



REIMAGINING PROGRESS THROUGH SUSTAINABILITY

SUSTAINABILITY REPORT 2021

CEO Statement



Hazeem Sultan Al Suwaidi,
Chief Executive Officer

In 2021, the United Arab Emirates marked its Golden Jubilee year, a special moment in history celebrating the country's remarkable journey. The year was filled with many triumphs; the UAE announcing its 'Net Zero by 2050 Strategic Initiative' and Abu Dhabi being selected to host the COP28 climate conference.

This year has been equally rewarding for us as we mirror the UAE's growth trajectory and prepare to enter a new era of accelerated growth with our expansion.

We are committed to contributing to the UAE's strategic goals while pursuing excellence and innovation. We do this with a strong commitment to sustainability in our operations and through the end-use applications of our solutions.

We remain committed to the wellbeing of our society and the preservation of the environment while addressing the economic expectations of our shareholders.

At Borouge, we emphasise on the performance, profitability, and efficiency of our operations, and enhance the contribution and development of our people, while actively contributing to the United Nations Sustainable Development Goals (SDGs).

As we reflect on our 2021 performance and discuss our 2022 priorities, we would like to highlight in this report, major sustainability milestones achieved in 2021 that paved the way for an even brighter tomorrow.

Our shareholders made the final investment decision on Borouge 4; our fourth expansion of Borouge's integrated polyolefins complex in Ruwais and a cornerstone of our 2030 growth journey.

This expansion will drive Borouge to become one of the world's largest integrated polyolefin complexes, boosting our production of sustainable and differentiated polymers solutions to meet customer demand across the Middle East, Africa, and Asia. We were also thrilled to announce the successful start-up of our new PP5 plant in our Borouge 3 facility in Ruwais.

Together, these will boost our annual capacity to meet the growing global demand for recyclable advanced packaging and infrastructure solutions, furthering our vision to deliver solutions that have a positive impact on society. While we are focused on growth, we are committed to doing this responsibly.

We are honoured to have won the ADNOC HSE Excellence Award for our Ruwais Environmental Sustainability Programme (RESP) - our response to pursue carbon neutrality to support ADNOC's and the UAE's sustainability vision.

Through RESP, we were able to enhance the sustainability of operations by reducing flaring, emissions, water, and energy consumption. In 2021, we recorded the lowest flaring in our history. More importantly, RESP laid the foundation for further success by strengthening the sustainability focus and culture within the company.

Borouge is committed to driving circularity for a zero-waste environment. As a result, we officially added recyclates into our portfolio, marking an important milestone for our 2030 strategy and to become a total solutions provider.

We aim to continue on this path, build a comprehensive recycle portfolio to commercialise new packaging applications, and support the transition to a circular economy, further strengthening our commitment towards environmental stewardship.

At Borouge, we strive to ensure the safety of our people, business continuity and operations to demonstrate resilience as an organisation. Unfortunately, despite our best efforts, we regret to report that we lost a member of the Borouge family who endured a fatal injury at our plant. Our heartfelt condolences go out to his family. Borouge's facilities are world class as we apply the best practices and pursue continual improvement of our operations. Nonetheless, we need to collectively work to maintain a safe workplace for all. 100% HSE is and will always remain as our top priority.

We have reinforced our strong participation through various safety initiatives such as our Safety Day, which attracted over 4,500 participants.

We conducted 1,800+ Health, Safety and Environmental (HSE) group engagements and received 600 HSE recognitions. We are proud to invest in our people development and talent acquisition for which we received five awards from ADNOC.

As we look ahead to the future, I believe that 2022 will bring many new opportunities and means for us to proactively steer our ambitions in response to the changing business environment. We are optimistic that the coming year will continue in the spirit of collaboration to achieve our long-term vision - contributing to the best of our abilities in driving continued positive change.

Our Journey

<p>1998 Borouge is established in Abu Dhabi and Singapore</p> 	<p>2005 Polyolefin production in Abu Dhabi expands to 600,000 t/y</p> 	<p>2007 Launch of the 'Water for the World' initiative with Borealis</p> 	<p>2013 Borouge achieves RC 14001 certification</p> 	<p>2015 Innovation Centre inauguration in Abu Dhabi</p> 	<p>2017 Anteo™ globally launched with Borealis</p> 	<p>2019 Winning the gold category of the Sheikh Khalifa Excellence Award (SKEA) for the second time</p> 	<p>2021 Received shareholders' approval to proceed with the final investment decision for Borouge 4 and commences start up of PP5</p> 
<p>2001 Polyolefin production commences in Abu Dhabi with 450,000 t/y</p> 	<p>2006 Borouge signs the Responsible Care® RC Global Charter</p> 	<p>2010 Compounding Manufacturing Plant in Shanghai starts producing 50,000 t/y</p> 	<p>2014 Polyolefin production in Abu Dhabi expands to 4.5 million t/y</p> 	<p>2016 Borouge achieves OHSAS 18001 certification</p> 	<p>2018 Celebrating the groundbreaking of PP5 unit in Ruwais to grow polypropylene capacity to 2.24 million t/y</p> 	<p>2020 Establishing new marketing company in Egypt</p> 	<p>2020 Producing a special polypropylene grade to make face masks</p> 
<p>2006 Borouge co-founds the Gulf Petrochemicals and Chemicals Association</p> 	<p>2010 Polyolefin production in Abu Dhabi expands to 2 million t/y</p> 	<p>2014 Polyolefin production in Abu Dhabi expands to 4.5 million t/y</p> 	<p>2016 Borouge achieves OHSAS 18001 certification</p> 	<p>2018 XLPE production commences in Abu Dhabi</p> 	<p>2020 Producing a special polypropylene grade to make face masks</p> 	<p>2020 Producing a special polypropylene grade to make face masks</p> 	<p>2021 Producing a special polypropylene grade to make face masks</p> 

Borouge 2030 strategy

Our Borouge 2030 Strategy (B2030 Strategy) works to proactively steer our business ambitions in response to the changing business environment over the last years.

The strategy is centered on the three main themes in our journey, **Excellence**, **Identity** and **Growth**, to achieve our long-term vision.

B2030 Strategy:

Maintain “differentiated at scale” as the key positioning of Borouge	Increase our capacity to 8.5 MTA, leveraging our market growth
Pursue excellence and drive margin efforts across the value chain	Explore offering recyclates as part of our product portfolio

By implementing this strategy, we aim at expanding our capabilities, strengthen our market position and be recognised for our innovative polyolefin solutions.

We believe this can be achieved by growing our production capacity, pursuing excellence, providing differentiated products to our customers with better value and pursuing circularity during their use.

To date, the B2030 Strategy has delivered the desired results, remained robust, and is aligned with our vision, mission and values, and we are continuing its rigorous implementation.

Highlights 2021



Excellence

- Achieved outstanding performance for Greenhouse Gas Emissions (GHG)
- Won ADNOC HSE Excellence Award - Ruwais Environmental Sustainability Programme (RESP)
- Achieved lowest ever actual flaring with 52 Kt
- Human Capital received awards in UAE, Singapore and China
- Attained outstanding In-Country Value (ICV) results of 69% against 60% target
- Record First Time Right (FIR) 96.1%

Identity

- 1,800+ HSE Group Engagements, 600+ HSE recognitions 4,500+ participants for safety day, and 97% completion of behavioural based safety L1& L2 training
- Profit Improvement Programme 21 reliability improvements with 154.3 MUSD
- CSR initiatives have positively impacted over 5,000 people across four countries
- Launched Leadership Development Programmes
- Successful Khalifa Port Contract Award, 25-year agreement with ADNOC L&S with an ICV contribution of 85%
- Lowest justified customer complaints in the last six years (0.019)

Growth

- Borouge 4 - Final Investment Decision approved, and all EPC contracts awarded; on time and below budget
- Invested over USD 20 million in Anteo™
- Reached outstanding EBITDA margin of 44%
- Added recyclates to our portfolio
- Successfully implemented OneERP Programme
- All time record of 12 new products commercially launched in 2021

Our Company

Borouge is a leading petrochemicals company that provides creative polyolefin solutions for a wide range of industries.

Established in 1998, as a strategic partnership between the Abu Dhabi National Oil Company (ADNOC) and Borealis, one of the world's leading providers of advanced and circular polyolefin solutions and a European market leader in base chemicals, fertilizers and the mechanical recycling of polyolefin.

Employs more than 3,100 people with 49 nationalities, serving customers across the Middle East, Asia, and Africa. Borouge is made up of two entities:

- Abu Dhabi Polymers Company (Borouge) is a production company based in Abu Dhabi and primarily responsible for petrochemicals production, commonly referred to as "Borouge ADP"
- Borouge Pte is headquartered in Singapore and primarily responsible for the marketing, sales, and delivery of products to the customers of Borouge around the globe

From hereafter, the entire company and all its entities are referred to as "Borouge", thereby representing them all as one company sharing the same vision, mission, brand, values, and strategy.

Ownership



Our Vision

The recognised leader in creative polyolefin solutions that have a positive impact on society today and tomorrow.

Our Mission

Value creation through people and innovation.

Our Values

At Borouge, we are one family working together in making Borouge a greater place for us and generations to come, through living and breathing our five values of progressive, collaborative, responsible, respectful and efficient.

Our Operations

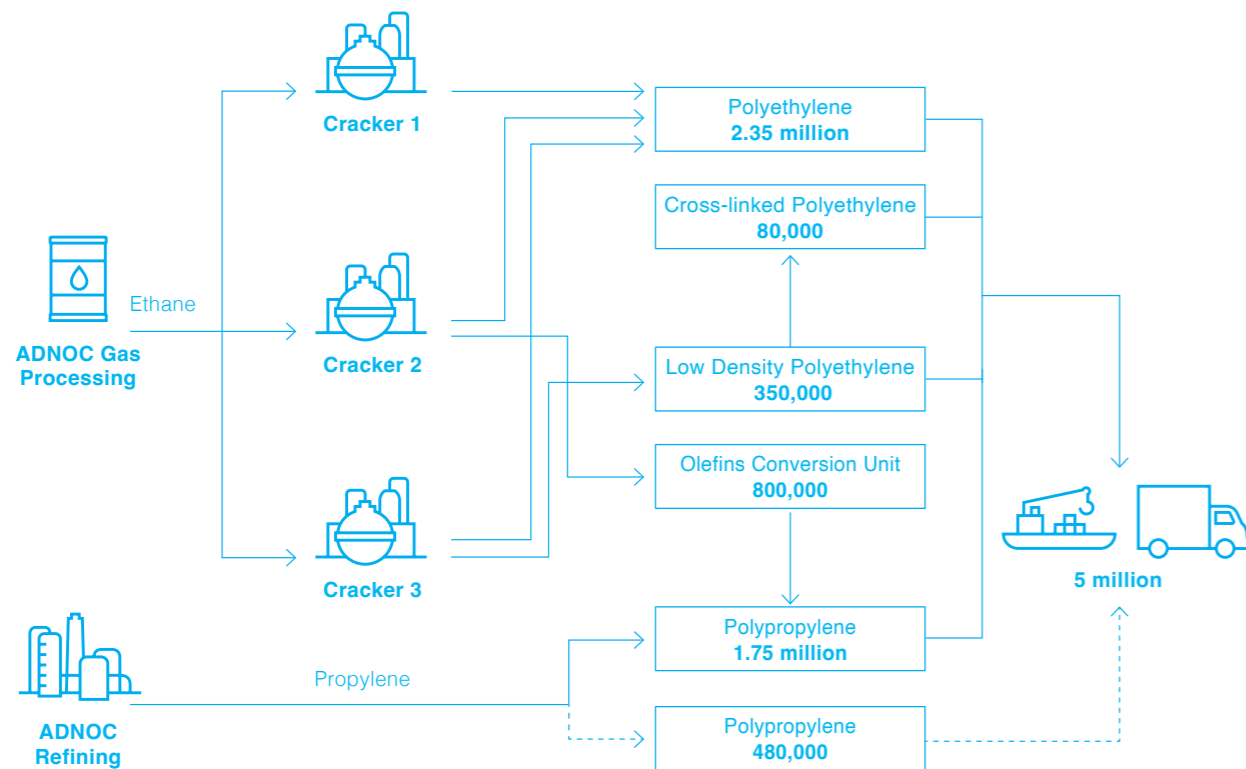
Our petrochemicals manufacturing plant is located in Ruwais at a distance of about 250 kilometres west of Abu Dhabi City. The facility has an annual capacity to produce 5 million tonnes of polyethylene (PE) and polypropylene (PP). The complex is also the largest Borstar® process technology-based plant in the world, providing enhanced innovative bimodal polymers for a broad range of polyolefin applications.

In 2021, we remained on track to increase our production capacity.

We received shareholders' approval to proceed with the final investment decision for Borouge 4, the next mega-project expansion that will significantly increase our production capacity. By 2025, Borouge will become one of the world's largest integrated polyolefin complexes.

Commissioning of our fifth polypropylene plant (PP5) started at the end of 2021 and the plant started up successfully in 2022, signalling further growth in our capacity in our journey of growth.

Annual manufacturing capacities of the Ruwais operations (in tonnes)



In addition to our production site in Abu Dhabi, we have a Compounding Manufacturing Plant (CMP) in Shanghai, which compounds resins from the Ruwais plant specifically for the Asian automotive industry.

The plant commenced operation in 2010 with an annual capacity of 50,000 tonnes, which was then expanded to reach 90,000 tonnes in 2015.

We have various logistics hubs in different locations, such as China, in addition to the UAE gateways at Khalifa Port and Jebel Ali Port, and our Regional Distribution Centre in Ruwais.

We maintain a well-spread and efficient Sales and Marketing network to meet the needs of our customers around the world, including in Abu Dhabi, Singapore, Beijing, New Delhi, Shanghai, Tokyo, and Cairo.

This is further supported by our network of agents and distributors in other locations.

Our International Presence



Committed to Sustainability

At Borouge, we are committed to explore and drive opportunities towards a circular economy, wellbeing of society and preservation of the environment, while addressing the economic expectations of our shareholders. We conduct our business within the framework of our vision, mission, and values, and in accordance with applicable laws, regulations, and industry standards.

As a signatory of the chemical industry's Responsible Care® Global Charter, we apply best practices and pursue continual improvement.

Also, as members of the Gulf Petrochemicals and Chemicals Association (GPCA) and the Singapore Chemical Industry Council (SCIC), we continuously work with our peers to regularly improve industry standards.

Guided by our sustainability policy and framework, we are integrating sustainability into our daily operations and are relentlessly driving efficiency through resources' optimisation.

Borouge Sustainability Framework



We remain committed to demonstrating continuous leadership in responsible operations through our Sustainability Function, which oversees the sustainability performance across our company and aims to decouple our ongoing economic and operational growth from any potential negative environmental and social impacts while maintaining the positive impact of our products.

In 2022, we will refresh our Borouge Sustainability Strategy with ambitious long-term targets.

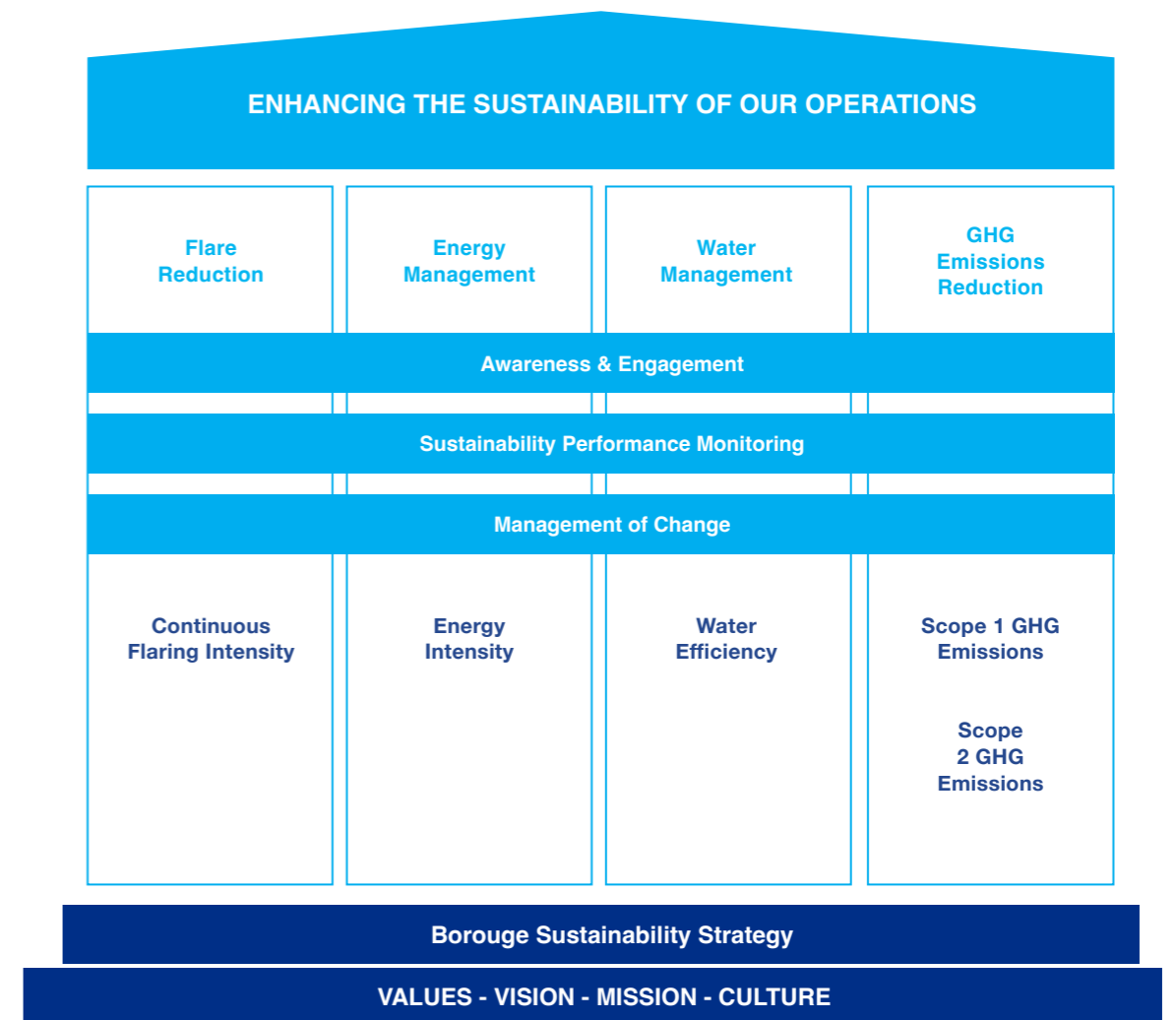
Ruwais Environmental Sustainability Programme

To signal our commitment to mitigating our environmental impact, we launched our Ruwais Environmental Sustainability Programme (RESP) in 2020 yielding positive results during the year.

Through the implementation of RESP, we were able to achieve significant optimisation, particularly through our zero flaring, energy efficiency projects, while improving the livelihood of the Ruwais region's community.

Compared to the 2018 baseline we managed to:

2025 Targets	Reduce continuous flaring by 100%	Increase water efficiency by 25%	Reduce energy intensity by 28%	Reduce scope 1 GHGs emissions by 22%	Reduce scope 2 GHGs emission by 19%
2021 Performance	-57%	-20%	-21%	-20%	-10%



Responsible Care

Guided by the International Council of Chemical Associations (ICCA), the Responsible Care® Global Charter was launched in 1985 in Canada as the chemical industry’s global voluntary initiative under which companies, through their national associations, work effectively to continuously improve HSE performance across the entire value chain. Borouge co-signed the Responsible Care® Global Charter with Borealis in 2006, being one of the first Gulf-based company to do so.

This commitment continues to evolve along the years.

Our Responsible Care® Journey



Borouge is certified for RC 14001:2015, demonstrating our commitment towards keeping pace with changes in the petrochemicals industry standards in process safety, HSE and security management systems and their integration in our core business processes. The latest RC 14001:2015 broadens the scope of the Environmental Management System standard (ISO 14001:2015), the Occupational Health and Safety standard (OHSAS 18001:2007) and the Energy Management System standard (ISO 50001:2018), covering the following key codes:

- Community awareness and emergency response
- Distribution
- Product stewardship
- Security
- Health and safety
- Process safety
- Environmental protection

Stakeholder Engagement

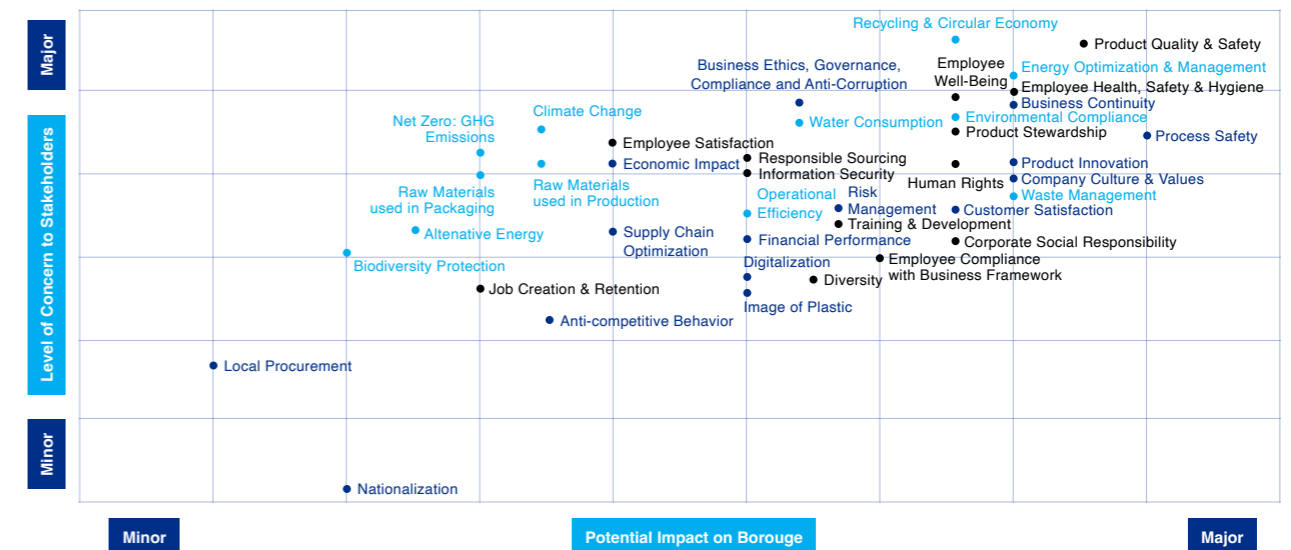
Throughout Borouge, we continuously consider our stakeholders and their concerns, expectations and requirements in all our business processes, activities, decision-making process and long-term sustainability approach.

