

Business Review - Operations



Exceptional operational performance

2025 was a defining year for Borouge. In a period dominated by the largest turnaround programme in our history, the Company delivered record polyolefin production above nameplate capacity, reaffirming the exceptional strength of our operating model. Asset utilisation reached 101%, reliability remained at 98%, and several units delivered their highest-ever annual output.

In Q4 2025, Borouge achieved a new quarterly production record of 1,464 kilotonnes, supported by outstanding utilisation rates of 119% for PE and 114% for PP. These results underscore the resilience of our operations and the material impact of the ABAX 2025 transformation programme, which drove measurable improvements across all five excellence pillars.

Our unwavering commitment to operational excellence is demonstrated by our ability to deliver more than five million tonnes of polyolefin production in a complex turnaround year, while maintaining an exceptional asset reliability of 98%.

Dr Hasan Karam
Chief Operating Officer

These achievements highlight our relentless drive to enhance asset capabilities and the world-class efficiency and resilience of our operations, enabling us to deliver consistently high output without ever compromising on HSE or quality.

Operational footprint - integrated world-class production network

Al Ruwais (UAE)

Our flagship Ruwais complex remains one of the world's largest fully integrated polyolefin platforms, with a nameplate capacity of 5 million tonnes per year. Benefitting from 90% of our assets being under 14 years old, the site consistently delivers industry-leading utilisation, energy efficiency, and HSE performance.

Shanghai (China)

Our Shanghai Compounding and Application Centres play a strategic role in serving APAC customers with tailored, high-value solutions. In 2025, the sites contributed meaningfully to production and supported deeper commercial penetration in automotive, consumer products, and mobility applications.

Abu Dhabi Innovation Centre (UAE)

A catalyst for differentiation, the Innovation Centre launched 10 new products in 2025 – including advanced healthcare solutions – and accelerated Borouge's transition to data-driven operations through digitalisation initiatives and process optimisation programmes.

Marketing HQ (Singapore)

Our presence in Singapore continued to strengthen Borouge's commercial reach across fast-growing global markets. In 2025, the Marketing HQ expanded direct customer coverage and enhanced supply chain efficiency, enabling superior margin capture and improved customer service levels.

Prioritising Health, Safety and the Environment (HSE)

Borouge maintains an uncompromising focus on health, safety, and environmental performance. The HSE Excellence Journey provides a structured, multi year approach across Asset Integrity and Process Safety (AIPS), Learning from Incidents, Contractor HSE Management, HSE Competency Assurance, Environmental Stewardship, and HSE Culture Transformation.

In 2025, Borouge sustained zero Tier 1 and Tier 2 LOPC incidents, demonstrating the strength of its AIPS framework and 100% compliance with all critical HSECES preventive maintenance requirements, alarm management targets, Safety Instrumented System (SIS) learnings, and emergency response drills. Leadership visibility remained a central driver of performance, with 624 site engagement tours, over 30,000 safety observations, and full closure of all mandatory incident actions.

The Total Recordable Injury Rate (TRIR)* remained exceptionally low at 0.07, flat year on year, despite the scale and complexity of operations including the Borouge 4 project, which accounted for a significant portion of the total 96.4 million man hours worked. Borouge also achieved 100% compliance with occupational health surveillance and medical examinations for employees and contractors, reinforcing a proactive approach to health management.

* TRIR: The number of injuries per 1,000,000 hours worked.

