards for non-financial reporting (hereinafter referred to as „double materiality assessment process"); with the description set out in disclosure ESRS 2-IRO-1.53.

Basis for conclusion with limited assurance

Our limited assurance engagement on the non-financial reporting was conducted in accordance with the statutory requirements and Austrian Standards on Other Assurance Engagements and additional expert opinions as well as the International Standard on Assurance Engagements (ISAE 3000 (Revised)) applicable to such engagements. An independent assurance engagement with the purpose of expressing a conclusion with limited assurance („limited assurance engagement") is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance („reasonable assurance engagement"), thus providing reduced assurance.

Our responsibility under those requirements and standards is further described in the „Responsibility of the auditor of the consolidated non-financial reporting" section of our assurance report.

We are independent of the Company in accordance with the Austrian professional regulations and Article 22 et seqq. of Directive 2006/43/EG and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit firm is subject to the provisions of KSW-PRL 2022, which essentially corresponds to the requirements of ISQM 1, and applies a comprehensive quality management system, including documented policies and procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained up to the date of the limited assurance report is sufficient and appropriate to provide a basis for our conclusion as of that date.

Other information

Management is responsible for the other information. The other information comprises all information included in the Annual Report but does not include non-financial reporting and our independent assurance report.

Our conclusion on the non-financial reporting does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our limited assurance engagement on the non-financial reporting, our responsibility is to read the other information when available and, in doing so, consider whether the other information is materially inconsistent with the non-financial reporting or our knowledge obtained in the limited assurance engagement or otherwise appears to be misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this context.

Responsibility of the management

Management is responsible for the preparation of a non- financial reporting including the determination and implementation of the double materiality assessment processes in accordance with legal requirements and standards. This responsibility includes:

- identification of the actual and potential impacts, as well as the risks and opportunities associated with sustainability aspects and assessing the materiality of these impacts, risks and opportunities,
- preparing of a non-financial reporting in compliance with the requirements of the statutory provisions of the Austrian Sustainability and Diversity Improvement Act pursuant to Section 267a UGB and the statutory provisions of Article 19a and Article 29a of Directive 2013/34/EU, including compliance with the ESRS,
- inclusion of disclosures in the consolidated non-financial reporting in accordance with the EU-Taxonomy-Regulation, and
- designing, implementing and maintaining of internal controls that management consider relevant to enable the preparation of sustainability report that is free from material misstatement, whether due to fraud or error; and to enable the double materiality assessment process to be carried out in accordance with the requirements of the ESRS.

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This responsibility includes also the selection and application of appropriate methods for non-financial reporting and the making of assumptions and estimates for individual sustainability disclosures that are reasonable in the circumstances.

Inherent limitations in the preparation of non-financial reporting

When reporting forward-looking information, the company is obliged to prepare this forward-looking information based on disclosed assumptions about events that could occur in the future and possible future actions by the company. Actual results are likely to differ as expected events often do not occur as assumed.

When determining the disclosures in accordance with the EU-Taxonomy-Regulation, the management is obliged to interpret undefined legal terms. Undefined legal terms can be interpreted differently, also regarding the legal conformity of their interpretation and are therefore subject to uncertainties.

Responsibility of the auditor of the consolidated non-financial reporting

Our objectives are to plan and perform a limited assurance engagement to obtain limited assurance about whether the non-financial reporting, including the procedures performed to determine the information to be reported and the reporting in accordance with the EU-Taxonomy-Regulation, is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on this non-financial reporting.

In a limited assurance engagement, we exercise professional judgement and maintain professional scepticism throughout the assurance engagement.

Our responsibilities include

- performing risk-related assurance procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of expressing a conclusion on the effectiveness of the Company's internal controls;
- design and perform assurance procedures responsive to disclosures in the non-financial reporting, where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Procedures - Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the non-financial reporting.

Our engagement does not include the assurance of prior period figures, printed interviews or other additional voluntary information of the company, including references to websites or other additional reporting formats of the company.

The nature, timing and extent of assurance procedures selected depend on professional judgement, including the identification of disclosures likely to be materially misstated in the non-financial reporting, whether due to fraud or error.