Our key stakeholders include our shareholders, customers, employees, suppliers and contractors, government institutions, environmental NGOs, industry associations and brand owners, academic institutions, and media as well as the communities where we operate in and especially the societies affected by the products and projects we deliver.

In line with our commitment to regularly reach out and listen to the concerns of our stakeholders, we completed in 2021 our bi-annual comprehensive Stakeholder Engagement and Materiality Review across a broad range of internal and external stakeholders. The review was based on industry’s specific topics and closely linked to the United Nations Sustainable Development Goals to identify key areas of focus.

- Business ethics and governance
- Human rights and worker protection
- Employee health, safety and hygiene
- Environmental compliance
- Water consumption
- Energy optimisation and management
- Process safety
- Product stewardship
- Product quality and safety
- Business continuity
- Recycling and circular economy

Stakeholder Materiality Matrix



Sustainability Goals 2021

In 2015, we developed a set of Sustainability Goals to enhance the long-term sustainable development of Borouge. There are six goals based on People, Planet and Profit, and each has quantifiable targets covering a broad spectrum of the operations and activities of Borouge.

The targets were rolled out in 2016, and are designed to optimise the social, environmental, and economic impact of our operations.

Our Sustainability Goals were developed through in-depth collaboration and engagement with the organisation and the Borouge Sustainability Committee. As they are company-wide goals, everyone can contribute to their achievement.

The following illustration demonstrates the outcomes of our 2021 Sustainability Goals. We successfully achieved all of our 2021 Sustainability People Goals. However, we did not meet two targets from the Planet and Profit goals.

This was due to our current strategy transformation, as our innovation strategy advances, these two goals no longer apply to our operations' priorities as we move towards a more sustainable product portfolio.

The Product Sustainability Index (PSI) goal focused on assessing products or grades related to single use plastic packaging. However, our business strategy changed to minimise these and focus on advanced packaging solutions.



PEOPLE SOCIAL RESPONSIBILITY

Results	Protect and Promote the Well-Being of Our People	Foster the Welfare of Our Communities	Results
✓	We will consistently outperform the industry's benchmark for occupational safety	We will introduce a Responsible Sourcing Code of Conduct for our Suppliers	✓
✓	We will significantly increase the UAE National workforce in line with national targets	We will increase the number of local suppliers of chemicals, additives and packaging by 8%	8%
✓	We will fully implement our Employee Engagement survey's Action Plans	We will introduce 4 new community initiatives	4

PLANET ENVIRONMENTAL STEWARDSHIP

Results	Optimise the Use of Our Resources	Improve the Environmental Impact of Our Products	Results
-29%	We will reduce our energy consumption by 14% per tonne produced	We will reduce our flaring by 60% per tonne produced	-75%
-16%	We will decrease our consumption of industrial water by 6% per tonne produced	We will decrease our hazardous waste by 40%	-47%
99%	We will continuously utilise at least 98% of our available feedstock	We will ensure that more than half of our innovation projects have a minimum Product Sustainability Index of 70%	35%

PROFIT ECONOMIC GROWTH

Results	Secure Our Future & Enhance Our Reputation	Pursue Economic Prosperity & Growth	Results
✓	We will consistently outperform the industry's benchmark for process safety	We will achieve the targets of our "Excellence" programme	✓
✓	We will fully embed robust Business Continuity Plans for our prioritised business processes	We will increase the volume of polymers we bring to the market by 65%	36%
-67%	We will decrease our justified product and service complaints by more than 40%	We will increase the proportion of new products sales to 20%	25%

About Borouge

Circular Economy and Plastics Advocacy

Borouge has committed itself to explore and drive opportunities towards a circular economy. Reducing our impact on the environment and the accumulation of land and marine litter due to the irresponsible behaviour of some members of society and the arbitrary disposal of waste, requires concerted efforts and collaboration across the value chain.

As a responsible petrochemicals company, Borouge believes that achieving a zero waste plastics circular economy requires strong and concerted actions by governments, industry, consumers, and society.

We strongly advocate the reuse of plastic products and the recycling of post consumer waste into second generation products and therefore in 2021, we continued our efforts as part of our ongoing commitment to sustainability and towards a circular economy. These efforts are aligned with the recent updates to our corporate strategy that have strengthened our focus to drive and explore opportunities that a circular economy provides.

At Borouge, we continue to provide and further develop solutions that are fully recyclable, and we have achieved our ambition to add recyclates as part of our product portfolio. Therefore, we are developing new ways to reduce material use, extend the durability of products, promote new designs that enhance reuse and recycling, and encourage the use of recyclates where possible across our value chain.



About Borouge

“We continue to work closely with our customers and value chain partners to support them in achieving their own circular economy commitments – to increase recycled content and design their products for recyclability.”

Packaging Centre of Excellence (PCoE)

Borouge Innovation Centre has established the Packaging Centre of Excellence (PCoE) to drive a circular economy and encourage cross-value chain collaboration.

PCoE in close collaboration with the Circular Economy Team based in Singapore, has contributed to the technical development, evaluation and screening of recycled PE and PP from recycling partners. The team developed various proof of concept for Post-consumer Recyclates (PCR) containing packaging solutions.

The team has collaborated with stakeholders to develop mono-material solutions based on Borouge products. For sustainable packaging applications, Borouge collaborates with its value chain partners to develop and commercialise mono-material laminates suitable for everyday use.” And then the other matter on mono-material follows.

Borouge created an ultra-high stiffness, high-density polyethylene with a formulation designed for lamitubes to enable a mono-material flexible packaging solution for toothpaste tubes, enabling these tubes to be recycled rather than ending up as plastic waste. The advancement of mono-material packaging

with quality performance and functionality is a major breakthrough for advancing circularity.

Borouge Officially Adds Recyclates to its Portfolio

As a result of our continuous efforts, in 2021, Borouge officially added recyclates to its portfolio. Borouge entered into an agreement with Singapore-based recycling company, Plaspulp Union Pte Ltd. to officially commercialise mechanically recycled polyolefins.

We now offer recyclates along with virgin polyolefin solutions, marking an important milestone in realising our 2030 strategy and becoming a total solutions provider.

Borouge enters into collaboration to expand recyclate portfolio in China

In 2021, Borouge signed a Memorandum of Understanding (MOU) with Suzhou Jinhui Technology Materials Co. Ltd (Suzhou Jinhui).

This collaboration will enable Borouge to access recyclates in China, in addition to further developing and commercialising new packaging applications that incorporate recyclates, while driving sustainability and meeting the rising demand for circular packaging.



Taking an initial step to address one of the major sources of marine litter in the Pacific Ocean, Borouge is collaborating with Borealis, SYSTEMIQ and several industry partners in Project STOP to develop sustainable waste management models in cities in South East Asia.

The project aims at creating low-cost, circular waste management systems in cities with high leakage rates.

In 2021, Borouge signed a new partnership to support the launch of RECAPP application which is the UAE’s first free-of-charge digital door-to-door service collecting recyclables and rewarding responsible behaviour for its members.

This year we developed the Borouge Ambassadors Programme to increase the internal capacity amongst our own number of employees who support us in our drive to reach the maximum number of people that advocate the benefits of our solutions, their contribution to addressing global challenges and support in shifting the irresponsible behaviour of some members of society.

Enhancing Innovation

Innovation is a major contributor to the sustainable development of Borouge and the polyolefin industry. To fulfil our mission of “value creation through people and innovation”, we strive to be one of the most innovative companies in the petrochemicals industry. Borouge Innovation operates at two sites, the Innovation Centre in Abu Dhabi and the Application Centre in Shanghai. The Borouge Innovation Centre is located in Abu Dhabi, UAE.

By driving innovation in all corners of the organisation, we strengthen our competitive advantage and improve the quality and sustainability of our products. We strive to develop an innovative mindset; one that embraces new technologies, ideas and is open on how to leverage them.

Our Innovation Centre in Abu Dhabi serves as a focal point of innovation in the field of polymer development and application technology.

It includes extensive laboratory and application development resources, supporting the unique capability of Borouge in providing expertise in polymer analysis, processing, and application testing.



The Borouge Innovation Centre is located in Abu Dhabi, UAE

The Borouge Innovation Centre is an important landmark for Abu Dhabi’s economy and a key contributor to the development of a knowledge-based economy in the UAE. It works closely with the European Innovation Centres within Borealis, as well as international and local educational bodies, such as Khalifa University, to further develop the competence of polymer science in the UAE.

All time record of 12 new products commercially launched in 2021

Collaborating with Marketing and Operations, Borouge Innovation has been driving our “differentiated at scale” strategy which resulted in a record number of launches - 12 new products in 2021. This outstanding performance was achieved based on an enhanced focus on differentiation, a structured approach of turning capitalising on every opportunity.

RH668MO – The clear choice for premium household

RH668MO is a new addition to Borouge’s comprehensive random copolymer portfolio, bringing excellent clarity and stiffness-impact benefits to specialty household and food packaging through the proprietary Borstar® Nucleation Technology (BNT). The combination of high flow and BNT, the material’s fast crystallisation and the potential to run at lower processing temperatures allow for cycle time reduction and energy savings compared to normal polypropylene (PP) random copolymer grades, providing superior productivity, cost savings and sustainability benefits. RH668MO is fully recyclable and purpose-designed for reuse applications.

About Borouge

Newest ANTEO™ application solutions development

ANTEO™ FK1820 /FK1828 and ANTEO™ FK2715 were successfully developed for new applications; lamination films and collation shrink films respectively. Anteo™ FK1820 and FK1828 promote high throughput and cost-efficient processing in blown film production. They exhibit an outstanding seal performance, improved optical clarity, superior puncture and tear resistance.

Anteo FK2715 enables energy savings by processing at lower temperatures and motor load with excellent bubble stability. It can be easily recycled as it consists of a single class resin laminate (e.g. Polyethylene (PE) substrate film laminated to a PE sealant film).

This new solution encountered an excellent customer response during promotional events and it was recognised as a sustainable solution development across the regions. Synergies between Borouge and Borealis were key to the success of this project, combined with the unique and excellent properties of Anteo and BorShape/Borstar LLD.

Borouge's Application Research and Development Centre is based in Shanghai and collaborates with the Innovation Centre in Abu Dhabi and the local value chain partners to develop innovative applications for polyolefin in the region.

The Application Centre in Shanghai focuses on innovation in the field of application development for mobility and contributes to supporting sustainability. Recently, lightweight PP compounds for mobility interior parts were developed contributing to lower carbon emissions as well as energy savings through the Borouge value chain.

The Application Centre is also contributing to the development of next generation materials for the Electrical Vehicle (EV) mobility segment, positioning Borouge as a leader in innovative polyolefin solutions in the automotive industry.

Intellectual Property Rights

In 2021, the innovation patent portfolio protected more than 25% of Borouge's sales volume of its value-added business. Borouge patent portfolio exceeded its thousandth patent milestone, including about more than 500 granted patents.

This accomplishment was achieved with the support of over 100 researchers, scientists, and technicians, including 39 UAE Nationals.

Innovation Infrastructure
25 polyolefin research labs
240+ advanced testing equipment
100+ people worldwide
23,000 m ² dedicated space



About Borouge

Addressing Global Challenges

At Borouge, we aim to be at the forefront of addressing global challenges with innovative polyolefin solutions. Amongst many other innovative solutions, we help our customers reduce carbon emissions from road vehicles, design water distribution pipes that serve remote communities in hard-to-reach areas and design greenhouse films that boost crop yields.

While most of our developments focus on reducing carbon footprint, either by reducing product weight or improving cycle times to reduce energy consumption associated with manufacturing and transportation, all of our product innovations optimise the intrinsic benefits of polymers, and in particular, leverage the value of our unique Borstar® technology.



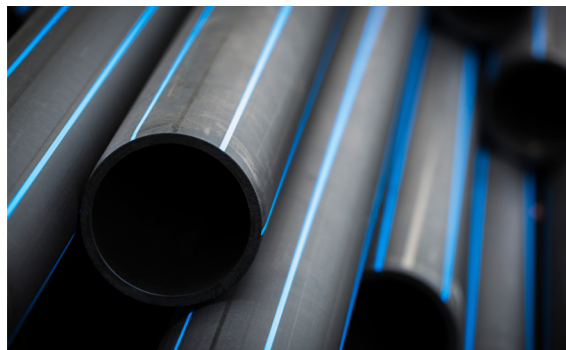
Our Solutions



Energy

There's tremendous potential in the energy sector.

We think beyond cables and voltage, to the lives and economies that thrive on this precious energy.



Infrastructure

Our infrastructure solutions are used in many different industries, including: water/gas distribution and transmission, sanitation, plumbing and heating, industrial, and energy, ensuring the health and safety of communities worldwide.



Mobility

Our mobility innovations make vehicles lighter and more efficient. Beyond materials, our true focus is moving people, and the industry, forward.



Advanced Packaging

Consistency and material advantages are proven benefits of our packaging solution portfolio.

We also work to ensure that produce arrives fresh and tasty, without compromising on sustainability.



Agriculture

When we deliver an agriculture solution, we think about more than a greenhouse. We solve challenges for farmers and their growing businesses, and the communities they feed.



Healthcare

Our healthcare solutions meet the strictest global regulations, and continually earn the trust of the healthcare professionals who use our solutions daily.

Social Responsibility

Borouge is committed to its people, the communities where it operates in and society as a whole by:

- Pursuing a goal of no harm to people and society
- Contributing to solutions that deliver a positive and sustainable impact on people’s lives
- Promoting the health and welfare of our people and the communities where we operate
- Building diverse and multi-cultural human capabilities and creating opportunities for individual growth
- Fostering mutually beneficial partnerships and social initiatives within the industry and society
- Respecting and conforming to relevant social, cultural, legal, and ethical aspects of society

Description	Metric	2017	2018	2019	2020	2021
Employees	No.	3,149	3,013	3,106	3,110	3,125
Gender Balance	Female %	14	14	15	15	15
UAE Nationals	No.	1,241	1,250	1,331	1,364	1,405
Training	Hours (000)	412	525	326	205	312
Safety	(TRI) Frequency	0.21	0.11	0.28	0.17	0.22

The continued growth and expansion of Borouge supports our strategy of growing opportunities and building our human capital capabilities, particularly the national workforce of the UAE. We are also keen on enhancing the communities where we operate in.

Borouge has always been a pioneering and progressive employer.

Recognising that our people are the primary source of our competitiveness, we drive people to maximise and excel in their performance by creating an environment where collaboration, responsibility and progressiveness are encouraged.

The core principles of our human resources policy are equality of opportunity, continuous personal development, fairness, mutual trust and teamwork.

We believe in partnering with the business and remaining focused on empowering our people, enabling them to reach their full potential and deliver value.

Borouge Talent Acquisition team wins five awards

Borouge’s Talent Acquisition team received a total of five awards during the second ADNOC Group Town Hall held on 27 October 2021. The team was awarded for their valuable contributions in attracting and hiring top talent to the company, helping advance Borouge’s Gender Balance Strategy and living our values.

Borouge wins Top Human Resources Management Award in China

Borouge won for the first time the ‘2021 Top Human Resources Management Award’ in China. The Top HR Management Award is a prestigious recognition for our entire Asia North team. It reaffirms Borouge’s investment into its most valuable assets – our people. This achievement was possible as result of Borouge’s variety of training and career advancement opportunities, including initiatives which support employee wellbeing.

HR team in Singapore named “5-Star Employer of Choice” by HRD Asia for the second consecutive year

Human Resources Director (HRD) Asia has named Borouge as “5-Star Employer of Choice” 2021 in Singapore for the second consecutive year. Achieving this award is testament to Borouge’s unwavering commitment towards putting our employees first.

The prestigious HR award programme recognises companies which showcase a long-standing commitment to the overall employee experience. Winners are chosen based on their consistent achievements across various areas such as leadership, learning and development, well-being, and diversity and inclusion. Most importantly, winning companies also demonstrated their abilities in the face of a prolonged pandemic.

At Borouge, we believe in acquiring talent, developing skills, engaging individuals in multiple projects, and providing them with world-class experience and exposure.

We are always developing and applying the latest technologies to foster a culture where innovation and inclusion are embraced, and a collaborative learning environment which maximises everyone’s potential, while keeping our core values at the center of these activities.



People

In line with our vision of being a SMART organisation, we have launched updated mobility applications to support our employees in efficient remote working.

We transitioned towards digitalisation with our “One Enterprise Resource Planning (ERP)” programme, to keep quality performance improvement and customer satisfaction at the forefront of all levels of the organisation.

The OneERP Programme will replace all standalone ERP systems by unifying the Group’s digital experience around one integrated solution.

We will continue to modernise our processes by implementing leading-edge digital solutions in recruitment and learning and development. Our goal is to take another step on our journey to continue being an attractive and effective learning organisation, to support our sustainable growth.

Borouge has prepared itself for 2022, by developing Human Capital and Administration 2025 plans as well as the Borouge 4 people strategy. Borouge will continue working on the key priorities by driving engagement, optimising costs, living our values, and sharing constructive feedback to become a truly agile company that is fit for the future.

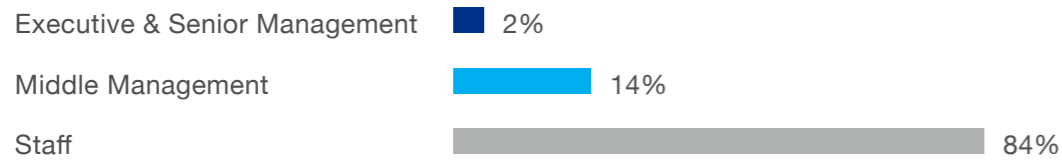


Diversity and Inclusion

At Borouge we recognise that creating an engaged, diverse, and capable organisation is critical to our ongoing success. Embracing diversity within Borouge, enables us to attract skilled and talented people from a wide variety of backgrounds.

The range of background, experience and viewpoint of our people is critical to supporting innovation in the company, and enabling us to operate successfully, grow and compete in an international environment.

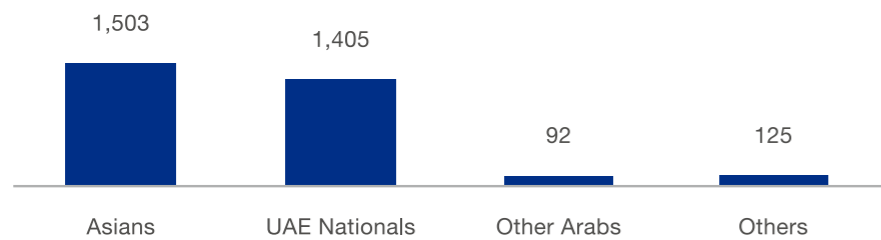
Employees by Job Category



Borouge is a company of diversity and inclusion where we employ 49 nationalities across our global operations.

Our belief is that diversity and inclusion bring value to our business through effective innovation, attractiveness, engagement and agility.

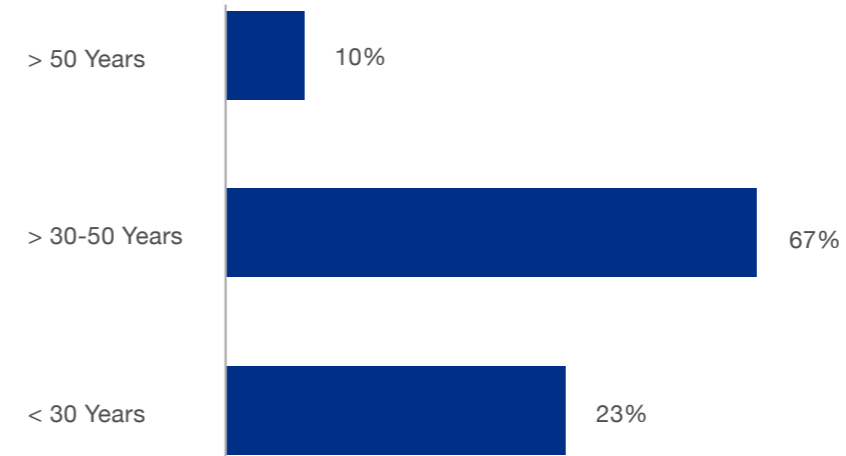
Employees by Nationality



At Borouge, we are committed to complying with the applicable employment laws across our different locations while recruiting the best talent.