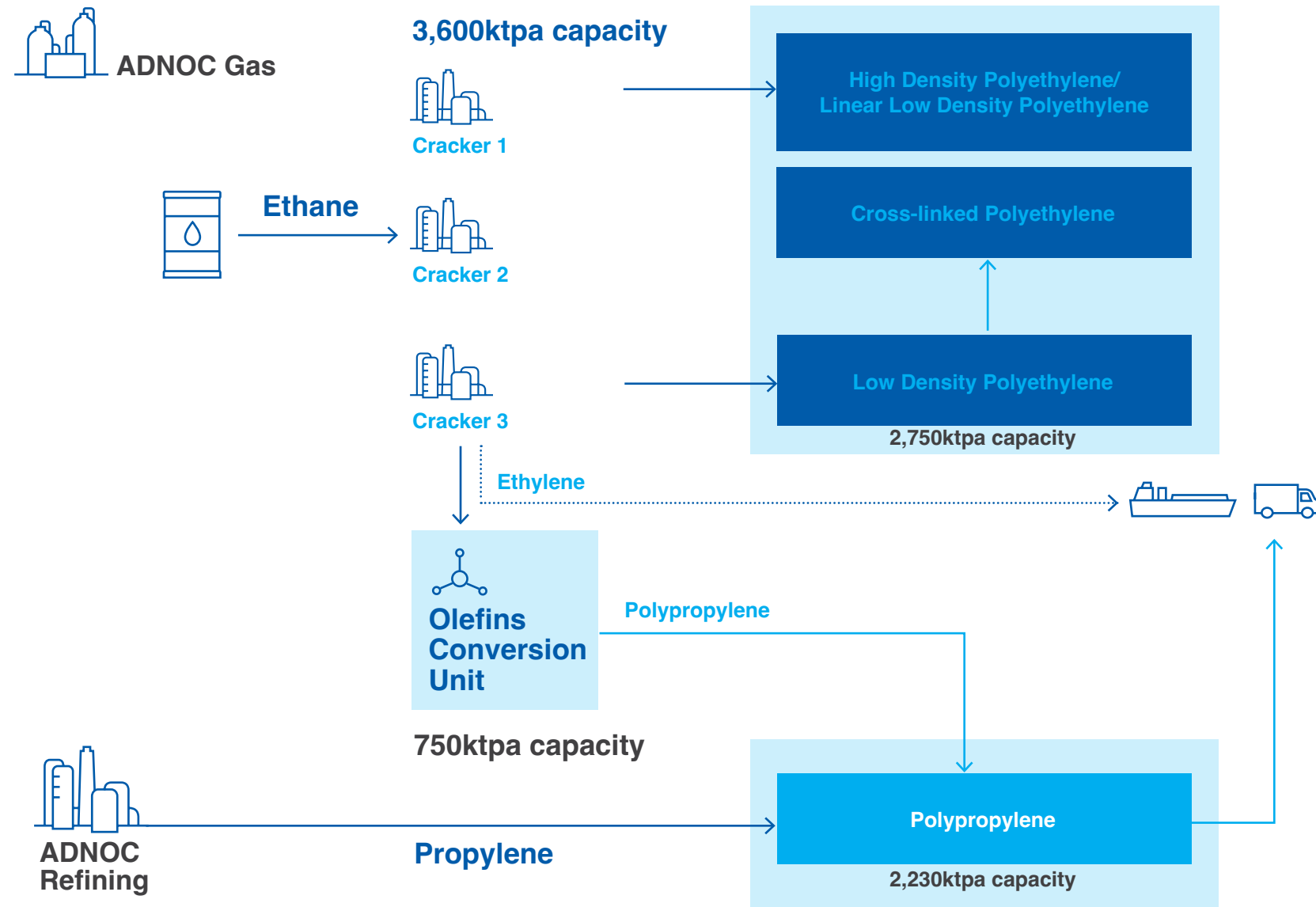
Environmental stewardship remained a key priority. Borouge achieved meaningful reductions in greenhouse gas emissions, waste generation, and flaring. The Company recycled 35% of non hazardous waste, continued the implementation of the Air Emission Monitoring System (AEMS) and fugitive emissions detection technologies, and achieved the OGMP Gold Standard for methane emissions reduction.

HSE culture transformation was further reinforced through behavioural based safety initiatives, visible leadership commitments, and employee recognition programmes. More than 75 employees were acknowledged for their contributions to safety excellence. Our strengthened HSE assurance programme ensured timely completion of all audit actions and incident learnings, while a full scale business continuity exercise demonstrated robust operational preparedness and organisational resilience.



Production Volumes
5.1Mt

Fully integrated production complex



Feedstock for Al Ruwais Complex

Borouge benefits from long-term, competitively priced feedstock supplied exclusively by ADNOC, ensuring secure volumes and strategic alignment. Current feedstock contracts extend to 2057.