In conducting our limited assurance engagement on the non-financial reporting, we proceed as follows:

- We obtain an understanding of the company's processes relevant to the preparation of non-financial reporting.
- We assess whether all relevant information identified by the double materiality assessment process carried out by the company has been included in the non-financial reporting.
- We evaluate whether the structure and presentation of the non-financial reporting is in compliance with the requirements of the statutory provisions of the Austrian Sustainability and Diversity Improvement Act as of Section 267a UGB, including the ESRS.
- We perform inquiries of relevant personnel and analytical procedures on selected disclosures in the non-financial reporting.
- We perform risk-oriented assurance procedures, on a sample basis, on selected disclosures in the non-financial reporting.
- We reconcile selected disclosures in the non-financial reporting with the corresponding disclosures in the consolidated financial statements and group management report.
- We obtain evidence on the methods for developing estimates and forward-looking information.
- We obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in non-financial reporting.

Limitation of liability, publication and terms of engagement

This limited assurance engagement is a voluntary assurance engagement.

We issue this conclusion based on the assurance contract concluded with the client, which is also based, with effect on third parties, on the „General Conditions of Contract for the Public Accounting Professions" issued by the Chamber of Tax Advisors and Auditors. These can be viewed online on the website of the Chamber of Tax Advisors and Auditors (currently at https://ksw.or.at/berufsrecht/mandatsverhaeltnis/).

With regard to our responsibility and liability under the contractual relationship, point 7 of the General Conditions of Contract for the Public Accounting Professions applies.

Our assurance report may only be distributed to third parties together with the consolidated non-financial reporting contained in the Non-financial statement section of the group management report and only in complete and unabridged form.

Auditor responsible for the assurance engagement

The auditor responsible for the assurance engagement of the non-financial reporting is Mr. Gerhard Wolf.

Vienna, March 4, 2025

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed

Gerhard Wolf
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.

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Auditor’s Report - Consolidated Financial Statements

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of

Borealis AG,
Vienna, Austria,

and its subsidiaries („the Group“), which comprise the Consolidated Balance Sheet as at December 31, 2024, the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, Consolidated Cash Flow and Consolidated Statement of Changes in Equity for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

Basis for our Opinion

We conducted our audit in accordance with the Regulation (EU) No. 537/2014 („AP Regulation“) and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the „Auditor's Responsibilities” section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date. Our liability as auditors is guided under Section 275 UGB.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, however, we do not provide a separate opinion thereon.

Recoverability of assets – PPE, Intangible assets and Goodwill

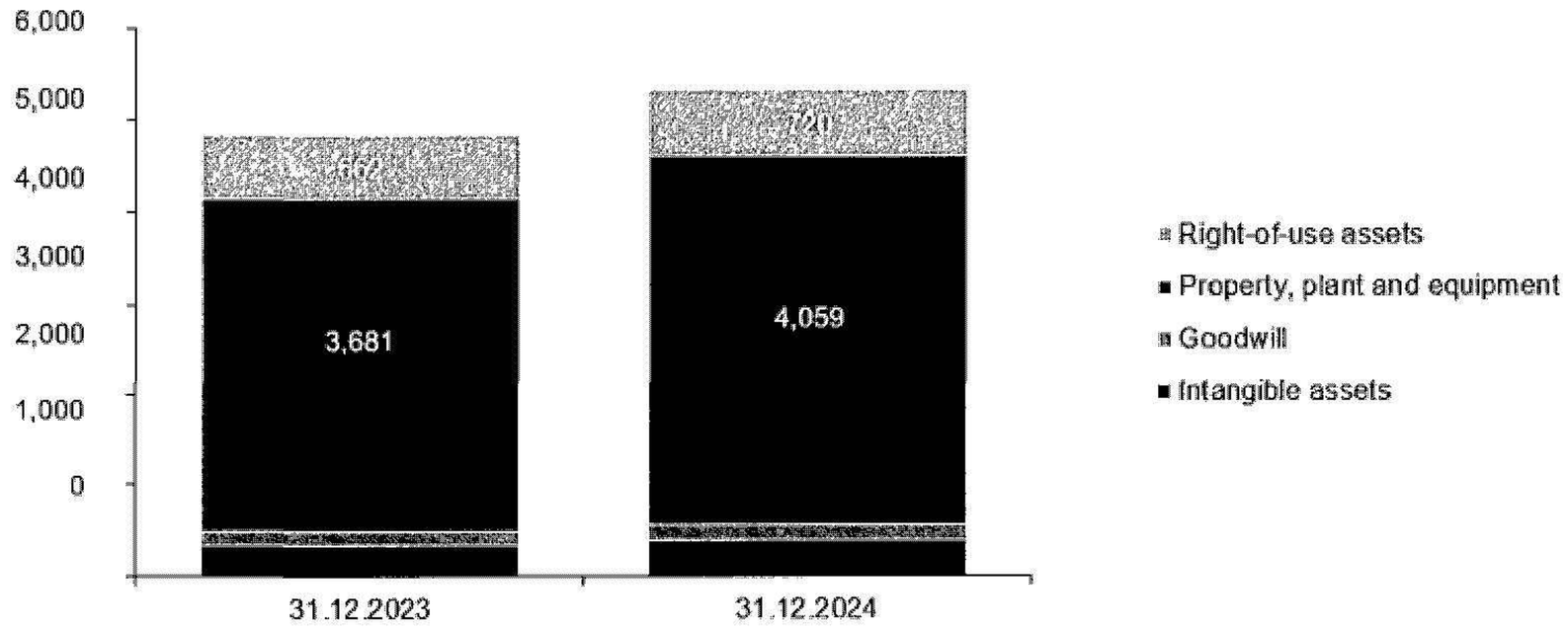
Refer to notes „Significant Accounting Judgements, Estimates and Assumptions“, 7 „Depreciation, amortization and impairment“, 4 „Intangible Assets”, 5 „Property, plant and equipment“, 6 „Leases“.