We strive towards creating an inclusive culture, diversifying our workforce and providing equal opportunities for career development and advancement, regardless of gender, ethnicity, age, and culture.

Employees by Age



Youth Committee Activities

At Borouge, engaging and empowering our dedicated and passionate youth is a priority. The objective of the Borouge Youth Committee is to create a link and provide collaboration opportunities between Borouge youth and leadership, to increase youth engagement and empowerment.

The pandemic was not a barrier in delivering on our objectives, and we launched various initiatives. In 2021, our focus was on increasing youth engagement, unlocking competencies of youth, and elevating the profile of youth through select 2021 initiatives launched; these included 30 Golden Minutes with Borouge leaders and CEO Engagement With Youth.

In 2022, we plan to launch expert insights and youth talks.

International Youth Day

We celebrated International Youth Day 2021, under the theme of “Transforming food systems, Youth Innovation for Human and Planetary Health”. At Borouge, we recognise and celebrate the qualities and potential of our young talents, as they are part of our diverse workforce, and we are particularly proud of the growing number of young technical professionals in Ruwais.

In line with the UAE and global momentum towards promoting gender equality, we continue our drive and commitment to creating new opportunities, and increasing the number of female employees.

Borouge is also dedicated to enhancing female employee contribution to the sustainable development of the organisation.

As of 2021, executive, senior and middle management positions and leadership roles, females employees account for approximately 22%. This reflects our commitment towards enabling our talented women to contribute to the successful journey of Borouge.

Launching the Banat Zayed Initiative

In 2021, we launched the Banat Zayed initiative, a platform for all our talented Borouge females to share their aspirational and positive messages with the whole organisation, reinforcing our focus on advancing unity, and promoting wellbeing and happiness.

People

Gender Balance in Managerial Positions (Female)

	2017	2018	2019	2020	2021
Executive and Senior Management	8	8	8	9	8
Middle Management	88	87	97	101	104
Total	96	95	105	110	112

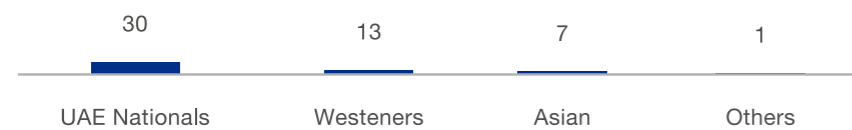
Celebrating Women in Borouge

Borouge embraces diversity and inclusion, while empowering its people to do their best to help build success.

In line with our pillars of attracting high potential female employees to Borouge, and developing and promoting our thriving leaders, we held a number of interactive panels during 2021 to celebrate our female heroes on Emirati Women's Day, International Women's Day and International Day of Women and Girls in Science.

In addition, we recognised the role of men who support Borouge in its drive towards Gender Balance on International Men's Day.

Governance Bodies by Nationality



Regardless of gender, high contributors to the company's success are fairly and appropriately rewarded for their contributions and we offer competitive pay and benefits in the countries where we operate in.

We constantly benchmark our remuneration approach to strengthen our competitiveness.





Banat Zayed

"As a female engineer, I feel empowered by Borouge's efforts towards promoting diversity and inclusion. My belief is that diversity in positions of leadership brings innovative thinking and drives competitive advantage."

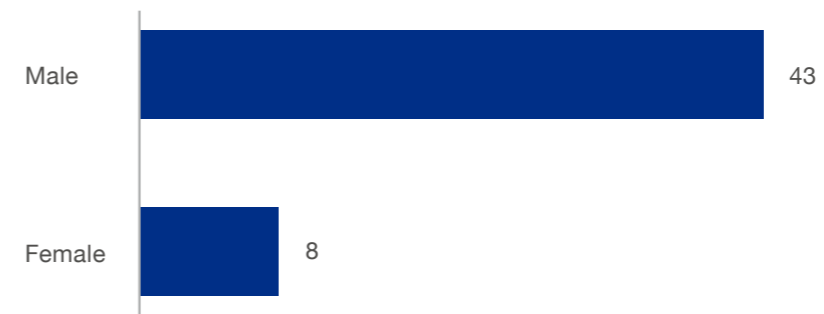
Maitha AlAfeefi
Engineer, Condition Monitoring



INSPIRING TOMORROW

People

Governance Bodies by Gender



Gender Balance Total Earnings (Female to Male %)

	2017	2018	2019	2020	2021
Executive and Senior Management	126	93	86	89	92
Middle Management	117	115	98	99	98
Staff	104	127	119	117	117

As an organisation that provides its people with equal opportunities, Borouge does not tolerate any form of discrimination and offers fair opportunities for all qualified individuals to work, improve and add value to the company's success.

As part of our commitment towards society and our nation, we strive to enhance our recruitment strategies to encourage people of determination to be part of our vibrant Borouge family, to achieve their full potential.

Number of Employees of Determination

	2017	2018	2019	2020	2021
Male	2	2	2	2	2
Female	2	2	2	2	1

Emiratisation

Our vision for growth is aligned with **expanding our UAE National workforce**, to support our Emiratisation goals and invest in the development of our people across the organisation. Supporting the local national human capital capabilities in the UAE is our strategic priority and social responsibility.

As such, we focus on recruiting a high number of UAE Nationals and developing an attractive working environment where they can continuously improve their competencies, skills and advance their careers.

Local communities benefit directly from our growth and expansion, and our operations in Ruwais in particular create excellent employment opportunities for UAE Nationals in the Al Dhafra region. As a testament to our commitment to create growth and development opportunities for UAE talent, about 59% of our total senior management positions globally are held by UAE Nationals, which reflects our efforts in advancing Emiratisation in leadership roles.



Borouge is consistently working towards increasing and developing our UAE National workforce in line with national targets.



UAE Nationals Integration

We have introduced several programmes and initiatives to develop existing and newly recruited UAE Nationals at Borouge. Starting from 2018, all employees under development, known as EPE (Entry Point Employees) are placed within the ADNOC-based Youth Development Programme (YDP) upon joining our company.

YDP briefing sessions and workshops are conducted frequently to introduce the YDP programme to newly hired EPEs, as well as to the promoted line supervisors and managers.

EPEs are supported in their on-the-job trainings (OJT) by individually assigned coaches, and in addition, mentors are also assigned to provide career guidance. Borouge has also trained a pool of assessors and verifiers across a spectrum of disciplines to ensure the high quality of employee development. Tajheez Attachment Programme is one of the successful programmes aimed at UAE Nationals' integration, and supports the qualitative development of UAE National employees across the organisation.



The employees start their journey where our products do, at our Ruwais manufacturing complex, where they gain an understanding of our production processes and our full supply chain. They also visit the Borouge Innovation Centre in Abu Dhabi, and meet customers and shipping partners.

People

The employees start their journey where our products do, at our Ruwais manufacturing complex, where they gain an understanding of our production processes and our full supply chain. They also visit the Borouge Innovation Centre in Abu Dhabi, and meet customers and shipping partners.

This first phase of the programme is called Local Tajheez.

Once Local Tajheez is completed, the participants qualify to join the next phase, which is the overseas attachment. Regional mentors and experts in our Asia Pacific locations, the Borealis plants, and vendors' premises give valuable exposure and experience to UAE Nationals, to help create value and build competencies.

Building on the success of the Tajheez programme, in 2021 we introduced a new, customised Tajheez programme which includes our operations and support functions.

Coach and Mentor Recognition Ceremony

We hosted the first Coach and Mentor Recognition Ceremony in 2021. The event highlights the appreciation and recognition of coaches and mentors who provided their valuable support, dedication, and commitment to our entry points in their development programme. A total of 35 awardees were selected across different functions.



People

Performance Management

Our talent management process is designed to equip high potential leaders with the right skills and knowledge to drive performance and inspire change – which are all key to driving success for Borouge.

Talent and succession planning processes are also in place to continuously monitor the development of talented people towards all line managerial key positions at Borouge.

Having this in place ensures that Borouge sustains its people risk profile within the required parameters. Additionally, talent mobility options are available for all employees to assess their own career aspirations and develop a process of coaching and mentoring in their desired careers where opportunities arise.

We have a standardised competency framework that is based on the future business requirements of Borouge.

It supports ideal job profiles that will sustain the competence and performance levels of individuals and Borouge in general.



The Borouge Technical Academy (BTA) provides a strong platform for employees towards acquiring a robust technical understanding of our business.

We have an integrated system in place to align our different processes in Human Capital.

Our employees are empowered to drive planning, competence and performance, and are empowered to seek feedback to achieve targets on time.

Performance Appraisals by Gender

Performance management process is an integral pillar at Borouge, and an enabler in driving a high performance culture. Borouge uses the Employee Performance Management system to recognize and develop employees to improve their performance and increase engagement through meaningful dialogue, feedback and coaching which thereafter supports driving business excellence.

This tool is a powerful engine of Borouge to translate business plans into action and develop a high-performance driven culture that is necessary to realize the company's business strategy. It also aims to achieve a balance between the company's business needs, and the needs of employees relating to job satisfaction, rewards, personal and career development, and progression. In 2021, performance-based rewards related to job promotion, salary increase, and grade progression recognized more than 1000 eligible employees. Additionally, 2000+ were also awarded with performance based bonus to enhance employee engagement and motivation.

	2017	2018	2019	2020	2021
Male	2,357	2,527	2,373	2,522	2,483
Female	397	409	434	441	467
% of employees who received a formal performance appraisal and review	87%	97%	90%	97%	99%

“Our employees are engaged through the performance review process to clarify expectations, understand aspirations, align goals, and acknowledge contribution.”

Launch of Ma'rifa Hub

In 2021, we launched the Ma'rifa Hub, a one-stop solution to all the information employees need to excel in their role. It is now conveniently located and available on one location. Employees enjoy a user-friendly experience, enhanced search options, and a channel for sharing instant feedback in Ma'rifa Hub.

Ma'rifa Hub has a variety of features, including:

- Engineering Document Management System (EDMS)
- Operation Integrity Committee (OIC)
- Corporate Identity
- Learning Echo System
- HSE Publications
- IT Catalogue

Learning and Development

Our aim is to build the right teams by giving our employees at all levels the opportunity to fully develop their potential and contribute to our future success. This includes extensive hours of training on management, Health, Safety and Environment (HSE), leadership, technical, job related and interpersonal skills, reflecting our commitment to developing the competencies of our people across a wide variety of disciplines.

By leveraging the ADNOC Learning Management System (LMS), we have been able to empower our people to select eLearning opportunities based on their individual needs and interest.

Number of Hours and Cost of Training Delivered to Employees

		2017	2018	2019	2020	2021
Hours by Gender	Male	400,744	508,718	310,069	192,020	282,204
	Female	11,432	16,904	16,141	13,229	29,812
By Job Level	Executive and Senior Management	7,038	1,231	1,331	831	2,885
	Middle Management	31,488	32,511	24,852	23,751	39,142
	Staff	373,650	491,880	300,027	180,667	269,989
Total Number of Training Hours		412,176	525,622	326,210	205,249	312,016
Cost by Gender (USD)	Male	395,866	1,140,817	2,644,935	1,147,270	1,429,346
	Female	98,967	472,547	508,235	373,994	305,948
Cost by Job Level (USD)	Executive and Senior Management	47,009	49,917	60,875	25,126	56,754
	Middle Management	210,304	1,066,661	793,661	552,878	512,446
	Staff	237,520	496,786	2,298,634	943,260	1,166,093
Total Cost of Training (USD)		494,833	1,613,36	3,153,170	1,521,264	1,735,294

We provide a combination of eLearning opportunities, OJT, classroom training, learning from others (coaching and mentoring) and specialised bespoke development initiatives. The majority of the learning in Borouge is on-the-job training and mentoring (10-20-70 development model approach).

We invest in contractor employees, in addition to our own employees, to build a cohesive and effective team. In 2021, the total hours of training delivered to contractors stood at 19,880 hours, and completed the piloting and preparation to launch Ta'alam 2022 - a micro learning platform which aims to increase the effectiveness of training and making training more accessible.

Borouge Inspires the Talents of Tomorrow

Over the last few years, Borouge has been working closely with universities to offer students valuable internship opportunities to learn and gain industry exposure.

Despite the challenges of the pandemic, our commitment to the internship programme remained a priority. The internship opportunities offered in 2021 have been adapted to a work-from-home (WFH) operation model and were supported by IT infrastructure.



Employee Engagement

Employee engagement is one of the top priorities at Borouge. We use a variety of tools to engage with employees, managers and third parties, including face-to-face and townhall meetings, e-learning modules, dedicated intranet, articles, posters, targeted emails, and short videos. Employee engagement is a critical driver of our performance as we seek to achieve our business objectives.

We regularly carry out employee surveys to monitor individual engagement, goals' alignment, and the agility of our organisation.

Keeping our employees engaged in light of the COVID-19 pandemic and following the implementation of working remotely across our different locations, have been challenging. The People Live Talk initiative was introduced in 2020 to strengthen communication between employees and Human Capital during this challenging time when information is vital to all. A total of 22 People Live Talk sessions were conducted in 2020, attended by more than 1,000 employees and managers virtually in both Abu Dhabi and Ruwais.

The topics that were covered were related to attendance policy, annual leave balance utilisation, Ask HC, educational assistance allowance, talent acquisition and the 2020 year-end performance review.

Building on the momentum we have gained last year in keeping the two-way communication open among managers and employees, we have organised more People Live Talk Sessions that covered numerous topics such as performance management, time and attendance system, ASK HC, policy changes, housing declaration, among others.

This initiative addresses the communication gap brought about by the limited face to face interactions through virtual engagement

In 2021, a total of 65 People Live Talk Sessions were conducted, attended by more than 1,500 employees in Abu Dhabi and Ruwais where we encourage people participation through engaging and interactive discussions with Q & A sessions.

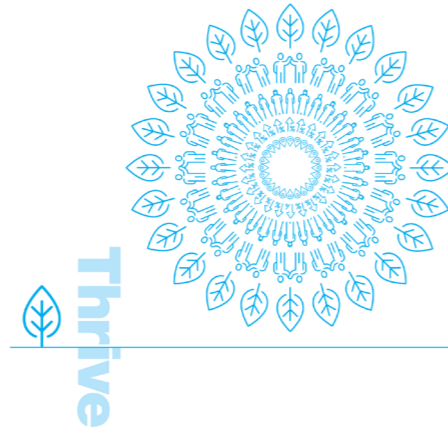
We strive to continue enhancing our communication platforms that has positive and meaningful impact to our employees as part of our mandate to provide value added Human Capital and Administration services to enable the achievement of Borouge's strategies and planned objectives

People

THRIVE Programme

In 2021, we introduced the 'THRIVE' programme which is our culture transformation programme to bring together our drive to achieve a high-performance culture and enable a thriving Borouge today and tomorrow.

We have reinforced our position of being an engaged, diversified, happy and vibrant family that is proud of its successful journey and legacy. There are a few main contributors to the THRIVE programme including winning through diversity, empowering the youth, enhancing employees' engagement and wellbeing, supporting full ownership and engagement of leaders and achieving commercial and impactful business results through value creating minds.



THRIVE won the ADNOC Gender Balance Awards in the Greatest Impact Category in 2021.

Employee Assistance Programme (EAP)

The mental health of our employees is at the top of our priorities. A dedicated platform for them and their families who may feel anxious and stressed for different reasons has been introduced in 2020, with professional counsellors available to listen and help. In 2021, we continued to provide access to the free and confidential EAP, in line with our continuous efforts to support the happiness and wellbeing of our employees.

We value our employees' feedback as it helps us identify additional focus areas to further improve. Following our survey cycle, our Employee Engagement Survey was conducted in 2021 to enable our colleagues to share their expectations and concerns.

More than 72% of employees participated in the survey indicating that they want to make a positive contribution to the future of Borouge.

We have improved employees' engagement from the last engagement survey, consistent with the strategic investments we have made in leadership skills, quality, and talent recognition. The results were analysed, and areas of improvement were identified.



People

The Ramadan Virtual Tent

In the observance of the Holy Month of Ramadan 2021, Borouge hosted a Ramadan Virtual Tent, an online activity that strengthens team spirit and the sense of togetherness. The event featured quiz night events where employees from different functions enthusiastically participated. Questions included general knowledge as well as some facts and figures about Borouge.

Over 100 employees participated.

Achieving business sustainability is impossible without the support of the right team members. In 2021 Borouge carried on securing the required workforce for our future expansion.

Whilst comparing to pre-pandemic records, the number of employees joining Borouge decreased in view of COVID-19 when external hiring was limited, in 2021, we managed to maintain our previous year's recruitment rate. However, we will resume our efforts to attract the right talent to join our teams in the near future and coming years.

Number of Employees Joining Borouge

		2017	2018	2019	2020	2021
By Gender	Male	97	177	178	113	103
	Female	32	37	54	34	48
By Age Group	<30 years	70	129	130	52	51
	30-50 years	54	80	94	88	90
	>50 years	5	5	8	7	10
Employees Joining	Executive and Senior Management	7	7	2	3	4
	By Job Level					
	Middle Management	15	12	39	23	20
	Staff	107	195	191	121	127
Total		129	214	232	147	151



Number of Employees Leaving Borouge

		2017	2018	2019	2020	2021
By Gender	Male	358	308	118	113	109
	Female	58	42	21	30	24
By Age Group	<30 years	42	62	37	7	8
	30-50 years	288	243	83	93	97
	>50 years	86	45	19	43	31
By Job Level	Executive and Senior Management	10	13	3	10	7
	Middle Management	53	51	29	35	32
	Staff	353	286	107	98	97
Total		416	350	139	143	136

Creating an engaging and supportive work environment with career advancement opportunities and good quality benefits is a priority for Borouge.

Our benefits include medical cover, housing, life insurance, disability and invalidity coverage, parental leave, health club membership and pension schemes for UAE Nationals.

We also provide additional benefits for retiring employees, including retraining opportunities for those intending to continue working, severance pay based on years of service and assistance (e.g. training, counselling) when transitioning to not working.

Borouge encourages our employees to balance their careers with family life and provides parental leave in compliance with local regulations in each of our areas of operation.

In 2021, a total of 98 staff (73 males and 25 females) took parental leave and 100% of them returned to work. The return-to-work rate observed this year demonstrates that Borouge is providing our employees with career opportunities, while still allowing them to maintain a healthy work-life balance.



UAE 50th National Day Celebration

Borouge celebrated the UAE 50th National Day by holding a special two day celebration to reflect on the remarkable achievements and success of the United Arab Emirates.



Health and Safety

The health and safety of our people and the communities where we operate in, is a top priority for Borouge. The main commitment in both the Sustainability and the Health, Safety and Environment (HSE) Policies of Borouge is pursuing a goal of no harm to people and society.

We operate with the strong belief that HSE is everyone's responsibility.

We have focal points and committees throughout the organisation and regular forums for communicating on HSE matters, from facility and location levels all the way up to the top management. We delivered more than 1800 HSE engagement sessions in 2021 to reinforce our 100% HSE culture across the company. Furthermore, and in response to the COVID-19 pandemic restrictions, we launched the Virtual Observation Tours (VOT) to connect the leadership to frontline teams, and we conducted 239 VOTs in 2021 which is well above the set target for the year.

We actively promote a strong HSE culture across the organisation and amongst our contractors, which is supported by numerous initiatives, including HSE and Process Safety (PS) Assurance, Contractor Performance Management, engagement with contractors, the Borouge Worker Protection standard and the mandatory Computer Based Training (CBT) programme. To further strengthen the responsibility of each member of Borouge towards 100% HSE, we rely on our HSE Policy and Sustainability Policy, which emphasises that every employee is empowered to be a Safety Leader by intervening whenever there is a risk.

Behavioural Based Safety (BBS) Programme

In 2021, we implemented the Behavioural Based Safety (BBS) programme as part of our commitment to create a 100% HSE culture. The programme is intended to provide employees and contractors with competence and practical tools to enhance safety and HSE behaviour.

COVID-19 control measures

In response to the COVID-19 outbreak, we implemented comprehensive control and precautionary measures to protect our employees while maintaining the continuity of the business. The measures included holding weekly follow-up meetings, developing detailed response plans and inspection checklists. Over 300,000 PCR tests were done for our employees and contractors.



World Health Day

At Borouge we are proud of our contribution to the healthcare industry with our innovative polymer solutions that are revolutionising modern healthcare, helping to save, enhance and protect lives every day. Our materials are used to produce the fabric used for face masks, bed covers, disposable personal protective equipment (PPE), oxygen masks, ventilators, IV machines, asthma inhalers, insulin pens, in addition to other pharmaceutical and diagnostic packaging.

We are committed to continue playing our part in helping safeguard the life of patients by offering solutions with a high level of reliability, consistency, and conformance with industry standards.



People

Health and Safety Performance Data

		2017	2018	2019	2020	2021
Hours Worked	Company	6,719,297	6,276,290	6,251,497	6,393,703	6,369,364
	Contractor	9,889,062	10,167,075	14,597,755	19,393,685	13,540,500
	Total	16,608,359	16,443,366	20,849,252	25,787,388	19,909,864
LTI	Company	0	1	1	2	1
	Contractor	0	0	1	1	1
	Total	0	1	2	3	2
TRI	Company	1	2	1	2	3
	Contractor	3	0	5	3	2
	Total	4	2	6	5	5
Occupational Illness	Contractor	0	0	0	0	0
	Total	0	0	0	0	0
	Total	0	0	0	0	0
Fatalities	Company	0	0	0	0	0
	Contractor	0	0	0	0	1
	Total	0	0	0	0	1
LTI Frequency		0	0.06	0.10	0.12	0.10
TRI		0.24	0.12	0.29	0.19	0.25

At the end of 2021, Borouge had a fatality involving a contractor.