	Ethane	Propylene
Supplier	ADNOC Gas Processing	~60% from ADNOC Refining and ~40% from internal Borouge sources
Volume	No minimum off-take, no contractual cap	
Contract start date	Contracts entered in October 1998, with amendments to reflect the additional volume requirements	
Contract end date	Current Feedstock Supply Agreement until 2057, includes a re-pricing mechanism due to take effect in late November 2027 (pricing mechanism due to be reviewed again in June 2045)	



Source: Company information

Production facilities

Launched in 2001, our integrated petrochemical complex in Al Ruwais Industrial City comprises Borouge 1 and five subsequent expansions — Borouge 1 Expansion, Borouge 2, Borouge 3, PP5, and Borouge 4. The site hosts a broad array of modern production units that together form one of the world’s largest polyolefin complexes. The Ruwais complex delivers 5.0 million tonnes of polyolefins annually, comprising 2.8 million tonnes of polyethylene and 2.2 million tonnes of polypropylene. In addition, we operate a Compounding Manufacturing Plant in Shanghai with a 90 kt/y capacity for advanced polypropylene compounds, enabling us to tailor automotive solutions to evolving global requirements.

Borouge 1

Borouge 1, the foundation of our operations, continues to deliver a robust performance. In 2025, the site maintained high production volumes and efficiency, contributing significantly to our overall capacity. The facility’s focus on safety and process optimisation ensured consistent output and reliability.

Borouge 2

Borouge 2, with its expanded capacity, played a crucial role in meeting the increasing demand for polyolefins. The site’s advanced technologies and operational excellence drove significant production efficiency and product quality improvements, supporting our strategic growth objectives.

Borouge 3

Borouge 3 continued to operate at full capacity in 2025. The site’s state-of-the-art facilities and innovative processes enabled us to deliver high value, differentiated products to our global customers. The facility’s focus on sustainability and energy efficiency further enhanced its performance. In Q2 2025, Borouge completed the largest turnaround in its history: the turnaround of the Borouge 3 plant. The Borouge 3 turnaround was delivered eight days ahead of schedule, reducing downtime by 15%. The reduced downtime contributed a USD 39 million positive sales margin impact, while improved execution efficiency lowered turnaround CAPEX by a further USD 4 million. All major maintenance activities were completed successfully, ensuring strong and reliable performance of the Borouge 3 assets for the next six years.

Borouge 4

In 2025, the Borouge 4 megaproject progressed past 94% completion. Commissioning activities for the first Borouge 4 unit, XLPE 2, commenced at the end of the year. The remaining units are expected to be commissioned and ramped up progressively through 2026.

In March 2026, Borouge entered into an agreement via its wholly owned subsidiary, Abu Dhabi Polymers Ltd, with the owners of Borouge 4 LLC, which will enable Borouge to operate and market the volumes of Borouge 4 in return for an at-cost utilisation fee. The Asset Usage Agreement is expected to deliver USD 400 million cumulative net profit over three years, after full ramp up of the Borouge 4 project.