Risk for the Consolidated Financial Statements

In the consolidated financial statements of Borealis AG, as of December 31, 2024, an amount of EUR 4,059 million is presented under „property, plant and equipment“, an amount of EUR 720 million under „right-of-use assets“ and an amount of EUR 551 million is presented under

„intangible assets“ which includes goodwill in the amount of EUR 158 million. These amounts are then allocated to cash generating units (‘CGUs’) as described in Note 7 „Depreciation, Amortization and Impairment“.

Composition of Assets
EUR million



Most significant part of the assets are included in the following CGUs:

- Polyethylene
- Polypropylene
- Basic chemicals

Furthermore, the Recyclates and Renasci CGUs are in focus due to the strategic orientation of the Borealis Group.

An impairment trigger analysis is carried out quarterly for all CGUs, which includes both external and internal factors in both qualitative and quantitative terms. In addition, goodwill is tested for impairment at least once a year (November 30, 2024). For this purpose, Borealis AG estimates the recoverable amount using the discounted cash flow method for CGUs.

The „impairment trigger analysis" includes the following parameters: forecasted sales volumes, industry margins, discount rates, significant changes in capital expenditure, regulatory changes. The key assumptions on which Borealis AG focuses in determining the recoverable amount include forecasted sales volumes, industry margins, discount rates and the sustainable growth rate.

As described in Note 7 "Depreciation, Amortization and Impairment", these significant assumptions are forward-looking and can be affected by future economic and market conditions.

Borealis AG recorded an impairment loss of EUR 10 million on „property plant and equipment“, as of December 31, 2024 due to impairments recognized in relation to the Renasci CGU. Please refer to Note 7 „Depreciation, Amortization and Impairment“ for the underlying disclosure notes.

There is a risk for the consolidated financial statements that the valuation of property, plant and equipment, right-of-use assets and intangible assets is misstated.

Our Response

The procedures we performed to evaluate the impairment assessments:

- We examined an understanding over Borealis AG's process for evaluating the recoverable amount of relevant CGUs, as well as over the identification of triggering events and the determination of key management assumptions underlying the recoverable amount of the assets tested.
- We assessed the adequacy of Borealis AG's disclosures in the consolidated financial statements and its compliance with the relevant IFRS standards.
- We assessed the determination of cash generating units based on how cash flows are generated and industry practice.

For the CGUs polyethylene, polypropylene, basic chemicals and recyclates, we additionally performed the following audit procedures:

- We assessed whether the methodology adopted in the discounted cash flow models was consistent with accepted valuation approaches in IAS 36 - Impairment of Assets.
- We compared the key assumptions for volumes sold and industry margins used within the future cash flow models to those included in the mid-term planning presented to the supervisory board.
- We discussed the key assumptions of the impairment tests, in particular the forecast sales volumes and the industry margins, in detail with the responsible employees and compared expectations regarding future developments with the estimates used by the Company.
- We challenged the discounted cash flow models assumptions and judgements by performing a sensitivity analysis, considering a range of likely outcomes based on various scenarios.
- With the assistance of our valuation specialists we assessed a range of reasonable input assumptions for determining discount rates as well as long term growth rates by comparing them with market and industry-specific benchmarks.
- We verified the mathematical accuracy of the discounted cash flow models.