We deeply regret this tragic accident and all other incidents. Borouge has strengthened its commitment to working with all employees and contractors in order to reach the ultimate goal of 100% HSE. Safety continues to be the top priority at Borouge.

A key requirement to achieve our zero-accident goal is to improve the employees' awareness of HSE related matters.

Our mandatory training matrix includes HSE induction and environmental awareness, among other relevant topics. This year, OneERP focused on running Cognitive Behaviour Training to further increase HSE awareness among employees.

We also continued to organise Hand Safety and Road Safety campaigns.

Human Rights

As a company with a global reach, and operations in countries with a broad range of laws and regulations, we understand, respect and protect human rights.

Our approach is aimed at preventing human rights violations and we do not condone any abuse of these rights.

Our anonymous reporting system, Takallam, provides a platform for sharing confidential, non-retaliatory reporting of grievances, including those related to unethical practices, like reporting human rights violations. In 2021, there were zero grievance reports related to human rights.

Training on Human Rights

	2018	2019	2020	2021
Total Number of Hours	1,067	1,553	1,555	1562.5
Number of Employees Trained	2,135	3,106	3,110	3,125



Community Engagement

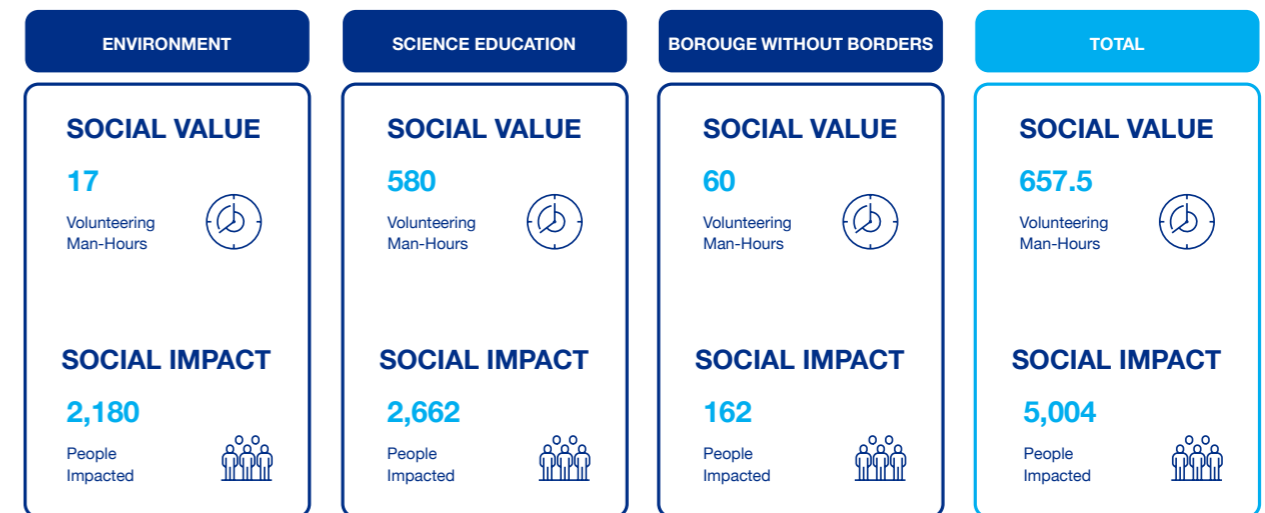
At Borouge, we know that engaging with and investing in the community is beneficial for our growth and sustainable development. We are proud of our legacy of extending support to our local communities and fostering long-term, mutually beneficial partnerships and social initiatives.

Our community engagement focuses on science education and volunteerism.

Measuring our Social Impact and Social Value

Measuring social impact and social value delivered through our initiatives is part of our commitment to continuously improving our social engagement, and investment in the communities we operate in.

Social impact is measured by the number of people who have directly benefitted, whereas the social value is measured by the total number of man-hours volunteered by our employees. In 2021, we continued to progress with our CSR initiatives and activities through virtual channels, to navigate the restrictions on physical movement.



In 2021, we continued to develop and expand our existing programmes, such as Polymers on the Move and Borouge without Borders. Our employees spent over 650 volunteering hours serving local communities in UAE, Singapore and India, impacting over 5,000 people.

This demonstrated the positive impact of our social efforts, especially with the challenges brought on by COVID-19. Furthermore, our strategic community investments and sponsorships amounted to over USD 1 million.

People

Water for the World

For billions of people around the world, water and sanitation are the most pressing and immediate vital challenges. The Water for the World programme focuses on improving access to water and sanitation, promoting sustainable water management practices to preserve water resources, and raising awareness in communities, and across the value chain.

In partnership with Borealis, we actively contribute to addressing the global water challenges in local communities as well as internationally, through the Water for the World initiative - providing advanced solutions, expertise, and know-how. The Water for the World initiative aims to:

- Foster knowledge
- Provide innovative polymers and polyolefins solutions
- Build partnerships

In 2022, we plan to continue our engagement with stakeholders across the regions we operate in, to deliver access to water and sanitation across impoverished communities.

For further information on the programme and our projects, visit:

<https://www.waterfortheworld.net/>



Environmental Awareness Initiatives

In 2021, despite restrictions and challenges of the ongoing global pandemic, our environmental awareness initiatives covered a wide area through campaigns initiated in multiple countries to:

- Encourage the responsible disposal of waste
- Educate the public to reduce, reuse and recycle waste
- Promote the value and benefits of value adding polymer solutions.

During 2021, we enhanced our position within communities by engaging with youth, organising youth circles and conducting roadshows across schools and universities in the UAE.

These activities aim to inspire the future generation to understand the principles of sustainability and understand the value of sustainable polymer solutions.

Borouge also engaged with the public to raise awareness around waste disposal and segregation through its Environmental Awareness programmes.

Borouge is proud to advance our engagement campaign worldwide across schools and universities. Throughout the campaign, we engaged with the public and students about how our sustainable polymer solutions are essential to our daily lives and add value to society.

We encouraged the community to recycle and play a part in realising a better tomorrow.

The campaign was an important opportunity to reinforce our continuous commitment, promote advocacy of a circular economy, and emphasise the importance of recycling and reusing amongst today's youth.



People

Sustainable Campus Initiative

The Sustainable Campus Initiative (SCI) was launched by Borouge in 2013 to enhance sustainability practices across campuses in the UAE and encourage young people to contribute to the development of sustainable communities.

The initiative, implemented by the Environment Agency Abu Dhabi (EAD) on behalf of Borouge and supported by the Ministry of Higher Education and Scientific Research, provides students with a platform to network and engage in an exchange of knowledge with their international counterparts on topics including, water scarcity, waste, energy, climate change, biodiversity and local community engagement.

A total of 22 universities from Abu Dhabi, Dubai, Sharjah, and Ras Al Khaimah participated in the SCI, and conducted green audits and sustainability action projects in their campuses, which was a testament to the students' awareness, understanding and the usage integration of their campuses' resources including, water, energy, land, climate change and waste.

For further information, visit: www.sustainablecampus.ae

Polymers on the Move

In 2016, we established Polymers on the Move (POTM), a tailor-made curriculum for students. The programme targets school students between the ages of 11 to 14 with the aim of encouraging them to pursue higher education in the fields of science and respond to the nation's demand for science talent.

The Polymers on the Move programme involves the students in a number of presentations, workshops, scientific experiments, and a tour at the Borouge Innovation Centre in Abu Dhabi to learn about the polymer innovations of Borouge and experience a creative work environment.

In 2021, despite the challenges to physical movement, Borouge continued its outreach to students and adapted its Polymers on the Move programme to be delivered virtually. In 2021, a total of 1,682 students participated in the programme, and 97 university students who went through a similar programme which was designed specifically for them.

Borouge without Borders

Employee volunteering is one of the cornerstones of a successful Corporate Social Responsibility strategy. The Borouge without Borders programme provides our employees with a unique opportunity to volunteer their time towards a worthy cause and support charitable organisations.

Since launching the initiative in 2016, Borouge without Borders visits have been organised in Abu Dhabi, Ruwais, Shanghai, Indonesia, and Singapore.

This year, due to the COVID-19 pandemic, Borouge was not able to organise any physical visits, however we were still able to reach different segments of society through our virtual Borouge without Borders session.

We organised volunteering opportunities through online platforms and our employees were able to participate in various campaigns including a "Read for them" virtual event for children receiving treatment at the Oncology department of Tawam Hospital. Our Borouge volunteers read Arabic and English stories to the children, and discussed the moral lessons of each story. Gifts were delivered to 50 inpatient and outpatient children.

People

Additionally, our employees interacted virtually with students from the Mohammed bin Rashid Centre for Special Education. Our volunteers had the opportunity to attend virtual classes with some of the students to talk about recycling. Our Borouge Without Borders Programme was recognised and shortlisted for an ADNOC Excellence Award, under the Respectful category.

International Trading Programme – Singapore

In 2015, Borouge became one of five founding partners of International Enterprise (IE), Singapore's newly launched International Trading programme (ITP). A collaborative effort of IE Singapore, Singapore's Nanyang Technological University (NTU) and five industry partners, the ITP aims to develop a pipeline of talent for the trading industries including energy, chemicals, and commodities.

This initiative contributes to the focus of developing the youth in the communities where we operate in, by leveraging the expertise and capabilities of our marketing and sales organisation. Borouge is in the process of reviewing the continuation of the endowment fund sponsorship in 2022.

For further information, visit: www.nbs.ntu.edu.sg

Borouge Scholarship Programme

We recognise that investing in education is critical to building a sustainable industry, especially one that has a strong focus on innovation. Beyond our strategic commitments to the ADNOC Scholarship Programme in the UAE, we partner with leading universities in China to provide annual scholarships to high performing postgraduate and undergraduate students in polymer science and engineering.

Our aim is to contribute to welcoming motivated and highly skilled people to Borouge and the global polymer industry.

[This year, we have provided educational sponsorship for one of our Vice Presidents for Executive Master of Business Administration \(EMBA\) programme with NTU.](#)

In addition, we are sponsoring a group of final year NUS business school students on a field service projects on the subject of Talent Mobility.

In addition, we invest immense energy and time into fostering good relations and strong partnership with local universities by offering a myriad of internship opportunities and participating in various collaborations.

This promotes our branding as the employer of choice to potential interns and hence, helps to build a pipeline of talent in the long run.

In 2021, Borouge offered internships to 119 students in the UAE, Singapore and China. Students from various universities with different majors had the opportunity to learn Borouge value chain as well as topics helped them in their career development.

People

Project STOP – Indonesia

Project STOP is an initiative, co-founded by Borealis and SYSTEMIQ, that partners with cities and governments to build effective and circular waste management systems which eliminate the leakage of waste into the environment and ocean, thereby helping to improve resource efficiencies and public health.

The project's key objectives are to prevent leakage of all waste into the environment, create circular waste systems to increase value generated from waste, provide socio-economic benefits for local communities by creating new jobs in the waste management system, and reducing the impact of mismanaged waste on public health, tourism, and fisheries.

In 2017, when Borealis and SYSTEMIQ launched Project STOP, Borouge joined the initiative first as a technical partner during the exploratory phase where Muncar, Indonesia was selected as the first city partnership, before committing further as a strategic partner in 2019. In 2020, Project STOP expanded to two more cities in Indonesia, Pasuruan and Jembrana.



Milestone Achieved by 31 December 2021



Planet

Environmental Stewardship

Borouge is committed to the protection and enhancement of the environment by:

- Addressing global challenges, such as climate change, water, food, energy, healthcare, and waste, with innovative solutions
- Minimising discharges, waste, and emissions, safeguarding biodiversity, enhancing energy performance, and optimising the use of natural resources
- Ensuring that energy performance improvements are considered throughout the duration of the intended lifecycle of our assets
- Optimising the positive health, safety, environmental, energy and societal impacts of our polymers throughout their lifecycle

Description	Metric	2017	2018	2019	2020	2021
Energy Intensity	GJ/ Output Tonne	25.02	24.34	21.61	20.13	19.36
Greenhouse Gas Emissions	Tonnes CO ₂ equivalent (000)	5,643	5,502	5,874	5,874	4,722
Waste Disposed	Tonnes	4,603	5,443	6,034	4,965	5,356
Water Withdrawn	m ³ (000,000)	1,689	1,664	1,650	1,744	1,623
Hydrocarbon Flaring	m ³ (000)	102,300	81,612	82,718	50,770	52,440
Environmental Expenditure	USD (000)	10,336	9,840	10,022	10,394	11,509

As a leading petrochemicals producer, we consider Environmental Stewardship to be one of the key pillars of our operations. We continue to invest in operational improvements and environmental initiatives to reduce our carbon footprint.

We not only focus on the environmental impact of our operations and supply chain, but we also invest considerable effort in producing innovative polymers solutions that deliver environmental benefits associated with manufacturing, transport and end-use.

Borouge Powers a New Substation in Dubai

In 2021, we supplied the Dubai Electricity and Water Authority (DEWA) with our 'Made in UAE' solutions, Borlink™ LS4201R/ LS4201S materials. Our partnership with DEWA, supports its efforts of meeting the growing demand and needs of the domestic, commercial, and industrial sectors - providing reliable, efficient, and safe electricity services, while increasing the capacity and efficiency of the power transmission network.

Our materials will support the 132 kilovolt (kV) upcoming solar project and improve cable construction, resulting in 15% less thickness using Borouge cross-linked polyethylene (XLPE).

Our contribution reinforces our position as a prequalified and specified high voltage, XLPE supplier.

Energy

Reducing energy usage within our operations is a key aspect of our environmental stewardship and economic growth. Consequently, we seek to invest in innovation and improve our energy efficiency while monitoring our performance. To achieve continual improvement in energy efficiency we follow the structured approach of our ISO 50001 certified Energy Management System.

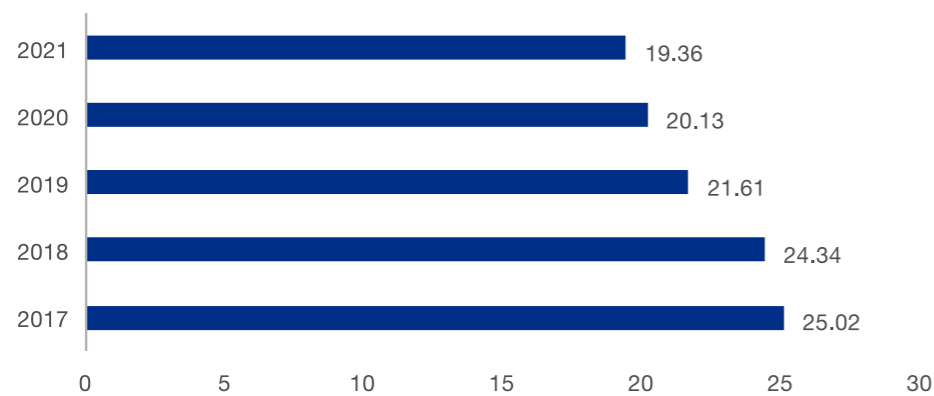
We actively seek improvement potential from our assets and operations by reviewing our procedures against the best practices in the petrochemicals sector and by participating in global benchmarking.

In 2015, as part of our Sustainability Goals 2021, we set a target to reduce our energy intensity by 14% from 27.26 GJ/tonne to 23.44 GJ/tonne. We were close to achieving the target by 2018, 3 years ahead of schedule. Thus, we set a more ambitious reduction target in 2018 and introduced our energy efficiency target under the Ruwais Environmental Sustainability Programme (RESP) and Energy Reduction Strategy.

We set a target to achieve 28% energy intensity reduction by 2025 and 30% by 2030. We will assess our progress in 2025 and gauge if we are in the right direction.

Project Name	Baseline Year	Baseline #GJ/ton	Target %	Target #
2021 Sustainability Goals	2015	27.26	14%	23.44
Ruwais Environmental Sustainability Programme	2018	24.34	28%	17.5
Energy Reduction Strategy	2018	24.34	30%	17

Energy Intensity of Operations (GJ/Tonne)



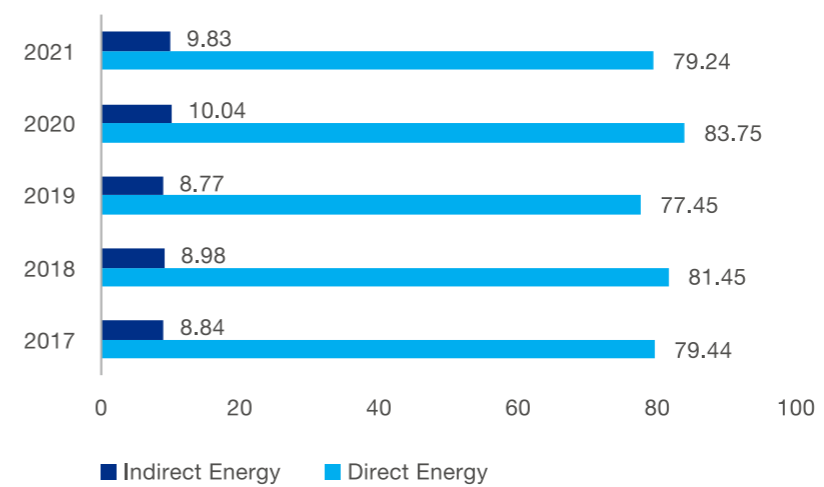
We have developed our energy roadmap for 2030 to meet our energy and GHG emissions reduction targets. We are on track to meet our energy reduction targets for 2030. Our energy savings during 2021 are great indicators of our commitment to efficiently reducing the use of non-renewable natural resources.

Our energy efficiency initiatives have helped us in reducing our energy consumption as well as our energy intensity. During 2021, we implemented several energy efficiency initiatives across different processes and operations, of which a snapshot is shown below.

Examples of Energy Saving Initiatives and Associated Savings

Initiative	Energy saved (GJ)	Tonnes CO ₂ equivalent saved
Continuous Operational Improvement Efforts Utilising ISO 50001 Certified EnMS	310,620	17,550.44
Implementation of Olefins Plants Energy Roadmap	29,225	1,651.25
Polyolefins Plants Extrusion Optimisation Programme	1,270,035	71,758.66
Steam System Optimisation and Digitalisation	921,005	52,038.00

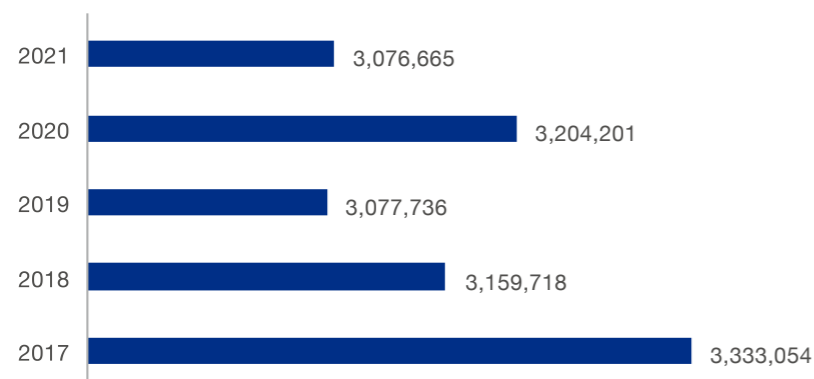
Energy Consumption (Million GJ)



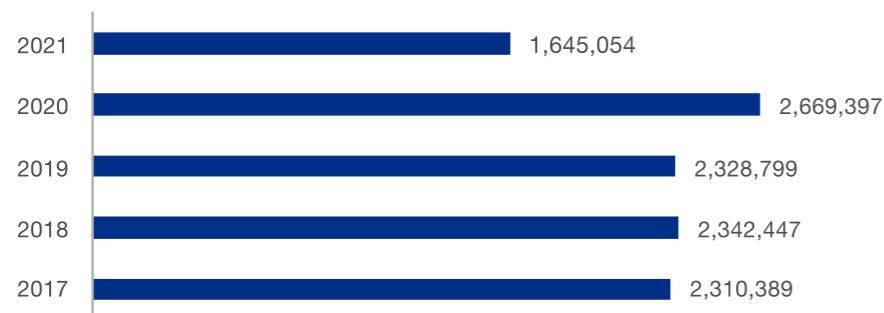
Emissions

Borouge is equally committed to reducing emissions from our direct emission sources covered in Scope 1; fuel use, fugitive losses and flaring, as well as indirect emissions from operations including Scope 2; purchased electricity, and Scope 3; transport and logistics related emissions.

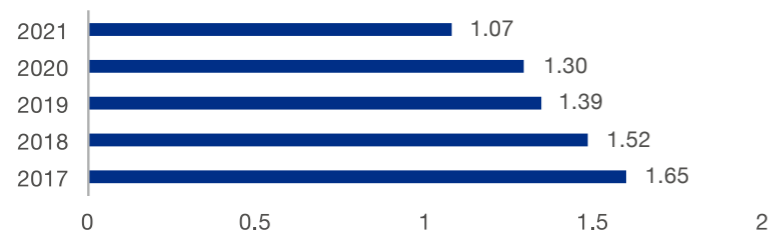
Scope 1 GHG Emissions (Tonnes CO₂ Equivalent)



Scope 2 GHG Emissions (Tonnes CO₂ Equivalent)



GHG Emission Intensity (Tonnes CO₂ Equivalent/Tonne)



Greenhouse Gases (Tonnes CO₂ Equivalent)

Emission Species / Tonnes CO ₂ Equivalent	2017	2018	2019	2020	2021
Carbon Dioxide (CO ₂)	3,203,475	3,045,002	2,965,384	3,117,796	3,002,124
Methane (CH ₄)	79,993	67,908	69,038	48,821	49,418
Nitrous Oxide (N ₂ O)	23,210	25,915	23,492	25,238	23,340
Hydrofluorocarbons	10,996	8,505	7,586	4,521	1,782
Total	3,317,674	3,147,330	3,065,501	3,196,373	3,076,665

In 2021, we continued to engage with our suppliers and partners to gain a better understanding of the environmental impact associated with our supply chain across the world, and to obtain more accurate data around our Scope 3 emissions.