Ruwais debottlenecking projects

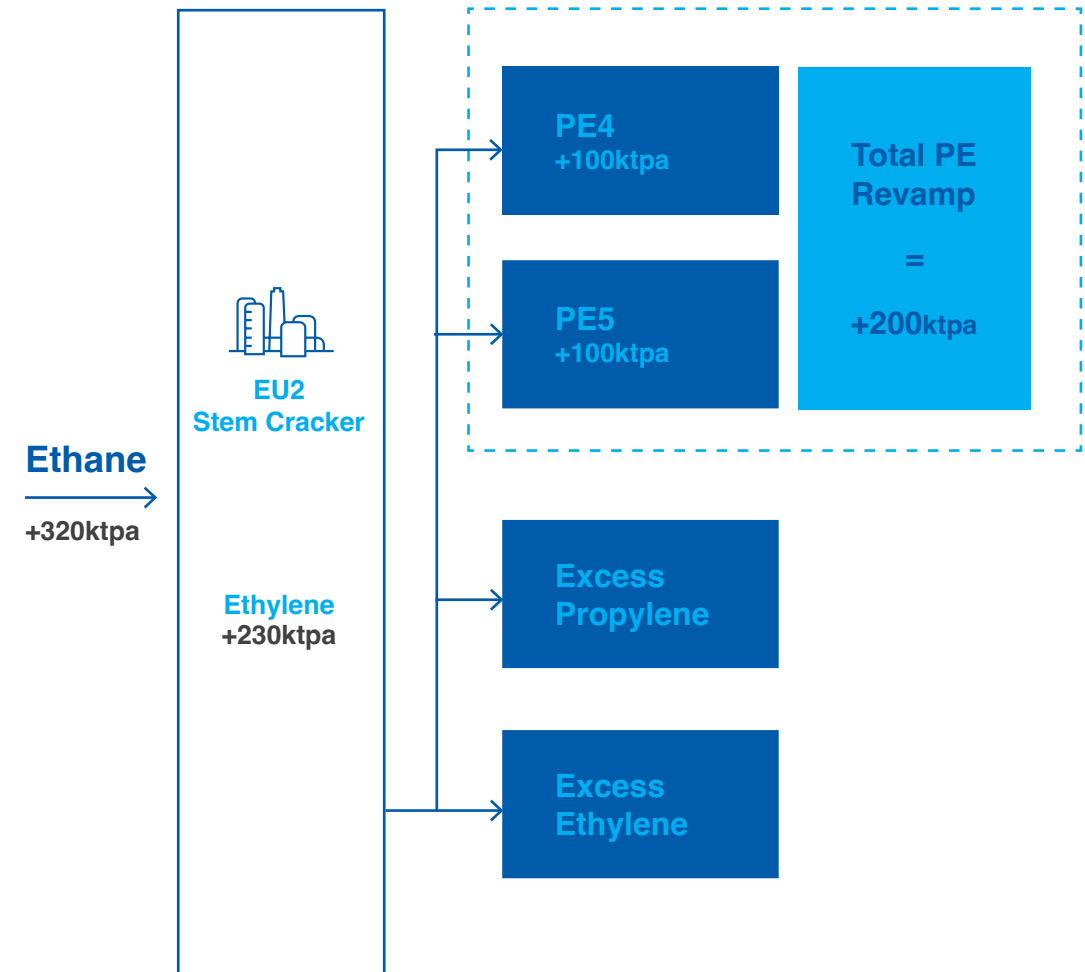
In 2025, Borouge initiated a series of asset expansion projects at the Ruwais site aimed at increasing the nameplate capacity of its second ethane cracker (EU2) and the fourth and fifth polyethylene units (PE4 and PE5). Once completed, these enhancements are expected to increase overall polyolefin production capacity by approximately 200 ktpa.

By the end of 2025, Front-End Engineering Design (FEED) services for the EU2 expansion were completed by Linde Engineering. The Company is now preparing to award an Engineering, Procurement and Construction (EPC) contract for the project in 2026. Upon completion, the EU2 revamp will add an additional 230 ktpa of ethylene production capacity.

Progress also continued on the revamp of the PE4 and PE5 production units. An EPC contract for these upgrades was awarded to Target Engineering Construction Company in 2025. This project will increase the nameplate capacity of each unit from 540,000 tpa to 700,000 tpa. Leveraging Borealis Borstar® Polyethylene technology, the enhanced units are scheduled for start-up in 2027.

In parallel, Borouge completed a feasibility study for the expansion of its third ethane cracker (EU3) and has advanced into the pre-FEED phase of development.