We also performed the following audit procedures for the Renasci CGU:

- We assessed whether the methodology used in the impairment trigger analysis is consistent with the recognized principles in IAS 36 - Impairment / Reversal of Impairment of Assets.

<u>Recoverability of equity-accounted investments and the shareholder loans to these investments</u>

Refer to notes „Significant Accounting Judgements, Estimates and Assumptions“, 7 „Depreciation, amortization and impairment“, 9 „Investments in Associates Companies and Joint Ventures“ and „10 Other Investments, Other Receivables and Other Assets and Loans Granted".

Risk for the Consolidated Financial Statements

The carrying value of equity-accounted investments amounts to EUR 2,431 million as of December 31, 2024, including mainly Borouge PLC, Borouge 4 LLC and Bayport Polymers LLC

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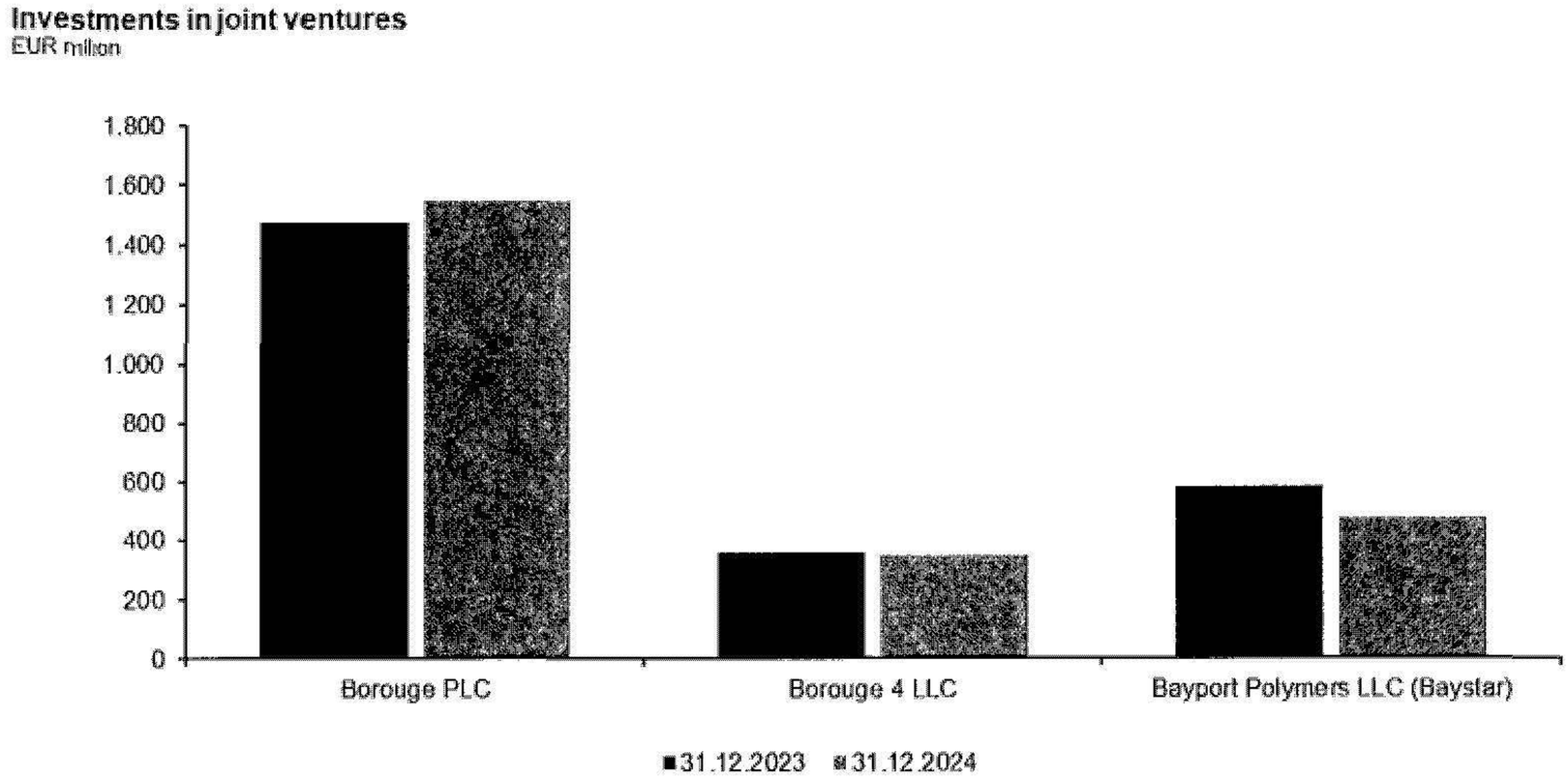
('Baystar') joint ventures. Significant shareholder loans are also included in the item loans granted.