Going forward in 2021, we will develop a more robust and accurate assessment of our scope 3 emissions.

The travel restrictions due to the COVID-19 outbreak presented us with an opportunity to further lower our business travel GHG emissions as we used alternative communication facilities, like video conferencing. This year, our estimated Scope 3 emissions are 50,035.48 tonnes CO₂ equivalent vs 193,344 tonnes CO₂ equivalent in 2020, marking a 74% decrease.

Borouge had some non-GHG emissions associated with our operations such as Ozone Depleting Substances (ODS) in 2021. Due to our efforts in the past three years, our ODS emissions resulting from routine maintenance of air conditioning systems were reduced significantly compared to the previous years.

Other Air Emissions (Tonnes)

Other air emissions (tonnes)	2017	2018	2019	2020	2021
NO _x	4,133	4,225	3,991	4,360	4,151
SO _x	436	389	382	403	379
VOC	547	505	496	427	418
PM	393	463	412	464	430
ODS (kg of CFC-11 equivalent)	55	50	19.5	21.7	11.98

Emissions

Gas flaring is a multi-million dollar waste, and a global energy and environmental problem. It is a challenge for any hydrocarbon industry to develop systems to measure, monitor and minimise hydrocarbon flaring.

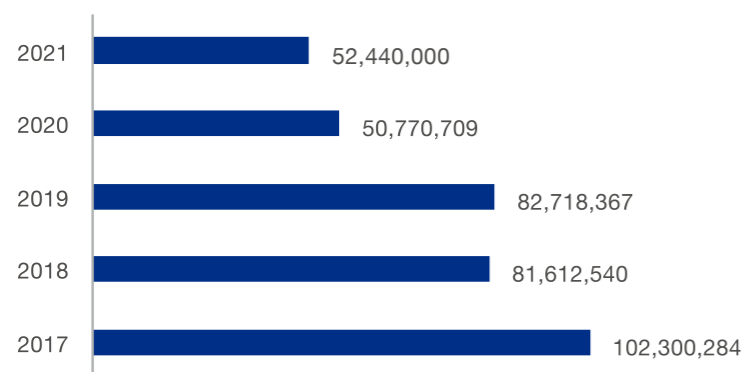
The continuous improvement in flare reduction means an increase in product yield, more efficient conversion of feedstock and less CO2 emissions to the atmosphere, thereby reducing the environmental impact of plant operations and improving performance.

Flare Reduction Record

In 2021, we exceeded our 2021 Sustainability Goal of reducing flaring by 75% as compared to our target of 60% per tonne produced, as we had the lowest annual record in our history of 52.44 kilotonnes.

This figure is significantly less than in previous years records, reflecting the successful implementation of our flaring reduction initiatives. Going forward, we have a target of achieving 100% reduction in continuous flaring by 2030. Since 2018, we have been successful in reducing this by 57%.

Total Volume of Flared Hydrocarbon (m³)



Water and Effluents

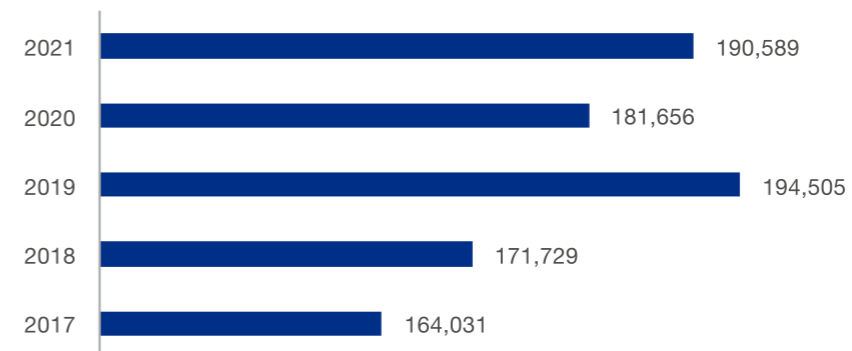
Water is an integral part of our operations and facilities as it is used for the cooling and manufacturing processes.

Committed to minimising our water consumption and promoting water conservation, we recognise the value of access to water from the Arabian Gulf and the need to effectively manage water discharges sustainably. Our aim is to maximise the return of water back into the Gulf with minimal adverse environmental impact.

At our Ruwais plant, we do not use any groundwater, collect rainwater, or use wastewater from other companies. We obtain our process water and potable water from a centralised network in the industrial complex.

Similar to previous years, seawater represented 99.7% of the total water used in 2021. Seawater is used as cooling water only and is handled in a closed loop system, so that almost all the seawater withdrawn for cooling purposes is returned to the sea.

Total Volume of Water Recycled/Reused (m³)



Reduction in our Industrial Water Consumption

We managed to exceed our 2021 Sustainability Goal and reduce our industrial water consumption by 16% per tonne of polyolefins produced.

Total volume of water withdrawn (m³)

Total Volume of Water Withdrawn (m ³)	2017	2018	2019	2020	2021
Seawater	1,683,291,101	1,659,017,134	1,644,854,855	1,738,884,446	1,617,127,554
Municipal Water	5,776,864	5,756,825	5,605,376	5,419,415	5,553,107

Planet

Our industrial water stream is treated on-site in our three Effluent Treatment Plants (ETP), designed to handle wastewater and sanitary effluent produced by our facility. Our treatment processes include, but are not limited to, oil recovery and removal, biological treatment, tertiary treatment, and filtration.

Upon treatment, we ensure that the discharges meet the ADNOC standards before being released into the Arabian Gulf.

A portion of the treated wastewater from the ETP is used for irrigation inside the plant premises for developing landscaping, lawns, trees, etc. Samples of the ETP water are constantly analysed in the laboratories of Borouge to ensure compliance with discharge standards.

This year, 190,589 m3 of water was reused for irrigation purposes.

Borouge Reduces Water Consumption by 16% through Borstar® Technology

Borouge successfully concluded its first trial using Borstar®FB2230 in partnership with Abu Dhabi Agriculture & Food Safety Authority (ADAFSA).

The study was carried out at Al Salamat Research Station, Al Ain, UAE, with an objective to evaluate the performance of Borstar® FB2230 compared to conventional PE films, which is used to tackle some of the key agricultural challenges faced in the UAE such as harsh arid climatic conditions, severe water scarcity, and high water and energy consumption.

Some of the key findings from the trial showed that Borstar® FB2230 had successfully proven to reduce water consumption by up to 16%.



Planet

Materials

The efficient use of our raw materials is a key driver to our overall environmental footprint and cost improvements. We carefully consider the effects of the materials used in the manufacturing of our products and packaging.

Our raw material consumption slightly increased in the last two years.

This is due to the increased demand on our hygiene products in response to the COVID-19 outbreak.

While some material losses from production are very difficult to avoid, we aim to minimise these losses in order to reduce the environmental impact (emissions and waste) from our system and thus improve the environmental footprint of our products. This year, we managed to achieve 99% consumption of ethane, in our efforts to meet our 2021 Sustainability Goal of achieving 98%.

In 2021, we increased the number of local suppliers of chemicals, additives, and packaging by 8%. We believe that sourcing materials locally reduces the embedded energy and carbon footprint of our raw materials, and the consumption of fuel associated with shipping and long-distance road transport of products.

In some cases, it also reduces the packaging required to transport raw materials to our production site.

Type and Quantity of Materials Consumed (Tonnes)

Type and Quantity of Materials Consumed (Tonnes)	2017	2018	2019	2020	2021
Ethane	4,119,212	4,349,811	3,993,453	4,382,008	4,076,019
Propane	100,469	106,836	151,492	221,774	156,655
Chemical, Additive & Catalysts	76,213	79,215	81,239	80,787	103,502
Fuel Gas	701,166	601,394	589,012	663,576	682,074
Nitrogen	426,150	476,586	562,099	559,794	576,219
Total	5,423,210	5,613,842	5,377,295	5,907,939	5,594,469

Packaging

In 2021, collaboration between the Supply Chain, Innovation and Sales and Marketing functions continued to optimise our packaging solutions.

These solutions were kick-started in 2016 and included a revolutionary design for stretch hood applications, wooden pallets made from a reduced amount of wood and thinner FFS films that contributed to significant weight reduction of packaging material whilst improving quality. In 2021, in line with our sustainability and circular economy commitment, we shifted to using plastic and/or wooden pallets for packaging and transporting our products to our customers.

Innovative Food Packaging Solutions

Recognising the fact that the right packaging is critical to ensure food safety during transportation, we offer our customers the Borstar®FB2230 solution with the required mechanical strength to maintain package integrity.



Packaging Materials Related Initiatives

Packaging Material	Initiative
FFS Packaging	The developed FFS film focusing on enhanced tear and puncture resistance has entered production in 2019. The film also decreases packaging material weight by 20%, resulting in less carbon emissions.
Stretch Hood Film	A high-performance stretch hood film with ground-breaking holding forces and minimised thickness was developed and tested. Further tests will be conducted during the coming year.
Compressed Wood Pallets	The use of compressed wood pallets/ blocks for big bag packages was implemented in Asia North. The pallets and blocks are made of saw dust, recycled and wood leftovers.
Plastic Pallets	A technical study for plastic pallets was conducted, in order to promote the reuse of more durable resources, such as plastic and its recycled components, thus reducing the usage of wooden pallets.
Pallet-Less	25 kg bag packages without the use of wooden pallets have started production, thus reducing the use of natural resources and emissions resulting from the lighter weight of cargo.

Industrial and Municipal Waste

We continuously make improvements to the way we manage our wastes.

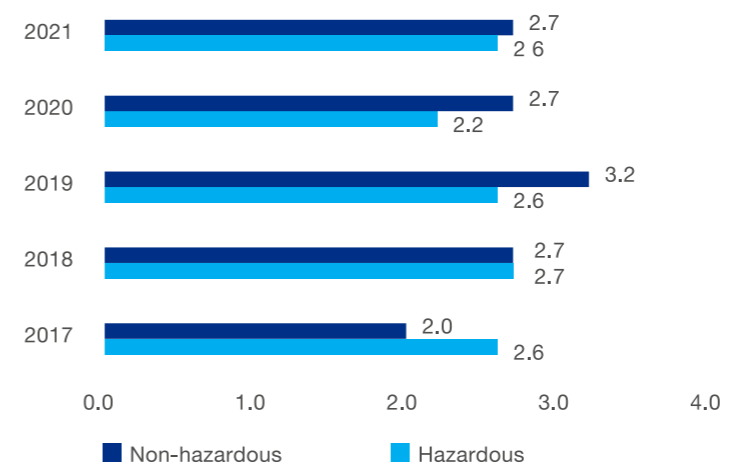
We seek to minimise potential impact and ensure that all our waste management practices are in line with national and international best practices. Borouge applies the principles of Reduce, Reuse and Recycle to minimise the amount of waste generated or wasted.

The industrial waste generated at Ruwais is managed through BeAAT, a dedicated industrial waste management facility, whereas municipal waste is managed at the TADWEER landfill facilities. We also send our paper waste and empty toners and cartridges for recycling.

A decrease in waste disposal is achieved through a combination of initiatives, including:

- Identifying reduce and recovery options for waste streams
- Increasing awareness and changing mindsets on responsible waste management and its minimisation
- Identifying industrial waste for recycling

Waste Disposed Of (Thousand Tonnes)



The values for 2019 shown above exclude the generated waste during the Borouge 3 Turnaround activities

Biodiversity

As a responsible global organisation, we recognise the importance of conserving biodiversity in the communities we operate in and the environment around our operations.

All our operations comply with local environmental laws and we are constantly working to reduce our environmental footprint.

Our production facility in Ruwais is located on the beautiful shores of the Arabian Gulf and close to the eight Desert Islands of the Al Dhafra Region of Abu Dhabi.

The Gulf and the islands are home to an incredible range of fauna and marine life, and we acknowledge our responsibility to respect and contribute positively to this environment.

We also extend this commitment to our contractors and to the ways we transport our products around the world. The biodiversity impact of our activities is evaluated through the Environmental Impact Assessment (EIA) process for new projects, modifications and retrofitting.

Product Responsibility

A key component of our product responsibility programme is our tailor-made Product Sustainability Index (PSI). The PSI is an enhanced new product assessment tool that gives equal weighting to economic, environmental, and social impacts of new products.

Hydroponic Cultivation with our Borstar® Film

Hydroponic cultivation is a contemporary method of growing plants using a thin layer of water in a climate control setting together with diffused light technology. This method of modern farming brings about many benefits such as encouraging water conservation, reaping larger and fresher crop yield, as well as reduced crop time.

Together with Nutrient Film Technology (NFT), the Borstar® FB2230 film plays a vital role in leveraging on the most essential features of hydroponic cultivation. Temperature variation is kept to a minimum and more light reflection leads to lesser need for pest and disease management, resulting in earlier harvesting of higher quality crop yield.

In 2016, 10% of our products had a PSI of 70% or above and we further improved our performance to achieve a value of 32% in 2021 thanks to our continuous commitment in product innovation.



Supply Chain Environmental Stewardship

As part of our 2021 Sustainability Goals and Supply Chain Strategy, we focus on limiting the environmental impact of our end-to-end supply chain.

Over the past years, Borouge has introduced several initiatives designed to have a positive social and environmental impact while achieving our efficiency and cost objectives.

Reducing emissions and maximising efficiency of shipping and land transport continues to be a major area of focus for Borouge.

Four years ago, we began collaborating with shipping lines to receive accurate data on transport and handling related emissions through our Carbon Pact agreements with Maersk Line and others, to reduce carbon emissions in transporting polymers.

The Carbon Pact agreements enable Borouge to enhance GHG emissions reporting and set an objective to reduce its CO2 emissions.



An approach was also developed to monitor the carbon emissions from the extended Borouge supply chain. This approach is aimed at accurately monitoring and reporting Scope 2 and Scope 3 emissions throughout our supply chain.

It involves identifying all key sources of emissions, including electricity consumption in warehouses, emissions from ships, trucks, forklifts, etc. and establishing monitoring and reporting systems with the relevant service providers.

This initiative helped us better track and report our GHG emissions in 2021.

Supply Chain Digitalisation

Digital transformation is the main driver to supply chain transformation. Borouge continued its digital transformation journey with a focus on data analytics technology, to develop digital solutions and better equipping our employees. To support us in achieving our ambitious strategic goals, a number of initiatives were implemented, such automation and block chain solutions to track all shipping lines in real-time. We are planning to developing a model for shipping forecasting and capacity management.

Logistics Network Optimisation Tool

We launched an end to end Borouge global logistics optimisation tool to identify bottlenecks in our processes, and optimise our logistics network by running and testing extensive business scenarios on the distribution network and automating existing manual processes within our supply chain network.

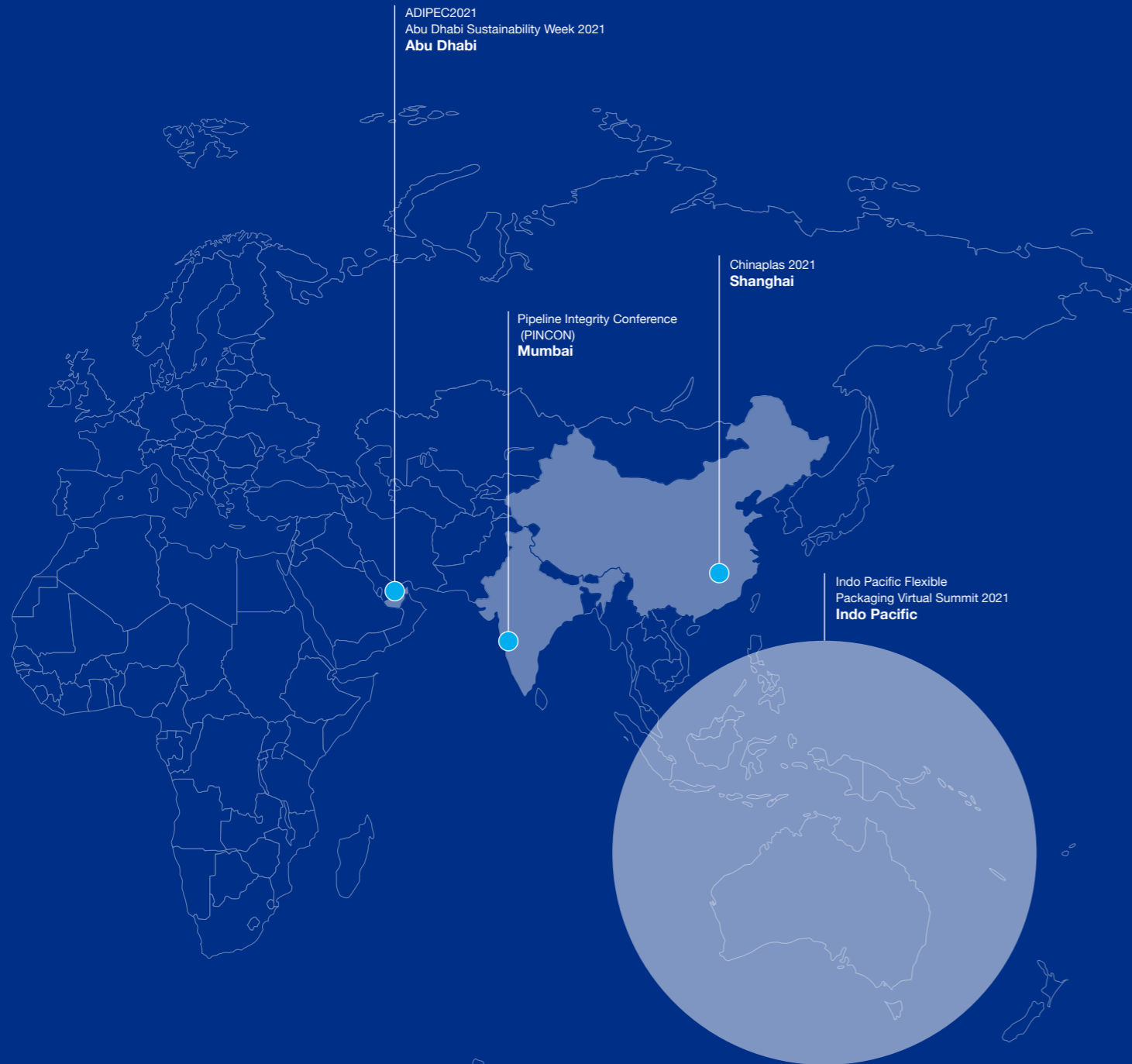
Profit

Borouge is committed to the growth of the company and industry by:

- Maximising shareholder return throughout the value chain
- Enhancing the reputation of Borouge and the image of the polymer industry
- Ensuring that the design, operational and technical integrity of our assets are sustained throughout their lifecycle
- Strengthening organisational resilience through the application of effective risk management, security and emergency preparedness and business continuity practices
- Advancing the development of local downstream industries, and science and engineering capabilities
- Optimising responsible global procurement and supply chain opportunities

Description	Metric	2017	2018	2019	2020	2021
Production Capacity	Million tonnes per year	4.5	4.5	4.5	4.5	5
Revenue	% increase	-1	8.7	-2.40	1.4	33.8
New Product Sales	% of total sales	19	23	30	28	25
Complaints	Per (000) tonnes sold	0.060	0.030	0.029	0.022	0.019
Process Safety Incidents	Rate Tier 1 & Tier 2	0.015	0	0.018	0	0.195
Volume of Polymers Brought to Market	% increase	14	12	26	40	36





Growth

In 2021, the Borouge 4 FEED phase was completed and the final investment decision (FID) was approved. All the Engineering, Procurement and Construction (EPC) contracts were awarded to kick off the construction with a target completion by 2025.

This expansion project includes a world-scale cracker with two state-of-the-art Borstar Polyethylene (PE) plants, and we see it as central to achieving our growth aspiration of significantly increasing our current polymer production, which in turn complements the Abu Dhabi 2030 Strategy to create future industrial development and diversification of the local economy.

The PP5 successful ready-for-start-up (RFSU) was achieved by end of the year despite continued challenges linked to the COVID-19 pandemic. Furthermore, we are proud to add that PP5 project achieved more than 24 million safe man hours without any Lost Time Accident (LTI) nor Total Recordable Injuries (TRI).

This project is an outstanding milestone that opens the door to a new era of growth at Borouge and supports our In-Country Value programme through the use of locally produced and manufactured goods, and the generation of employment opportunities. PP5 increases our PP capacity by more than 25% and will further expand the product portfolio of Borouge.

2021 continued to be a challenging year due to the COVID-19 pandemic forcing many of the office-based employees to work fully or partially from home-offices throughout the year and our front-line employees did their best to secure our assets and produce in a reliable manner. Our Profit Improvement Programme (PIP) enabled us further to strengthen our margin performance this year, despite the global uncertainties and challenges.