Ruwais debottlenecking projects



Case study

Borouge 4 commences commissioning

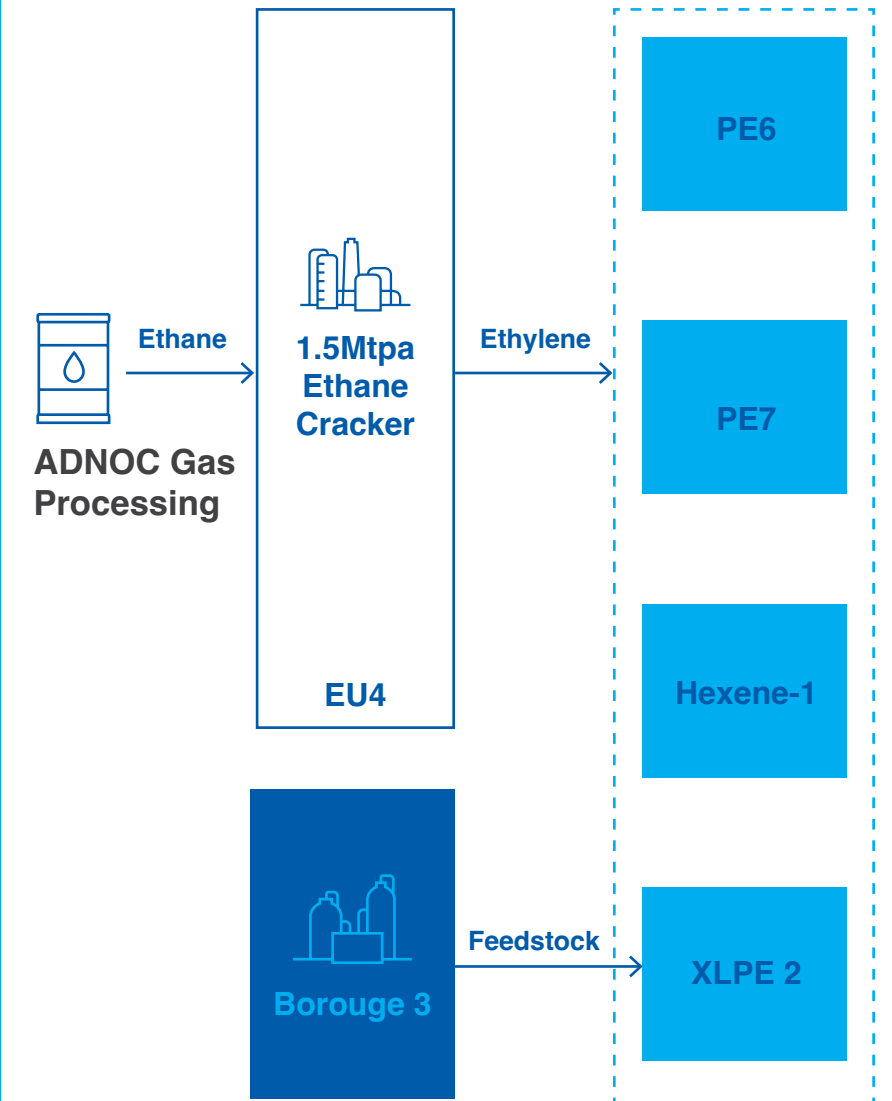


In 2025, the Borouge 4 project reached 94% completion, with commissioning of the first facility, XLPE 2, commencing at year-end. XLPE 2, which uses resin feedstock from the B3 plant, produces high-purity XLPE for the high-value wire and cable market. Production across the complex will ramp up through 2026 as the remaining units are commissioned.

The Borouge 4 Asset Usage Agreement is expected to deliver USD 400 million cumulative net profit over three years and approximately 10% earnings accretion, after full ramp up of the Borouge 4 project.

Powered by Borstar® 3G technology and rising global demand for durable, low-carbon infrastructure materials, Borouge is well positioned to deliver specialised, value-added solutions and strengthen its leadership in advanced polyolefin applications.

Borouge 4 plant



Exceptional operational performance

2025 was a standout year for Borouge, delivering polyolefin production above nameplate design capacity in a turnaround year. Operational excellence and disciplined performance management drove 101% asset utilisation, 98% asset reliability, and the highest-ever annual output across several key units. The Company also achieved its highest quarterly production on record in Q4 2025, reaching 1,464 kilotonnes, supported by exceptional utilisation rates of 119% for PE and 114% for PP. These achievements highlight Borouge’s strong operational foundation and the impact of the ABAX 2025 Programme, which delivered meaningful enhancements across all five excellence pillars.

