

**News**

Kallo, Belgium / Vienna, Austria | 18 August 2022

## **Borealis to retender the majority of contracts for PDH construction site in Kallo, Belgium, after termination of all contracts with IREM**

- **Termination of all contracts with the IREM group, originally in charge of 80% of the construction work and 80% of average 1200 workers on site**
- **As a consequence, only a minor part of the construction work for propane dehydrogenation (PDH) plant mega project in Kallo, Belgium, can resume**
- **Additional social controls implemented to remedy any potential lack of control by some contractors to ensure compliance with Belgian labour law**

In light of recent media reports of alleged misconduct and the ongoing inspection by the Belgian authorities regarding Borealis' contractor IREM at the construction site for the new PDH plant in Kallo, Borealis decided to terminate all contracts with its contractor IREM Group after having suspended the contracts on 27 July 2022.

For large construction projects, Borealis works together with specialized construction companies. The IREM Group was in charge of 80% of the remaining construction work and the majority of average 1200 workers on the PDH construction site in Kallo. The terminated contracts for both highly specialised piping and mechanical works, as well as electrical and instrumentation works, now need to be retendered. This process will cause a substantial delay for the progress of the construction works.

Borealis has implemented these additional social controls to ensure that the remaining contractors entering the site are fully compliant with Belgian labour law:

- Each (sub)contractor must sign a formal binding declaration prior to start-up in which they again formally confirm to be fully compliant with applicable Belgian labour, social security and tax laws.
- Each (sub)contractor must provide Borealis a list of all personnel before starting to work on the site and confirm for every individual that they are fully compliant with the applicable Belgian labour, social security and tax laws prior to start-up.
- All employees and (sub)contractors are being proactively briefed and continue to be encouraged to make use of Borealis' ethics hotline. This tool was launched in 2021 and is accessible for Borealis employees and externals and allows for ethics-related concerns to be filed in 24 languages.

"We are taking all necessary steps to ensure that the remaining contractors entering the site are fully compliant with Belgian labour law. As a first step we have terminated all contracts with our contractor IREM, who was in charge of 80% of the works on site. We have also implemented additional social controls well beyond industry standards to identify and address any potential lack of control by (sub)contractors who are not compliant," commented Wim De Smet, Borealis Location Leader Kallo.

**END**

Media contacts:

**Borealis Corporate Communications**

Virginia Wieser

Senior Manager, Corporate Communications,  
Brand & Reputation

**Borealis Communications Belgium:**

Anne Cornelissen

Expert Communications

T +43 (1) 22 400 772 (Vienna, Austria)

[media@borealisgroup.com](mailto:media@borealisgroup.com)

T +32 475 56 02 31 or + 32 11 45 90 66 (Belgium)

[anne.cornelissen@borealisgroup.com](mailto:anne.cornelissen@borealisgroup.com)

**About Borealis**

Borealis is one of the world's leading providers of advanced and sustainable polyolefin solutions and a European front-runner in polyolefins recycling. In Europe, we are a market leader in base chemicals and fertilizers. We leverage our polymer expertise and decades of experience to offer value adding, innovative and circular material solutions for key industries such as consumer products, energy, healthcare, infrastructure and mobility.

In re-inventing essentials for sustainable living, we build on our commitment to safety, our people, innovation and technology, and performance excellence. We are accelerating the transformation to a circular economy of polyolefins and expanding our geographical footprint to better serve our customers around the globe.

With head offices in Vienna, Austria, we employ 6,900 employees and operate in over 120 countries. In 2021, we generated total sales of EUR 12.342 billion and a net profit of EUR 1,396 million. OMV, the Austria-based international oil and gas company, owns 75% of our shares, while the remaining 25% is owned by a holding company of the Abu-Dhabi based Mubadala. We supply services and products to customers around the globe through Borealis and two important joint ventures: Borouge (with the Abu Dhabi National Oil Company, or ADNOC, based in UAE); and Baystar™ (with TotalEnergies, based in the US). [www.borealisgroup.com](http://www.borealisgroup.com) | [www.borealiseverminds.com](http://www.borealiseverminds.com)

**About Borealis in Belgium**

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

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