Economic Growth

We see an exciting 2022 ahead of us with our mega project Borouge 4 EPC phase proceeding at full swing and PP5 production ramping up towards design capacity, and continued efforts towards circularity through various initiatives. We believe that the COVID-19 pandemic related challenges we overcome and the opportunities we seize will bring us closer to our ultimate target to be recognised for our innovative polymer solutions with high-end products by 2030, and strengthen our market position with a portfolio of differentiated products.

Since the introduction of the Borouge 2030 Strategy, there has been a consistent focus on stepping up our efforts to optimise our efficiencies and drive a cost-conscious mindset. By driving excellence, Borouge improves its competitiveness, earns the right to grow and achieve our vision of being the recognised leader in creative polymer solutions that have a positive impact on society today and tomorrow. Our growth and expansion have been enabled by enhancements to our world-class supply chain network and our innovation initiatives to develop more products, enabling us to reach new markets and successful customer partnerships.

Based on our increased production, and marketing and sales capabilities, and supported by a strong focus on innovation and circularity, we aim to increase the volume of polymers we bring to the market. Our global presence in the market has expanded over the years and we have experienced further growth in emerging markets across the Middle East and Asia, with marketing, sales and representative offices in 13 locations across the globe. We spare no effort in cooperating with the governments of countries we operate in, to support our growth and global trade.

Borouge participates in several high-level trade bodies relating to petrochemical operations, plastics advocacy, local and international trade.

Successfully Implemented OneERP Programme

In 2021, the SAP ERP system went live. The new SAP Enterprise Resource Planning (OneERP) system unifies common business processes across ADNOC Group Companies while providing a simplified and consistent user experience.

This programme aims to drive efficiencies across our operations by unifying the digital experience and common business processes within: Health, Safety & Environment, Human Capital Management, Finance, Procurement, Enterprise Asset Management, Sales, Supply and Distribution and Production Planning and Quality Management.

The World's Largest Cross-Sea Bridge

We are proud that our cable insulation grade Borlink™ LS4201S and semiconductor grade Borlink™ LE0592S were selected for the Zhoushan-Daishan Bridge project. The Zhoushan-Daishan Bridge is a cross-sea bridge connecting the islands of Zhoushan, Daishan, and Changbai in the Zhejiang province, China.

It is an integral part of a future transportation network of cross-sea bridges and highways passing through Ningbo, Zhoushan, and Shanghai, which will become the world's largest cross-sea bridge cluster upon completion. The network is expected to improve regional traffic and further enhance the growth of Ningbo Zhoushan Port, the world's busiest cargo handling port.

With lower risks of insulation defects and reduced degassing time, Borlink™ LS4201S enables customers to optimise production cycle time and achieve timely delivery of the high voltage power cables while maintaining high quality standards.

Borouge and Borealis continue to be committed to customers in delivering high quality cable solutions that meet the demands of rigorous power transmission in strategic national development projects.

Economic Growth

BorSafe™ HE3490-LS: A Sustainable and Reliable Choice for Desalination Outfall Pipelines

The superior product performance of BorSafe™ HE3490-LS as well as the expertise and quality assurance offered by Borouge are the reasons we were selected to meet the growing need for water resources in Gujarat. The state has increasingly adopted desalination technology in recent years, accounting for over 40% of the desalination plants in India.



The Dahej desalination plant has a capacity of 100 million litres per day and will help supplement current water supply coming from Narmada River and a canal, with desalinated seawater. This will enable the region to be more self-sufficient in water consumption in the long term in order to develop sustainably.

To meet the challenges of operating in aquatic environments, high density PE is an environmentally sustainable and cost-effective choice for outfall pipelines because of its advantages such as:

- Lightweight and flexible for ease of installation
- High resistance to corrosion and abrasion for long-term protection of environments

We continue to support the infrastructure industry in India by delivering safe, durable, and reliable PE100 resins for pipe networks that drive sustainable urban development.



Marketing Structure

The world today faces huge global challenges around carbon emissions, food, drinking water and sanitation and the role of Borouge is to provide specialised solutions that play a positive role in addressing these challenges. We do this through strong collaboration and deep engagement with the value chain partners through the following Marketing structure:

- **Energy:** The sector continues to benefit from our extensive experience in wire, cable, and capacitor film solutions' development at the heart of renewable energy and power transmission
- **Infrastructure:** Our infrastructure solutions are used in many different industries, including: water/gas distribution and transmission, sanitation, plumbing and heating, industrial, and energy, ensuring the health and safety of communities worldwide
- **Mobility:** Our portfolio of customised solutions for lightweight exterior and interior components, and under-the-bonnet applications continue to make vehicles lighter and more environmentally friendly, leading industry trends and fulfilling the strictest international and domestic regulations
- **Advanced Packaging:** As part of our commitment to sustainability and to driving opportunities towards a circular economy, we provide and develop solutions that are fully recyclable. Our value-added packaging solutions ensure the quality and safety of the end products, while at the same time they fulfil demand for functionality, convenience, and carbon footprint reduction
- **New business development:** We develop innovative solutions for agriculture and healthcare and seek new applications that add value to society. For example, in agriculture, we focus on products that can deliver precision farming whereby crop yields are maximised through the efficient use of light, water and fertilisers
- Our marketing structure reflects our focus on innovation and industry segments, so that we can better address social, environmental, and economic needs across the value chain.



Supply Chain Network

The global supply chain management of Borouge coordinates the planning and inventory distribution processes, supports the global customer service, designs the strategy for the logistics network and executes the packing and distribution of materials.

We always seek to expand our commercial and logistics network in the Middle East, Africa, and Asia to be closer to our customers. Borouge has a tailored network designed to reduce delivery lead-time to our customers and to better serve the needs of our growing customers' base in the Asia North and Asia South regions.

All logistics providers of transportation services via trucks of Borouge in the GCC region are obliged to register and comply with the Gulf Sustainability and Quality Assessment System (SQAS). SQAS is a system that evaluates the quality, safety, security, and environmental performance of logistics service providers in a unified manner of single standardised assessments.

The aim of the system is to provide assurance to petrochemical companies that logistics operations are carried out in safe and high-quality ways while protecting the employees, public and environment.

Supply Chain Global Network



Our supply chain is impacted by several potential scenarios, including:

- Market volatility
- Political and economic instability in target markets
- Natural disasters
- Service providers' landscape
- Changing customs regulations
- Compliance requirements

Borouge proactively identifies, evaluates and assesses business risks and develops mitigation plans with the objective of reducing vulnerabilities and ensuring the successful continuation of our global business.

This is captured and maintained in a formal Risk Register and Business Continuity platform.



Procurement

Borouge recognises the importance of our business partners and we are focused on improving the participation of local suppliers in our value chain through our simplified procurement processes and contract formalities.

We achieved our 2021 Sustainability Goal and increased the number of our UAE based suppliers of chemicals, additives and packaging by 8%.

We continued prioritising and contributing to realising the In-Country Value (ICV) strategy. In addition, we have a robust improvement action plan for 2022 to ensure that we continue achieving our targets.



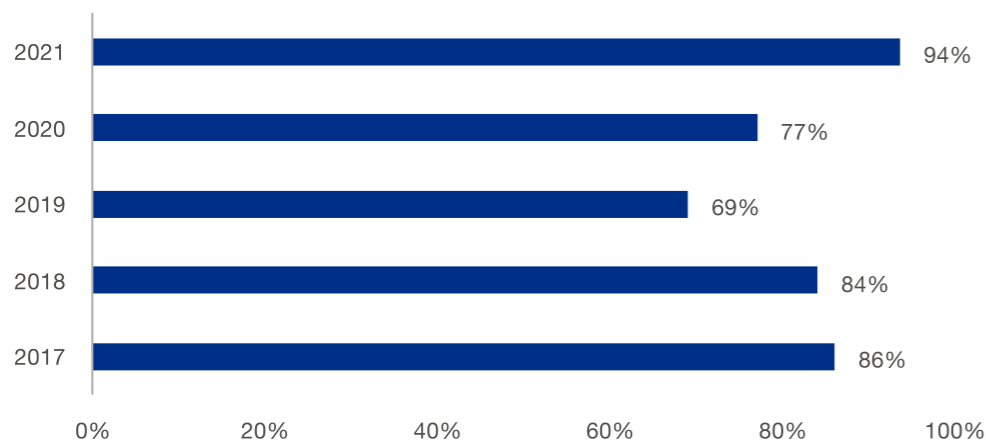
Enabling Industrial Growth in Ruwais

In 2021, Borouge announced a new long-term agreement with ADNOC Logistics and Services (ADNOC L&S). ADNOC L&S will manage integrated logistics for Borouge to a new main logistical hub at Khalifa Port and KIZAD in Abu Dhabi.

Through this partnership, we will harness our strengths to boost the UAE's In-Country Value (ICV). This will be done by having 85% of value flow back to the UAE's economy, accelerating the development of critical local supply chain functions. This partnership highlights our commitment to prioritise ICV, and power the growth of the UAE economy and its development.

In terms of developing the capacity of local suppliers, Borouge supports GPCA's Gulf Sustainability and Quality Assessment System and mandates its suppliers to adopt the system that aims to improve performance. In addition, the Borouge Workers Protection Standard aims to protect workers throughout the supply chain and ensures suppliers comply with international standards related to the workers' welfare.

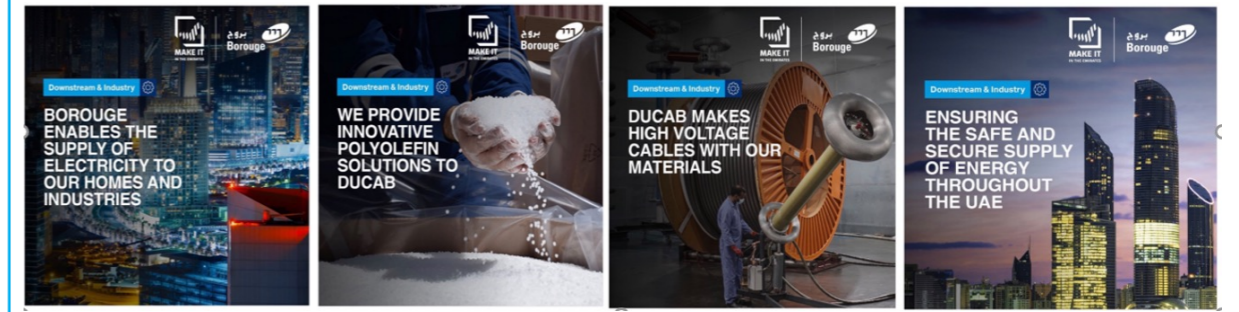
Percentage of Procurement Budget Spent on Local Suppliers



Borouge's Contribution to Make it in the Emirates

We are proud to have contributed to the ADNOC Downstream campaign, through an integrated campaign launched on our social media platforms and highlighting how Borouge supports the petrochemicals industry in the UAE.

We provide raw materials to our partner customers, like DUCAB and Union Pipe Industries, to create solutions that enable the energy and infrastructure sectors across the value chain, which ensures safe and secure supply of energy and infrastructure throughout the UAE as well as globally.



Responsible Sourcing and Borouge Workers Protection Standard

As we expand our global operations and markets' presence, we continue to do business in a way that protects and enhances the lives of the workers engaged throughout our supply chain. As a result, Borouge is now closely collaborating with all our suppliers to ensure that they too conduct their business responsibly.

The responsible sourcing of our products and services is a priority for us.

We delivered upon our 2021 Sustainability Goals to introduce our Responsible Sourcing Commitment comprising of three pillars, namely: HSE, Ethics and a world-class Workers Protection Standard.

The suppliers and sub-suppliers of Borouge are expected to conduct their business ethically and to protect the rights and wellbeing of their workers by complying firstly with local and national laws and then with the requirements of this new standard. The requirements of the Workers Protection Standard are based on international best practices, standards, and conventions, and specifically relate to:

- Forced labour
- Child labour
- Discrimination
- Working hours
- Remuneration
- Freedom of association
- Harassment
- Ethics
- Communication
- Conflict minerals and indigenous people

Economic Growth

In addition to the existing requirements, in 2017 we incorporated our Workers Protection Standard requirements in all our manpower-related contracts to protect the rights and wellbeing of the employees of our suppliers and sub-suppliers.

They are evaluated from the beginning of the tendering process, right through to contract award and provision of services. We are committed to communicate the standard to the workers and we provide training to our Borouge contract administrators to ensure compliance, as well as performing audits on our suppliers to provide recommendations where necessary.

To ensure adherence to the Borouge Worker Protection Standard, an awareness session was conducted in 2021 while a dedicated contractors' welfare hotline programme was rolled out to hear of and improve any welfare issues they may have.



Economic Growth

Corporate Governance

Borouge embraces sustainability as a strategic path to increase integrity and accountability across the company. We ensure an effective governance framework across our global operations, and we are committed to improving our operational efficiency through transparent and responsive governance. Driven by our core values, we have established a Corporate Governance Policy that provides a clear understanding of our governance structure, the interface with shareholders and authorities, and decision-making mechanisms within the organisation resulting in our ability to maintain good relationships with our stakeholders, support our long-term success and enhance our leadership across the industry.

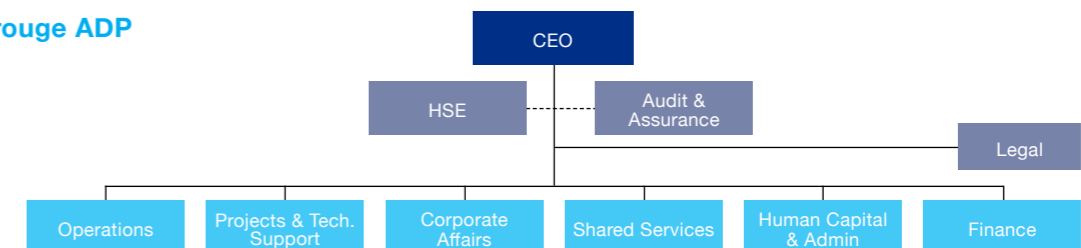
The Corporate Governance function is dedicated to further improve our operational efficiency by providing the necessary governance framework and governing principles through which the objectives of Borouge are set. It presents a means of attaining these objectives and monitoring performance in the best interest of Borouge and its shareholders.

Borouge ADP and Borouge Pte operate under the direction of two separate Boards of Directors (ADP Board and Pte Board). The two Boards represent our shareholders and operate in accordance with the governance contained in our Articles of Association and Memorandum of Association.

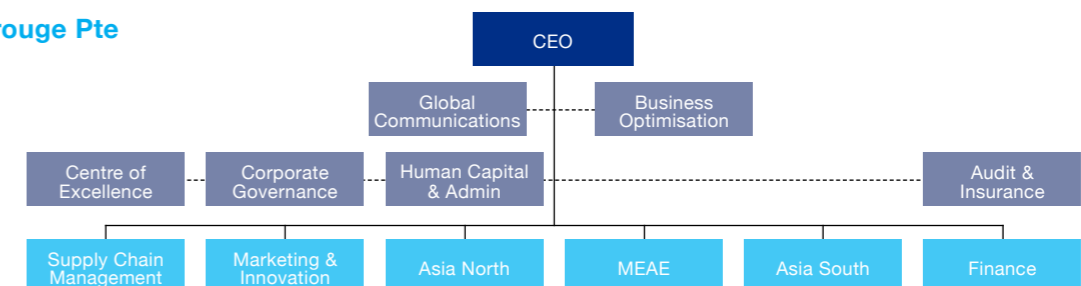
We have Board Charters and Terms of Reference in place to address the structure and operations of the Boards and key committees. The two legal entities of Borouge are managed by separate executive teams. Borouge ADP focuses primarily on production and shared services, while Borouge Pte is responsible for Marketing and Sales, Supply Chain and the Compounding Manufacturing Plant in China. There are a few committees and joint committees established to support the governance and implementation of the Corporate Strategy.

Executive Teams

Borouge ADP



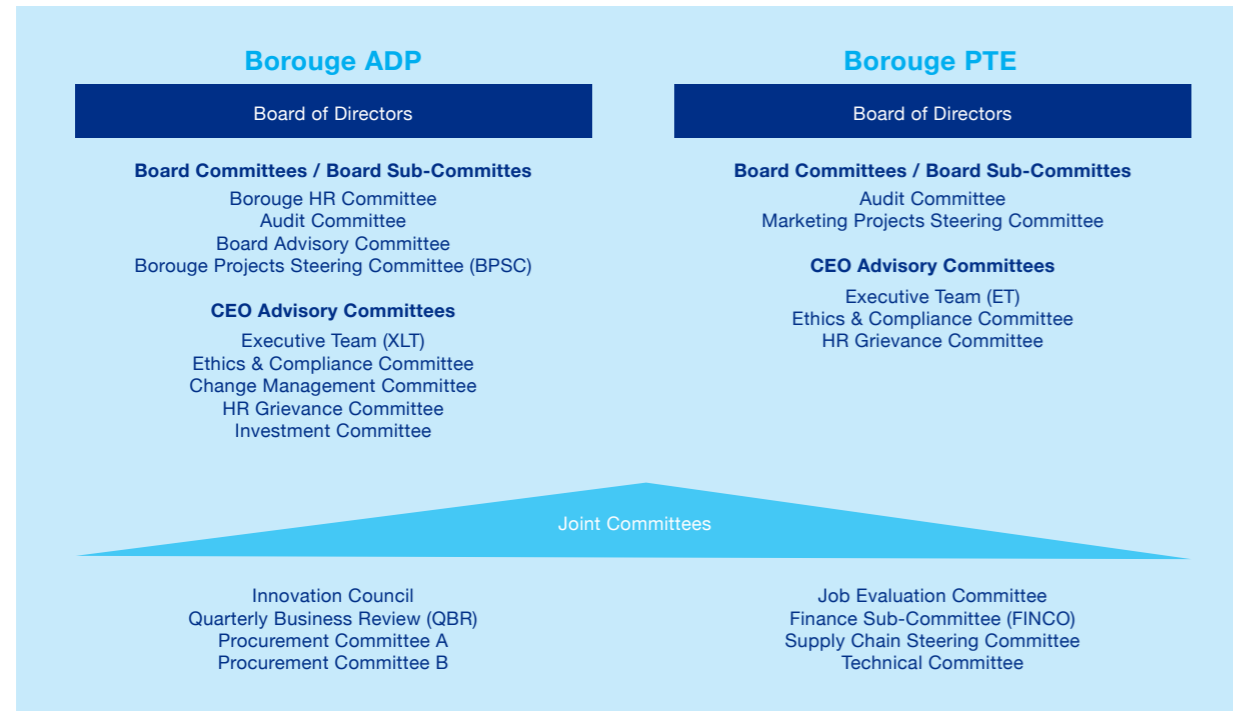
Borouge Pte



Economic Growth

Our Boards meet on a regular basis to ensure our governance focus on business sustainability. During 2021, Borouge had three Board Advisory Committee (BAC) meetings annually which occurred around three weeks before each of the three ADP Board meetings.

Key Governance Committees



We recognise the fact that our youth has potential and skills that can contribute to the achievement of our long-term goals.

Economic Growth

Ethics

Since our inception in 1998, Borouge has been committed to operating its business to the highest ethical standards and practices.

Ethics is a key part of our values and kneaded tightly into the principles by which we operate. Our Code of Conduct guides our business, requiring ethical behaviour and integrity in everything we do, and our Code of Conduct is updated regularly to ensure it reflects the changing risk environment that Borouge operates in.

The expectations defined in our Code of Conduct:

- Requires our people to act ethically and responsibly with integrity
- Establishes a culture of openness, trust, and integrity in our business practices
- Defines roles, responsibilities, and accountabilities
- Maintains the expectations of adherence to business ethics in all Company's practices



Our values promote a progressive and respectful work environment

Economic Growth

At Borouge, we recognise that the world we operate in is growing evermore complex, and we may be faced with ethical dilemmas in our daily course of business. This led us to update our Code of Conduct to reflect the changing risk environment that we operate in.

We also have an online Business Courtesy Registry for our employees to record gifts or entertainment given to, or received from, an external party. Reporting each gift or business courtesy is mandatory at Borouge. As such, to ensure that our employees are guided on their ethical conduct, we have mandatory Ethics & Compliance e-learning across all functions at Borouge.

Face-to-face workshops and awareness communications were also held across all regions covering topics like anti-bribery and corruption, data privacy, conflict of interest, whistleblowing, and gifts and entertainment.

Our efforts to reinforce our ethical business standards and culture will continue in 2022 by enhancing our e-learning modules on the Borouge Code of Conduct, as well as ongoing Ethics and Compliance e-Learning modules in emerging risk areas.

Borouge also maintains robust policies and procedures related to high-risk areas such as anti-bribery and corruption, sanctions and exports, insider trading, anti-money laundering, conflicts of interest and other key risk areas. Borouge takes a zero-tolerance approach to bribery and corruption, setting high standards of impartiality, integrity, and objectivity in relation to all our activities. In 2021, there were zero corruption cases reported.

Data Privacy

We celebrated Data Privacy Day as we strive to further strengthen our Data Privacy culture, raise awareness, and promote privacy and data protection best practices. Aligned with 2021's global theme "Own Your Privacy", we renewed our commitment, as Borouge, to take responsibility for our data and understand how we can do our part to respect privacy, safeguard data and build trust.

Borouge has in place the following controls to help safeguard our data:

Our Personal Data Protection Procedure, provides guidance to employees about data privacy rights and Borouge's practices in managing the risks that rise from Personal Data Management activities.