Under IAS 28 Borealis assesses the recoverability of the investments in associated companies and joint ventures on each reporting date whenever triggering events occur that indicate that equity accounted investments may be impaired. The assessment of the recoverable amount of equity-accounted investments requires judgement in:

- determining whether there is an indication that the investment should be impaired and
- measuring any such impairment loss.

The investment Borouge PLC is listed on the Abu Dhabi stock exchange. As the pro rata market capitalization significantly exceeds the carrying amount of the investment and the investment regularly makes high dividend distributions from current earnings, we do not assume any significant valuation risk for this investment.

The key judgmental areas considered by Borealis AG in assessing the value in use equity for the at equity accounted investment Baystar include forecasted volumes sold, industry margins, discount rates as well as long term growth rates.

Despite the operational launch of the cracker in 2022 there is still a risk remaining in relation to cashflow projections due to equipment calibration of the of the cracker and the polymerization plant „Bay 3".

In order to address this risk, Borealis AG estimates the recoverable amount using the discounted cash flow method. Given the complexity of the impairment model, the estimation uncertainty over input data and parameters used and the immanent discretionary decisions related to the progress of production stabilisation, the recoverability of the equity accounted investment Baystar is considered as a key audit matter.

For the investment Borouge 4 LLC, which is in the process of constructing a chemical plant in Abu Dhabi, there is a risk of significant delays in the construction of the plant.

There is a risk for the consolidated financial statements that the valuation of equity-accounted investments is misstated.

Our response

We assessed the recoverability of equity-accounted investments as well as shareholder loans granted depending on the risks described above as follows:

- We obtained an understanding over Borealis AG's process regarding the identification of indicators for impairment and the determination of key assumptions underlying the recoverable amount of the equity-accounted investments tested as well as shareholder loans granted.
- We assessed the adequacy of Borealis AG's disclosures in the consolidated financial statements and its compliance with the relevant IFRS standards.

We used the Company's documentation for Borouge 4 LLC to assess whether the business plan drawn up when the construction of the plant was initiated is still valid, whether significant delays had occurred in the construction process and discussed the respective project with the Company's Management Board.

For Baystar we performed the following procedures:

- We compared the main assumptions used within the future cash flow models for volumes sold and industry margins to those included in the mid-term planning presented to the supervisory board.
- We analyzed margin forecasts with external market data and other publicly available information.
- We challenged the discounted cash flow models assumptions and judgements by performing a sensitivity analysis, considering a range of likely outcomes based on various scenarios.
- With the assistance of our valuation specialists we assessed a range of reasonable input assumptions for determining discount rates and perpetual growth rates.
- We verified the mathematical accuracy of the valuation models.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intents to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and

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to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with the AP Regulation and Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the AP Regulation and Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We plan and conduct the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence on the financial information of the components within the Group, in order to form an audit opinion. We are responsible for directing, supervising and reviewing the audit activities carried out for the purposes of auditing the consolidated financial statements. We remain solely responsible for our audit opinion.
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.

– From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Report on Other Legal Requirements

Group Management Report

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

It is our responsibility to determine whether the consolidated non-financial statement has been prepared as part of the group management report, to read and assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact.

Management is responsible for the preparation of the group management report in accordance with Austrian company law and other legal or regulatory requirements.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports.

Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Additional Information in accordance with Article 10 AP Regulation

We were elected as auditors at the Annual General Meeting on May 3, 2024 and were appointed by the supervisory board on May 15, 2024 to audit the financial statements of Company for the financial year ending on December 31, 2024.

We have been auditors of the Company since the consolidated financial statements at December 31, 2024.

We declare that our opinion expressed in the „Report on the Consolidated Financial Statements" section of our report is consistent with our additional report to the Audit Committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Group.

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Engagement Partner

The engagement partner is Mr. Karl Braun.

Vienna, March 4, 2025

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed

Karl Braun
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid. The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the group management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

IMPRINT
This report is available in English and German. The original version was written in English. Both documents are available online and can be downloaded from www.borealisgroup.com.

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Sustainability Report advisor: EY denkstatt GmbH
Graphic Design: Martina Veratschnig and Borealis AG
Cover image: Johny Goerend on Unsplash
Published in April 2025

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