

Environmental and Social Data Sheet

Overview

Project Name:	BOREALIS RDI AND CIRCULAR ECONOMY
Project Number:	2020-0382
Country:	Austria, Sweden, Finland
Project Description:	The project concerns the Promoter's RDI programme focusing on circular economy for the period 2020-2023.
EIA required	no
Project included in Carbon Footprint Exercise ¹ :	no

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

Environmental Assessment

The project supports the RDI program of a producer of polyolefins (PO) dedicated to the company's recently (Q12020) launched 2035 strategy aiming to transition the company into a circular low carbon PO producer: gradually decoupling from virgin fossil-based production by integrating more and more recycled and renewable plastics in their products. This transformation requires dedicated investments in exploring, evaluating and testing i) innovative better recyclable and second use PO based compounds ii) the required recycling technology to enable a more closed loop PO plastic production and iii) new applications dedicated to support the low carbon transition of the EU economy.

The R&D activities will be managed and carried out in already existing and authorised R&D facilities, located in Austria, Sweden and Finland. As the project will not result in a change to the authorised scope of the RDI facilities, the project is not subject to the Environmental Impact Assessment Directive – Directive 2014/52/EU amending Directive 2011/92/EU.

Other Environmental and Social Aspects

2035 Group Strategy: The company has defined three main focus areas in its 2035 Group strategy and roadmap: Circular Economy, Energy & Climate and Health & Safety. For each of these focus areas, clear deliverables and flagship initiatives have been identified.

Circular economy: The company wants to make its core business more circular by focussing on recycling and use of renewable feedstock. Its efforts are wide-ranging, from launching multiple products and innovations in the circular economy sphere, to investments in mechanical and chemical plastics recycling. It aims to increase the

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.

Luxembourg, 15 July 2020

volume of recycled plastics solutions to 350,000 tonnes per year by 2025 by continuing to invest in plants and recycling technology.

The company's commitment towards its circular transition does not only include individual products and solutions, but the entire PO value chain; for example by supporting brand-owners in replacing their difficult to recycle products by 100% recyclable solutions or offering new material solutions based on next generation second-use plastics. The company has been on the forefront in setting up and supporting clean ocean and circular plastics initiatives such as:

- becoming the first polyolefin producer to become a partner in the Ellen MacArthur Foundation's New Plastics Economy initiative that supports to transition to a circular plastics economy in which plastic are always reused and recycled, and never wasted;
- project STOP, an initiative co-founded by Borealis that creates circular waste management systems to reduce ocean pollution.

Energy & Climate: The company established clear long-term goals and ambitions to drive sustainable performance. It has two energy and flaring targets, which it aims to achieve in 2020:

- a 10% improvement in energy efficiency against a 2015 baseline - by end of 2019 already 91% of this 2020 ambition level had been achieved, and ;
- a 50% reduction in flaring against a 2013 baseline, which equals zero non-emergency flaring - by end of 2019 a 32% reduction in flaring had been achieved.

It also established two further targets, to be achieved by 2030:

- an increase in the energy efficiency target from 10% to 20% against the 2015 baseline, and ;
- an ambition to source 50% of its electricity needs from renewable power.

Health and safety: The company has achieved world-class health and safety for many years. To reach its objective of recording zero accidents, the company launched its Goal Zero Programme. It is committed to Responsible Care® and wants its products to pose no risk to people or the environment, at any stage of their life cycle. To ensure this, the company applies strict chemicals management rules and enforces high Product Stewardship standards.

Sustainability reporting: The company publishes on non-financial information as part of the its annual report, describing how it manages and performs on its most material environmental, social and governance issues, in line with the Global Reporting Initiative (GRI) and in accordance with the GRI Standards: Core option, as well as the Austrian law for non-financial reporting (Nachhaltigkeits- und Diversitätsverbesserungsgesetz – NaDiVeG).

Furthermore, the company has been awarded the Gold CSR (Gold Corporate Social Responsibility) status by EcoVadis, an international provider of business sustainability ratings, and is among the top one percent of all suppliers assessed by EcoVadis in the category of chemicals and fertilizers, thereby confirming its commitment to operate in a sustainable manner.

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Conclusions and Recommendations

The R&D activities will be managed and carried out in already existing R&D facilities with no change to the authorised scope. As such, the project is not subject to the Environmental Impact Assessment Directive.

The R&D activities covered by the project aim at supporting the company's circular and low carbon transformation, in line with the EU Circular Strategy and the European Green Deal ambitions.

Considering the above, the project is considered acceptable for Bank financing