Our Employee Data Protection Notice, describes the data protection practices of Borouge with respect to our processing of personal data of all our employees as part of our HR business operations.

Economic Growth



Speaking Up or Asking for Help

We expect and encourage all employees to directly report any suspected violations of the Borouge Code of Conduct. Some examples of ethical violations that could be reported in Takallam include: alleged or suspected violations of laws, regulations and policies of Borouge such as theft, fraud, conflict of interest and disclosure of information. Takallam platform is available to both internal employees and external partners. Employees with concerns about suspected business violations are encouraged to:

- Talk to their line manager and/or members of the leadership team
- Report the issue to Ethics & Compliance
- Raise concerns about business conduct in Takallam

Maintaining the highest possible ethical standard is of utmost importance to Borouge and paramount to living our values and adhering to our Sustainability Policy. We ask all our employees to complete Code of Conduct undertaking and Conflict of Interest certification online on an annual basis.

Quality Management

Our Borouge process house (as is known at Borouge) highlights the ownership, responsibilities, and accountabilities as well as the inter-connectivity of key business elements in the organisation, underpinned by our commitment to sustainability.

In 2021, various process models in the Borouge process house were updated to align with the organisational changes.

Strengthening “Borouge 100% Quality Mindset and Culture”

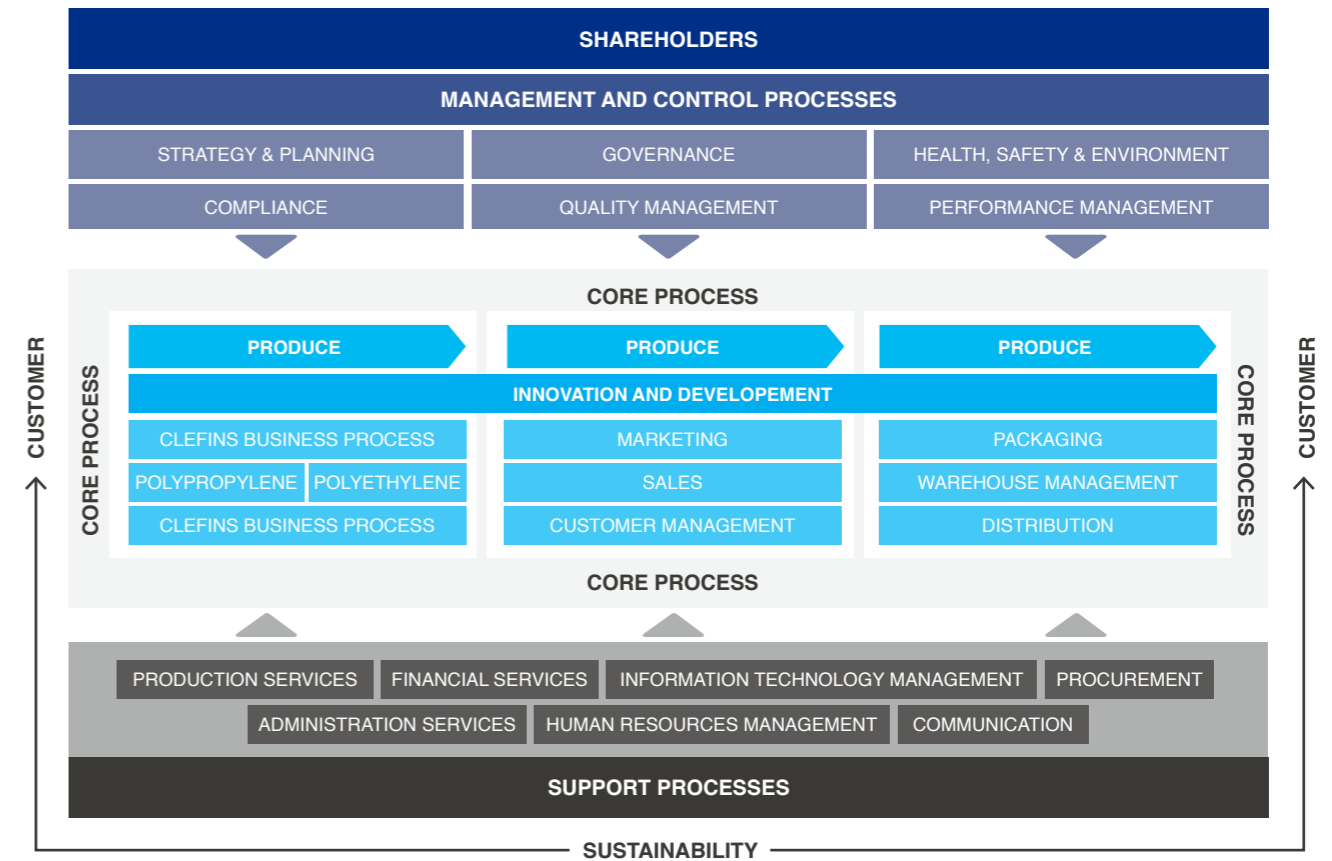
At Borouge, we are committed to building a 100% Quality mindset and add value to our customers globally. 100% Quality mindset is not only a Borouge initiative but also a new culture that we want to instil across Borouge at all locations. Following the launch of this initiative in 2020, we are pleased to announce the roll out of the Computer-based training (CBT) in year 2021.

The new CBT has four parts and consists of the basic concepts and philosophy of Lean Six Sigma management aiming to equip employees with the knowledge and ideas needed to embark on the journey of problem solving, continuous improvement and creating value for the customer and the business.

Quality audits are vital contributors to our continuous improvement culture, which is achieved through process knowledge and management monitoring to ensure that risks and control measures are effectively managed. In 2021, we completed 15 quality audits where areas for improvements were identified, documented, and followed up on for effective resolution. Going forward in 2022, changes are going to be implemented in the second line of defence audits (planning, reporting and closure).



Borouge Corporate Business Process Model



In 2020, we developed a detailed action plan to further enhance our performance. In 2021, we achieved 100% compliance with the action plan.

Knowledge Management Programme

We are committed to living our values through continuous improvement of our procedures and streamlining our processes. We are pleased to announce the launch of ‘Borouge Knowledge Management Programme’. This project contributes to one of our key priorities of adopting a 100% Quality mindset culture.

We aim to work together to add value, make an impact, assess, and streamline our existing policies. Furthermore, we are committed to fostering a knowledge sharing culture across the organisation. This can be achieved through the introduction of logical and systematic solutions, which are supported by a centralised repository of information.

Below is an outline of the four solutions that are part of the first phase of the project.



Economic Growth

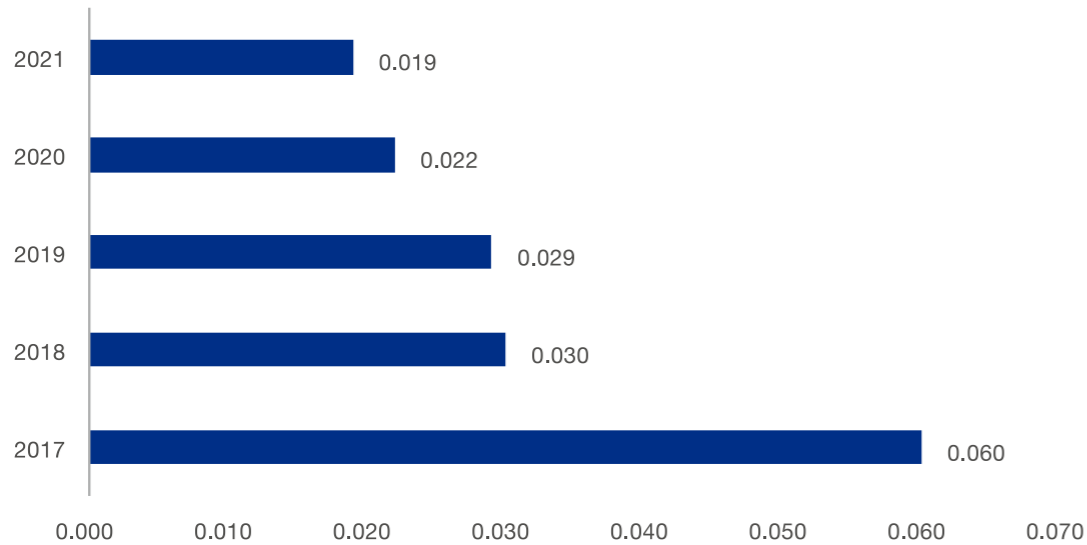
Customer Satisfaction

Keeping our customers satisfied is fundamental to the resilience of our business in the dynamic and fast changing markets. Listening to the needs and concerns of our customers is a key driver to our successful journey. This is reflected in overachieving our 2021 Sustainability Goal of reducing customer complaints by 40% in 2021.

One important tool that we utilise to measure our customer satisfaction and identify potential areas of improvement is our specifically designed Customer Feedback Closure Questionnaires (CFCQ) that we regularly send out upon resolution of customer complaints.

We exceeded the 2021 customer satisfaction target relating to the customer feedback handling. Overall, the justified complaint frequency is the lowest recorded in the last six years.

Complaints Received per (000) Tonnes Sold



Borouge Virtual Customer Visit

Borouge kicked off the first edition of the “Borouge Virtual Customer Visit” series in 2021.

The series aims to create a live educational engagement platform for our customers to demonstrate their business activities to Borouge employees and show how our solutions have added value to their business.

Economic Growth

Continuous Improvement

We recognise that continuous improvement is imperative to remaining as one of the leading petrochemicals companies. Borouge developed our specially designed approach for problem solving and project management excellence; the i5 Approach.

This approach helps us to deliver our projects on time, on budget and at the same time meet our clients’ expectations in terms of quality. We apply the i5 Approach for all projects exceeding an external cost of USD 50,000 or 40 man-days.

i5 Project Management Approach



i5 Project Management Training

We conducted a virtual i5 training on Project Management Methodology targeting employees at ADNOC Technical Academy.

The training aims to share Borouge’s knowledge and experience on i5 project management tools as a support to the academy’s OneADNOC performance culture transformation programme “Excellence Performance Programme”.

The training attracted 32 participants including team leaders, section heads and department managers from various functions in ADNOC Technical Academy.

Zero Defect Quality Programme

The Zero Defect Quality programme aspires to reach 100% Quality of our products and services. This year, we evaluated our Quality Assurance and Quality Control through the entire Borouge value chain and closed 116 actions that were identified during the study.

Economic Growth

Borouge Out of The Box Campaign: Value Creation

Launched in 2020, our Borouge Out of the Box has successfully attracted 287 ideas that have resulted in US\$11.9 million value addition to the PIP21 programme.

Our employees' great minds are our most valuable asset, and we rely on collaboration and progressive spirit to contribute new ideas that will enable us to gain a new perspective on how to continue achieving excellence.



Value Creation

Value created over commodity products via sales and marketing efforts independent of short-term marketing efforts independent of short-term market turbulences by looking at product mix premium and price uplift.



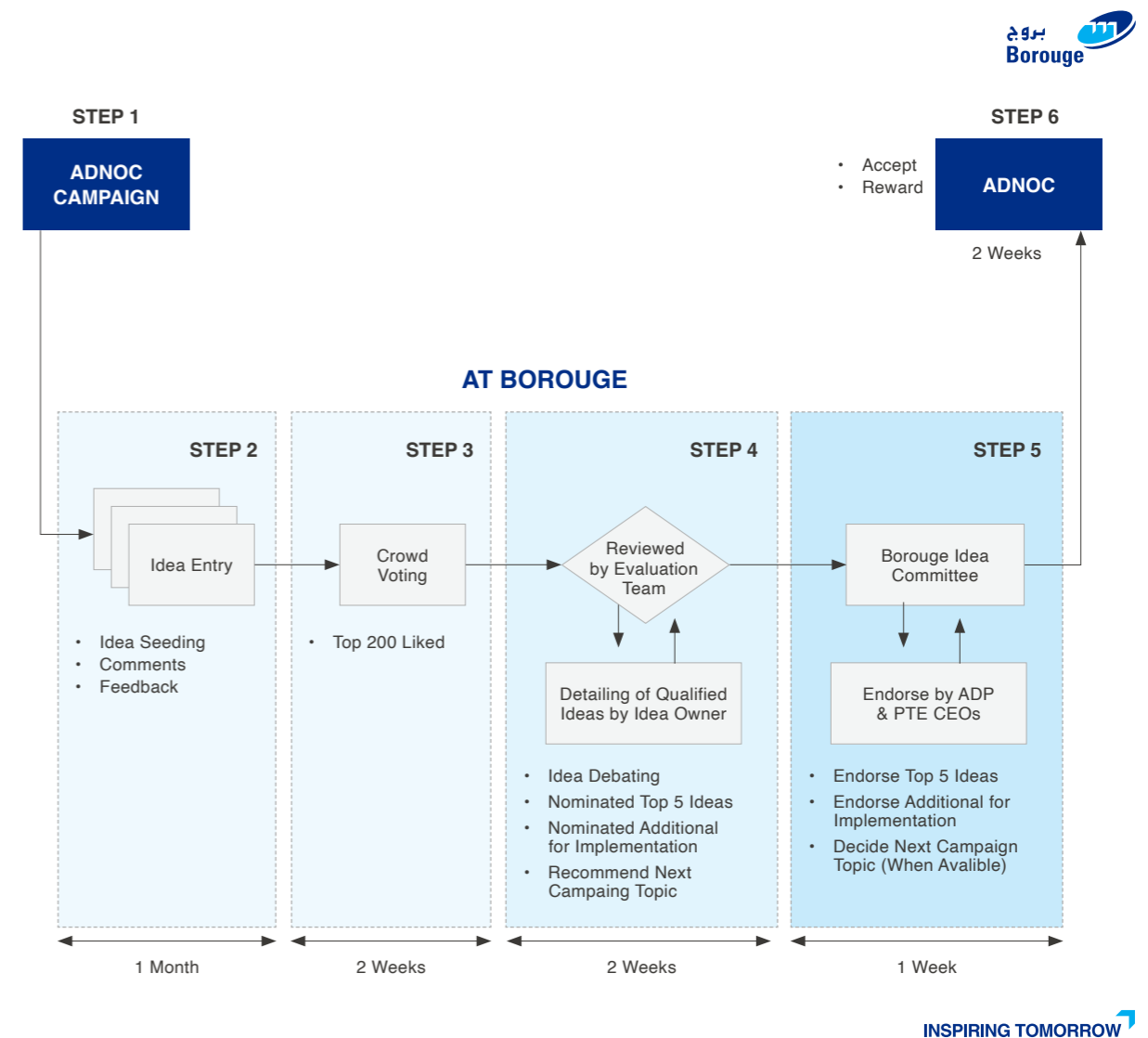
Economic Growth

ADNOC++

Fostering innovation is a fundamental concept at Borouge that positively contributes to our business sustainability and viability. We see innovation as a strategic and human centred lever for developing and maintaining an agile and accountable business.

In 2020, My Idea was replaced with ADNOC++, a centralised tool where brilliant ideas across all ADNOC Group companies are collected. We encourage our employees to unleash their creative capabilities and submit their valuable ideas through the newly launched ADNOC++.

ADNOC++ IDEA REVIEW PROCESS (INTERNAL)



Asset Integrity

We are committed to preventing major process safety incidents and we closely adhere to the principles of Asset Integrity Management and devote the necessary resources to implement these principles throughout the organisation.

The Borouge Asset Integrity Management System is a systematic approach to identifying, evaluating, and controlling major process hazards and risks, primarily to prevent loss of primary containment of hazardous substances and the release of stored energy which could result in fires, explosions, or other serious consequences.

The management system also contributes to optimising business processes with respect to HSE requirements, operational environment, and business sustainability.



As part of our 2021 Sustainability Goals, we have committed to consistently outperform the industry's benchmark for process safety. The Process Safety Network platform between Borouge and its peers, including Borealis, provides the venue for exchanging best practices.

We consistently outperformed the industry's benchmark for process safety between 2016 and 2020 through: Pre Start Up Safety Review (PSSR), active punch closure, take 2 mindset and asset integrity performance. However, in 2021, process safety incidents were higher due to a deficiency in contractor activity controls and as a result, two process safety incidents occurred during commissioning activities of PP5.

Borouge regularly performs risk assessments based on the established Qualitative and Quantitative Risk Assessment Methodology.

The identified high-risk activities are brought to an acceptable level (ALARP) through the implementation of practical controls and mitigation measures.

HSE Critical Equipment and Systems (HSECES) are the installations (equipment, structures, and systems) that prevent major accidents or mitigate any consequences. The following steps are used systematically for the effective management and monitoring of these elements:

- Identification of Major Hazards (MAH) through Process Hazard Analysis (PHA) with reference to company's tolerable risk guidelines
- Application of bow-tie methodology in the identification of HSECES, HSE critical integrity activities and HSE critical activities for each identified MAH
- Development of performance standards for all identified HSECES
- Establish HSECES assurance tasks and verification processes
- Implementation of HSECES assurance tasks and verifications based on the established maintenance strategy and plan
- Performance monitoring of HSECES compliance through an interactive dashboard
- Conduct risk assessment and identify mitigation for non-compliant situations in HSE critical equipment management



Information Technology

Information Technology (IT) is one of the key enablers towards delivering our integrated business strategic objectives. Borouge focuses on creating fit-for-purpose solutions and quality services to support the growth of the company. A major focus of our IT strategy is to enable appropriate platforms to support collaboration across our extensive global network of operations.

We recognise the vitality to secure and protect the data received, transmitted, stored and retrieved. There is a significant necessity to have information security controls in place to ensure confidentiality, integrity and availability of these services for our robust business continuity.

We strictly follow our Corporate Information Security Policy that outlines the mandatory minimum requirements for developing both business and individual information security management systems amongst others.

Risk Management and Business Continuity

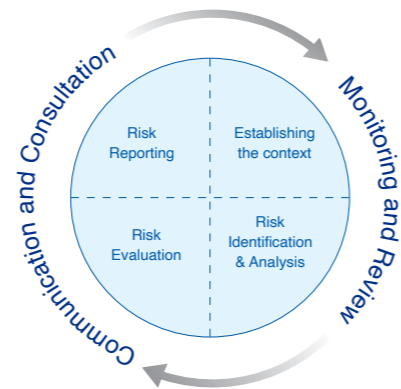
In order to deliver value to customers, employees and key stakeholders, Borouge must manage the risks across the entire organisation. Our risk management framework provides a methodology to conduct effective risk assessments and categorisation that will allow the management to decide on appropriate mitigation plans.

It aims to reduce our risks to an acceptable level across the company and ensure:

- Identification, assessment, evaluation, mitigation, management and monitoring of risks
- Achievement of company's objectives and efficient business operations at all levels
- A clear process flow, reporting and communication with Borouge's management

Business continuity planning and preparation activities played a fundamental rule during 2021 proving our resilience in response to the COVID-19 challenges.

The Borouge business continuity committee is responsible to ensure our readiness to the rapidly changing economic environment.



Compliance

Compliance risk has become one of the most significant ongoing concerns for corporations today, given the ever-changing regulations across the world.

With the substantial growth that Borouge has experienced in recent years, our business has become more complex. In particular, the expansion of our geographical footprint requires Borouge to ensure compliance with laws and regulations in the countries where we operate in.

The Compliance Framework was established at Borouge in 2016 with the key compliance risk and controls being identified and formalised based on COSO (Committee of Sponsoring Organisations of the Treadway Commission), a widely accepted methodology that focuses on achieving objectives in operations, reporting and/ or compliance. Each year, a risk assessment and review on key internal controls is conducted throughout the organisation.

In addition, in accordance with the Abu Dhabi Accountability Authority (ADAA) Resolution 1 – Internal Controls Framework, Borouge conducts a yearly self-assessment review of key controls across the organisation.

Each year, the Internal Controls Framework is further enhanced with expansions into other emerging risk areas, such as data privacy and protection, sanctions and export controls and anti-money laundering with the development of new procedures and risk assessment reviews conducted.

Going forward, Borouge will continue to develop and strengthen the Compliance Framework and Internal Controls Framework to ensure assurance can be provided for key risk and control areas across the enterprise and ensure the strong culture of compliance is the foundation of Borouge operations.



Tax

We strictly comply with the laws and regulations in the countries where we operate, pay taxes to local governments according to law, and contribute to the development of local economies.

We engage external tax advisors to conduct health check reviews to identify business conduct, compliance, and documentation gaps for key markets we operate in like Singapore, China, and India. Subsequently, remediation plans will be put in place to address the gaps identified. Currently, we have several policies in place to govern the topic of tax and in 2022, we plan to develop a comprehensive tax policy.

Tax Awareness Session

We deliver regular tax training and awareness sessions to instil tax awareness and tax sensitivity across the organisation.

A variety of tax related topics were hosted to raise tax awareness to all stakeholders within the organisation. Topics like withholding taxes, indirect tax, transfer pricing and functionality of commonly used business model were covered during these sessions.



Audit and Assurance

The Audit and Assurance Function (A&AF) at Borouge is an independent function within the company that adds value through objective assurance and advisory services. Assurance on the effectiveness of risk management, internal control and governance processes are provided to the management and stakeholders under the auspices of the Audit Committee.