● **101%**

Asset Utilisation

● **98%**

Asset Reliability

● Highest quarterly production on record in Q4 2025

1,464 kt

● Record utilisation rates achieved in Q4 2025

119%

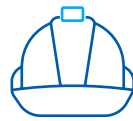
for PE

● **114%**

for PP

Sustained operational excellence

Borouge’s operational excellence framework is built around five pillars – HSE, Production, Asset Management, Technical, and People & Culture Excellence – each designed to strengthen performance, drive reliability, and support long-term value creation.



HSE excellence

We maintain an uncompromising focus on safety, asset integrity, and process safety compliance. In 2025, Borouge recorded zero Tier 1 and Tier 2 LOPC incidents, reflecting disciplined execution of our Asset Integrity and Process Safety (AIPS) frameworks. HSE leadership engagement remained strong, with 624 site tours, strengthened contractor management, and expanded assurance programmes. The deployment of AI-enabled safety technologies further reinforced behavioural-based safety practices and supported a proactive, prevention-driven safety culture across all operations.



Production excellence

Borouge continues to advance production excellence by maximising throughput, minimising losses, and improving product consistency. In 2025, production performance was strengthened through advanced optimisation technologies – Real-Time Optimisation (RTOs), Advanced Process Control (APC), Process Data Technology (PDT) and Yield Accounting Systems (YAS). AI-enabled process enhancements, including a Polymer Optimisation AI proof of concept, improved stability, increased yield, and unlocked additional performance uplift across both polyethylene and polypropylene lines.



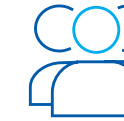
Asset management excellence

Asset management initiatives in 2025 delivered substantial reliability and cost improvements. The Borouge 3 turnaround was completed ahead of schedule with an approximately 15% reduction in downtime, generating USD 45 million in value. Further efficiencies were realised through optimised preventive maintenance, improved spare parts strategies, and the adoption of digital maintenance tools such as 3D printing and smart-part digitisation. These initiatives support Borouge’s ambition to reduce downtime by 30–40% and establish world-class shutdown and turnaround practices.



Technical excellence

Technical Excellence focuses on maximising margins through high-value differentiated products while maintaining superior product quality and top-tier First-Time-Right (FTR) performance. In 2025, process stability and reliability improved through reduced unplanned downtime, enhanced data integration, and the deployment of AI-enabled quality tools. Progress continued on the 1001 (one-out-of-one) elimination programme, strengthening equipment availability and supporting long-term asset resilience. Targeted CAPEX optimisation further ensured that investment prioritisation aligned with critical technical needs and operational risk reduction.



People and culture excellence

Borouge continues to build a future-ready, high-performing workforce by strengthening leadership engagement, enhancing technical and behavioural capabilities, and accelerating digital fluency. In 2025, strong progress was achieved through the Progressive Emiratization Programme, expanded competency frameworks, and the deployment of AI-enabled simulators and immersive digital learning tools. These initiatives have significantly improved workforce readiness and reinforced a culture of continuous learning, innovation, and operational excellence.

Product differentiation and quality

Borouge operates one of the world’s largest single-site, fully integrated polyolefin complexes, delivering significant economies of scale. The use of Borealis Borstar® technology enables differentiation at scale – enhancing asset flexibility, improving reliability, and supporting superior first-time-right production. This technological advantage allows Borouge to consistently meet the highest customer expectations while delivering high-quality, value-added solutions across its global markets.

Key focus areas for 2026

In 2026, Borouge will launch ABAX 2.0, an expanded transformation framework that introduces a sixth pillar: Base Chemicals & Utilities Excellence. This next phase will deepen integration, strengthen cost competitiveness, and elevate long-term asset resilience.

Key 2026 priorities include:

- Sustaining zero Tier 1 and Tier 2 process safety incidents
- Achieving new Best Demonstrated Rates, optimising grade mix, and scaling digital optimisation tools
- Improving asset availability through predictive maintenance and targeted bad-actor elimination
- Advancing technical resilience via the 1001 programme and enhanced CAPEX governance
- Strengthening workforce readiness through advanced capability development and AI-enabled training
- Reinforcing monomer and utility system reliability while reducing specific energy and utility consumption