The mandate provided to A&AF ensures unrestricted scope coverage for internal audits. Our integrated auditing approach has been aligned to various national and international best practices and standards, such as:

- Abu Dhabi Accountability Authority (ADAA)
- International Financial Reporting Standards (IFRS)
- Control Objectives for Information and related Technology (COBIT)
- Institute of Internal Auditors (IIA) Standards and Practice Advisories
- Committee of Sponsoring Organisations of the Treadway Commission (COSO)
- ADNOC Codes of Practice
- ISO 9001 & IATF 16949 – Quality Management Systems
- ISO 50001 – Energy Management System
- Signals Intelligence Agency / ISO 27001 – Information Security Management System
- ISO 14001 – Environmental Management System
- RC@ 14001 – Responsible Care Technical Specifications
- Social Accountability Standards, including customer specific requirements
- ISO 45001 – Occupational Health and Safety Management System
- National Emergency and Crisis and Disasters Management Authority requirements (NCEMA)
- Information Systems Audit and Control Association (ISACA)

Extended Assurance Model

The Extended Assurance Model of Internal Audit aims to derive maximum efficiency during the audit while providing holistic assurance to key stakeholders.

The Extended Assurance Model integrates risk based internal audits with the requirements of Integrated Management System (IMS) and IT. This model provides an extended assurance across six main pillars – Strategic, Financial, Operational, IT, Standards and Regulatory, and Performance Monitoring and Reporting.



The model lays significant focus on sustainability as it addresses key aspects like human rights, working and living conditions, ethics, environment, product stewardship, energy, security of assets and people, and governance, as well as focusing on recommendations to enhance profitability. The Audit and Assurance Function also facilitates external ISO/ RC@ audits, performs specialised audits like the Borouge Workers Protection Standard audit, energy audit and gap assessments, upon request from the management.

Our internal audits are designed to provide reasonable assurance on the conformity of Borouge to specific sustainability requirements by:

- Incorporating verification of social accountability requirements
- Citing improvement opportunities, as relevant, geared towards sustainable operations (life cycle assessment, product stewardship) in our recommendations
- Performing specific audits addressing requirements of international standards such as:
 - Energy Management System (ISO 50001)
 - Quality Management System for Automotive Industries (IATF 16949)
 - Gap assessment reviews in view of applicable management system standards
 - Customer audits against responsible sourcing requirements
- Performing supply chain audits, contract audits and project audits
- Facilitating external ISO 9001 / ISO 45001 / RC@ 14001 / IATF 16949 certification
- Use of Audit Management Systems (AMS) for internal audit, follow-up
- Conducting reviews arising from unethical acts and behaviour as requested by the management from time to time

Current Certifications

The Integrated Management System at Borouge is certified to ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and RC 14001@:2015 for its global locations.

In addition, Energy Management System of Borouge (ADP) is certified against the international standard of ISO 50001:2018 requirements.

Further, Borouge's Compound Manufacturing Plant at Shanghai is certified to the Quality Management System standard for automotive industry – IATF 16949.



Awards and Recognition

2021 Awards and Recognition

#	Title	Category	Awarded for
1	Abu Dhabi Sustainable Business Leadership Awards 2021 - Abu Dhabi Sustainability Group (ADSG)	Sustainability	Best Sustainability Communication Programme Award - Sustainable Campus Initiative (SCI)
2	ADNOC Excellence Award	HSE	Ruwais Environmental Sustainability Programme (RESP)
3	Talent Acquisition Service Excellence Awards	Human Capital and Administration	Efficiency Category & Responsibility Category
4	Top Human Resources Management Award in China	HR	Management's Capabilities in the Local Market
5	"5-Star Employer of Choice" by HRD Asia	HR	Showcasing a Longstanding Commitment to the Overall Employee Experience.
6	Recognised as 1st ADNOC Operating Company to Receive Customized SQA Award Certification	People Development	Commitment to Excel and Meeting International Standards for Occupational Roles
7	Thrive	Gender Balance	"2021 Greatest Impact Project" (ADNOC gender Balance Award Category)

Borouge and the United Nations Sustainable Development Goals

As leaders in creative polyolefin solutions that have a positive impact on society, today and tomorrow, we actively contribute to the United Nations Sustainable Development Goals (SDGs). Our key areas of focus for 2021 are:



SDG	How We Contribute	SDG	How We Contribute
<p>3 GOOD HEALTH AND WELL-BEING</p>	<p>We provide innovative polymer solutions for light, unbreakable and safe medical devices</p> <ul style="list-style-type: none"> • 300,000+ PCR tests for our employees and contractors • 24 million safe man-hours in the PP5 project • +1800 HSE Group Engagements, + 600 HSE Recognitions • +4500 participated in Borouge Safety Day 	<p>4 QUALITY EDUCATION</p>	<p>We contribute towards a knowledge-based economy in the UAE and beyond.</p> <ul style="list-style-type: none"> • Provided scholarships to high performing students to pursue polymer science and engineering • 22 universities participated in the Sustainable Campus Initiative (SCI) • 1,682 school students and 97 university students participated in the Polymers on The Move (POTM) programme. • Partnered with international and local educational bodies to further develop the competence of polymer science in the UAE
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>We strive to address the global water challenges through our innovative solutions and CSR engagements</p> <ul style="list-style-type: none"> • Partnered with local NGOs to provide drinking water and sanitation to communities in Kenya, Mozambique, Vietnam, and northern Pakistan, to name a few through our "Water for the World" initiative • Used recycled water or "NEWater" to tackle water scarcity in Singapore 	<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>We are a major contributor to global GDP growth</p> <ul style="list-style-type: none"> • Borouge Talent Acquisition received 5 Awards • Top Human Resources Management Award in China • "5-Star Employer of Choice" by HRD Asia • Recognised as 1st ADNOC Operating Company to receive customized SQA award certification
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>We are committed to maintaining resource efficiency in the production and application of polymer</p> <ul style="list-style-type: none"> • Officially added recyclates as part of our portfolio • Shifted to using plastic and/or wooden pallets for packaging and transportation • Developed fully recyclable monomaterial packaging solutions • Converted the production of our PE4 unit in Ruwais into black pellets • Overachieving our 2021 Sustainability Goal for reducing our industrial water consumption • Overachieving our 2021 Sustainability Goal of ethane consumption 	<p>13 CLIMATE ACTION</p>	<p>We provide lightweight innovative polymer solutions that make a major contribution to climate protection</p> <ul style="list-style-type: none"> • Won Best Sustainability Communication Programme Award for our Sustainable Campus Initiative (SCI) • Ruwais Environmental Sustainability Programme Won The 100% HSE ADNOC Excellence Award • The Scope 2 emissions in 2021 are the lowest level recorded over the past five years • Overachieved our 2021 Sustainability Goal to reduce flaring • The lowest annual record of flaring in our history • Achieved outstanding performance for Green House Emissions (GHG)
<p>14 LIFE BELOW WATER</p>	<p>We are committed to preventing and reducing marine pollution</p> <ul style="list-style-type: none"> • Eliminated the leakage of plastics into the environment and ocean through Project STOP • Prevented plastic pellets from leaking into waterways through the Zero Pellet Loss programme 		

About this Report

The 2021 Sustainability Report has been prepared in accordance with the Global Reporting Initiative Standards: Core option and the Borouge values. The boundary of this report covers the Borouge organisation as a whole.

An external assurance audit covering the scope of Ruwais operations only was conducted on a number of parameters covered in the 2021 report, including safety data, energy consumption, waste, water, flaring and emissions. As a result, some historical data have been amended slightly.

Data has been gathered by our sustainability team supported by sustainability focal points in all functions across the company. For particular material aspects, figures from suppliers are also included.

In 2021, Borouge completed a stakeholder materiality mapping exercise across a broad range of internal and external stakeholders, based on the aspects classified in our sustainability performance reporting and identified key areas of focus.

Business continuity, ethics, occupational health and safety, business compliance with laws as well as employees' wellbeing and satisfaction, among other areas, were rated as the highest priority by the stakeholders both in terms of concern to them and their impact on Borouge.

In 2021 we focused our efforts to address the high priority areas, as identified and described in the report. We aim to conduct a new stakeholder engagement and materiality exercise in 2023.

For more information about sustainability at Borouge, or for any comments, suggestions, and questions regarding this report, please email us at:

sustainability@borouge.com

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GRI Content Index

Disclosure No.	Disclosure Title	Comments	Page
General Disclosures			
102-1	Name of the organisation	Covered	8
102-2	Activities, brands, products and services	Covered (banned products or services - zero)	10, 11, 24, 25
102-3	Location of headquarters	Covered	11
102-4	Location of operations	Covered	10 & 11
102-5	Ownership and legal form	Covered	8
102-6	Markets served	Covered	8 & 11
102-7	Scale of the organisation	Covered	8 - 11 & 76
102-8	Information on employees and other workers	Covered	26 - 33
102-9	Supply chain	Covered	76 & 77
102-10	Significant changes to the organisation and its supply chain	Covered	81
102-11	Precautionary principle or approach	Not used. (Borouge does not follow precautionary principles as we use proven practices, etc. and have a risk management plan)	-
102-12	External initiatives	Covered (Environment Agency of Abu Dhabi, Responsible Care Global Charter, GPCA, SCOR, WTO, World Plastics Council)	-
102-13	Membership of associations	Covered	12 & 13
102-14	Statement from a senior decision-maker	Covered	2 & 3
102-15	Key impacts, risks and opportunities	Covered	15
102-16	Values, principles, standards and norms of behaviour	Covered	8, 13 - 14, 16 - 17, 82 - 85, 96 - 100
102-17	Mechanisms for advice and concerns about ethics	Covered	82 & 85
102-18	Governance structure	Covered	81 & 82
102-19	Delegating authority	Covered	81
102-20	Executive-level responsibility for economic, environmental and social topics	Covered	81 & 82
102-21	Consulting stakeholders on economic, environmental and social topics	Covered	15
102-22	Composition of the highest governance body and its committees	Partially covered	32, 81 & 82
102-23	Chair of the highest governance body	Covered	81
102-24	Nominating and selecting the highest governance body	Partially covered	30 - 33
102-25	Conflicts of interest	Covered	82 & 85
102-26	Role of highest governance body in setting purpose, values and strategy	Covered	81
102-27	Collective knowledge of highest governance body	Covered	12, 81

GRI Content Index

Disclosure No.	Disclosure Title	Comments	Page
102-28	Evaluating the highest governance body's performance	Not covered	
102-29	Identifying and managing economic, environmental and social impacts	Covered	13 - 15, 81 & 82
102-30	Effectiveness of risk management processes	Covered	81 & 82, 94
102-31	Review of economic, environmental, and social topics	Covered	81 & 82
102-32	Highest governance body's role in sustainability reporting	Covered (The sustainability report is reviewed and approved by Borouge management. Sustainability VP is responsible for ensuring that all material topics are covered)	
102-33	Communicating critical concerns	Covered	81 - 85
102-34	Nature and total number of critical concerns	Covered	85
102-35	Remuneration policies	Not covered	-
102-36	Process for determining remuneration	Covered (On an annual basis ADNOC - Borouge is engaging an external consultant to conduct a benchmark study with Gulf Oil & Gas Companies. The outcome of the study is shared with management for further necessary actions.)	-
102-37	Stakeholders' involvement in remuneration	Covered (Please refer to Disclosure 102-36)	-
102-38	Annual total compensation ratio	Partially covered (It follows the Company's compensation scheme)	-
102-39	Percentage increase in annual total compensation ratio	Partially covered (It follows the Company's compensation scheme)	-
102-40	List of stakeholder groups	Covered	15
102-41	Percentage of employees covered by collective bargaining agreements	Covered (0%)	-
102-42	Identifying and selecting stakeholders	Covered	15
102-43	Approach to stakeholder engagement	Covered	15
102-44	Key topics and concerns raised	Covered	15
102-45	Entities included in the consolidated financial statements	Covered	8
102-46	Defining report content and topic boundaries	Covered (Sustainability Strategy/ Roadmap and Stakeholder Engagement, GRI Standards, ADNOC CoP and external assurance inputs)	-
102-47	List of material topics	Covered	15
102-48	Restatements of information	Covered (None)	-
102-49	Changes in reporting (Any significant changes from previous reporting period in terms of scope and boundary)	Covered (None)	-
102-50	Reporting period	Covered (1 st January to 31 st December 2019)	-
102-51	Date of most recent report	Covered (2018)	-
102-52	Reporting cycle	Covered (annual)	-

GRI Content Index

Disclosure No.	Disclosure Title	Comments	Page
102-53	Contact point for questions regarding the report	Covered	103
102-54	Claims of reporting in accordance with the GRI Standards	Covered (Core)	103
102-55	GRI content index	Covered	104 - 109
102-56	External assurance	Covered	-
Management Approach			
103-1	Explanation of the material topic and its boundary	Covered	15
103-2	The management approach and its components	Covered	16 - 17, 26, 49, 55, 69, 82 & 85, 94 - 102
103-3	Evaluation of the management approach	Covered	16 - 17, 26, 49, 55
Economic Performance			
201-1	Direct economic value generated and distributed	Partially covered	55
201-2	Financial implications and other risks and opportunities due to climate change	Covered	14 & 15, 16 - 17, 21 - 25, 49 - 60, 67
201-3	Defined benefit plan obligations and other retirement plans	Partially covered	44
201-4	Financial assistance received from government	Covered (zero)	-
Market Presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Partially covered (On an annual basis ADNOC - Borouge conducts a benchmark study with Gulf Oil & Gas Companies. The outcome of the study is shared with management for further necessary actions. There is no gender difference in terms of salary range formulation. More details are provided under Disclosure 102-36)	-
202-2	Proportion of senior management hired from the local community	Covered (We follow the regulations related to hiring employees from the local community where we operate, if any)	32
Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	Covered	48 - 54
203-2	Significant indirect economic impacts	Not covered	-
Procurement Practices			
204-1	Proportion of spending on local suppliers	Covered	78
Anti-corruption			
205-1	Operations assessed for risks related to corruption	Covered (100%)	-
205-2	Communication and training about anti-corruption policies and procedures	Covered	81 & 85
205-3	Confirmed incidents of corruption and actions taken	Covered	85
Anti-competitive Behaviour			
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Covered (None)	-

GRI Content Index

Disclosure No.	Disclosure Title	Comments	Page
Materials			
301-1	Materials used by weight or volume	Covered	63
301-2	Recycled input materials used	Covered (Borouge does not use recycled input materials)	-
301-3	Reclaimed products and their packaging materials	Covered (None)	-
Energy			
302-1	Energy consumption within the organisation	Covered	56 - 60
302-2	Energy consumption outside of the organisation	Partially covered	56 - 60
302-3	Energy intensity	Covered	56 - 60
302-4	Reduction of energy consumption	Covered	57
302-5	Reductions in energy requirements of products and services	Covered	56 - 60
Water			
303-1	Water withdrawal by source	Covered	61 - 62
303-2	Water sources significantly affected by withdrawal of water	Covered (zero)	-
303-3	Water withdrawal	Covered	61
Biodiversity			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Covered (zero)	-
304-2	Significant impacts of activities, products and services on biodiversity	Covered (zero)	-
304-3	Habitats protected or restored	Covered	66
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Covered (zero)	-
Emissions			
305-1	Direct (Scope 1) GHG emissions	Covered	58
305-2	Energy indirect (Scope 2) GHG emissions	Covered	58
305-3	Other indirect (Scope 3) GHG emissions	Covered	59
305-4	GHG emissions intensity	Covered	58
305-5	Reduction of GHG emissions	Covered	57
305-6	Emissions of ozone-depleting substances (ODS)	Covered	59
305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	Covered	59
Effluents and Waste			
306-1	Waste generation and significant waste-related impacts	Covered	61 & 62
306-2	Waste by type and disposal method	Covered	65
306-3	Significant spills	Covered (zero)	-
306-4	Transport of hazardous waste	Covered	65
306-5	Waste directed to disposal	Covered (None)	-

GRI Content Index

Disclosure No.	Disclosure Title	Comments	Page
Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations (Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations)	Covered (zero)	-
Supplier Environmental Assessment			
308-1	New suppliers that were screened using environmental criteria	Covered (100%)	-
308-2	Negative environmental impacts in the supply chain and actions taken	Covered	68
Employment			
401-1	New employee hires and employee turnover	Covered	43
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not applicable (no part time positions within Borouge)	-
401-3	Parental leave	Covered	44
Labour/Management Relations			
402-1	Minimum notice periods regarding operational changes	Covered (30 days minimum)	-
Occupational Health and Safety			
403-1	Workers representation in formal joint management-worker health and safety committees	Covered (100%)	-
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Covered	47
403-3	Workers with high incidence or high risk of diseases related to their occupation	Covered (None)	-
403-4	Health and safety topics covered in formal agreements with trade unions	Not applicable	-
Training and Education			
404-1	Average hours of training per year per employee	Covered (104.95 training hour/employee)	-
404-2	Programmes for upgrading employees' skills and transition assistance programmes	Covered	35 - 40
404-3	Percentage of employees receiving regular performance and career development reviews	Covered	35
Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	Covered	30 - 33
405-2	Ratio of basic salary and remuneration of women to men	Covered	32
Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	Covered (zero)	-
Child Labor			
408-1	Operations and suppliers at significant risk for incidents of child labour	Covered (zero)	-
Forced or Compulsory Labour			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Covered (zero)	-

GRI Content Index

Disclosure No.	Disclosure Title	Comments	Page
Security Practices			
410-1	Security personnel trained in human rights policies or procedures	Covered (100%)	-
Rights of Indigenous Peoples			
411-1	Incidents of violations involving rights of indigenous peoples	Not Applicable	-
Human Rights Assessment			
412-1	Operations that have been subject to human rights reviews or impact assessments	Covered (100%)	-
412-2	Employee training on human rights policies or procedures	Covered (Policies and procedures concerning aspects of human rights are covered under the Borouge Business Ethics, Ethics Compliance Refresher and induction programmes)	48
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Covered (100%)	-
Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programmes	Covered	49 - 54, 67
413-2	Operations with significant actual and potential negative impacts on local communities	Covered (zero)	-
Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	Covered (100%)	-
414-2	Negative social impacts in the supply chain and actions taken	Covered (zero)	-
Public Policy			
415-1	Political Contributions	Not applicable	-
Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	Covered (100%)	-
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Covered (zero)	-
Marketing and Labelling			
417-1	Requirements for product and service information and labelling	Covered (Borouge applies its standard requirements for labelling the different products and providing relevant information)	-
417-2	Incidents of non-compliance concerning product and service information and labelling	Covered (zero)	-
417-3	Incidents of non-compliance concerning marketing communications	Covered (zero)	-
Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Covered (zero)	-
Socioeconomic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	Covered (zero)	-

INDEPENDENT ASSURANCE REPORT

To the Board of Directors and Management of Abu Dhabi Polymers Company Limited.

Scope

We have been engaged by Abu Dhabi Polymers Company Limited (“Borouge”) to perform a ‘limited assurance engagement,’ as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on material areas/performance metrics (as described below) in Borouge’s 2021 Sustainability Report (the “Subject Matter”) for the period of 1 January 2021 to 31 December 2021.

Our limited assurance engagement covered disclosures reported in full or partially as indicated in the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) Content Index (Content index found on pages 104-109 of Borouge’s 2021 Sustainability Report), as follows:

In-Scope Metrics for assurance as per GRI Standard:

- ▶ 302-1: Energy consumption
- ▶ 302-3: Energy intensity
- ▶ 303-3: Water withdrawal
- ▶ 303-4: Water discharge
- ▶ 303-5: Water consumption
- ▶ 305-1: Direct (Scope 1) GHG emissions
- ▶ 305-2: Indirect (Scope 2) GHG emissions
- ▶ 306-5: Waste directed to disposal
- ▶ 403-9: Work-related injuries
- ▶ OG6: Flaring

The scope excludes future events or the achievability of objectives, targets and expectations of Borouge.

Criteria applied by Borouge

In preparing the subject matter, Borouge applied the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”) to report on the Subject Matter as set out in the Basis of Reporting in Borouge’s 2021 Sustainability Report. This Basis of Reporting is available under ‘About this Report’ section and has been used as the criteria to assess the data for the in-scope metrics (the “Criteria”).

Borouge’s responsibilities

Borouge’s management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY’s responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (‘ISAE 3000’) and the terms of reference for this engagement as agreed with Borouge on 29th March 2022. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance by any such third party may place on the report is entirely at its own risk.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures. Our procedures included:

- a. Conducted interviews with personnel in the Sustainability Department and Borouge Operations to understand the business and reporting process;

- b. Conducted interviews with key personnel to understand the process for collecting, collating and reporting the subject matter during the reporting period;
- c. Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
- d. Undertook analytical review procedures over the Subject Matter and made inquiries of relevant personnel;
- e. Tested, on a sample basis, underlying source information to check the accuracy of the data;
- f. Tested the disclosure and presentation of the Subject Matter against the Criteria.

We also performed such other procedures as we considered necessary in the circumstances.

Inherent limitations

Our conclusions are based on historical information and the projection of any information or conclusions in the attached report to any future periods would be inappropriate. Our examination is substantially less in scope than an audit performed in accordance with International Standards on Auditing and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the information.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to IT systems.

The scope of our engagement was limited to the reporting period, and therefore 2021 performance only. We do not provide conclusions on any other Data from prior years.

The responsibility for the prevention and detection of fraud, error and non-compliance with laws or regulations rests with Borouge Management. Our work should not be relied upon to disclose all such material misstatements, frauds, errors or instances of non-compliance that may exist.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the disclosures and related information (as described in the scope) in Borouge's 2021 sustainability report for the period 1 January 2021 to 31 December 2021, in order for it to be in accordance with the Criteria.

A member firm of Ernst & Young Global Limited



Mobin Khan
Partner

