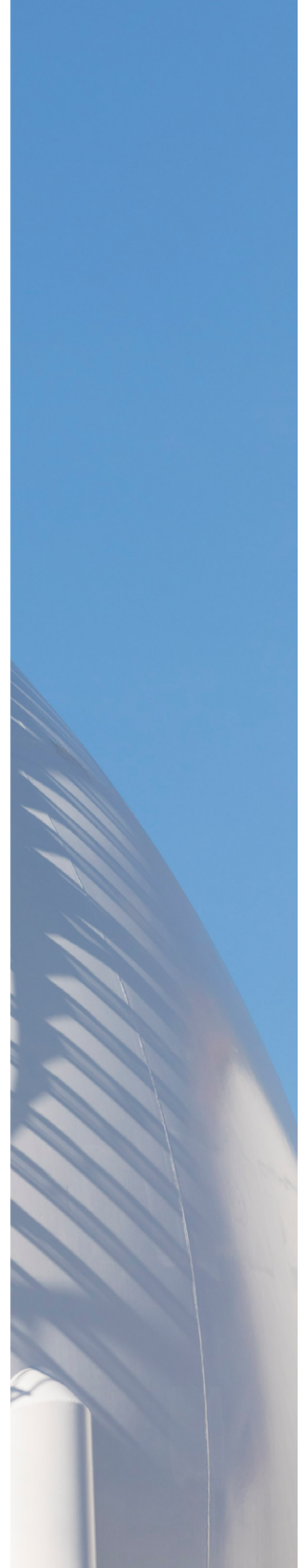
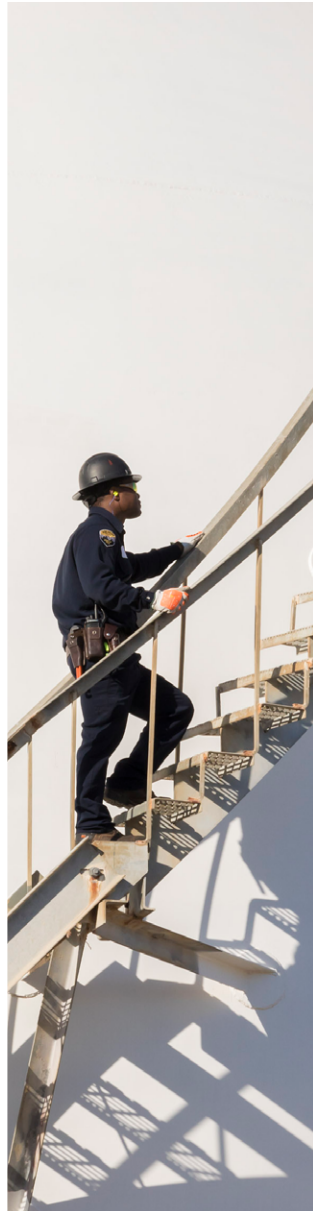


Stepping Up

for People, for the Planet
and for Circularity





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A Letter from the President and CEO

Over the past year, CPChem has embraced the dynamism of an industry in transition. Reflecting on our challenges and achievements in 2023, we are equipped and driven to hold our station as a leading chemical company with a reputation for safe and reliable operations.

I stepped into the role of President and CEO in March 2024 after my colleague, Bruce Chinn, announced his well-earned retirement. On behalf of CPChem, I would like to thank Bruce for his leadership and engagement throughout an impressive career of 40-plus years in the energy and chemicals industries. We wish him well.

Drawing on experiences as part of CPChem's Executive Leadership Team and more than three decades in the chemical industry, I feel fortunate and prepared to steer CPChem toward the many opportunities laid on our horizon.



Steve Prusak
President & Chief Executive Officer

A Bedrock of Safety

In 2023, CPChem delivered on its commitment to safety yet again. The care that employees exhibit for each other propels a culture of safety, which I believe is directly connected to CPChem's award winning safety performance, recognized in 2023 by organizations like American Fuel and Petrochemical Manufacturers, American Chemistry Council and Texas Chemistry Council. Further, an unbroken emphasis on internal programs like *Our Journey to Zero* evidence why CPChem sits within the top 10% of the industry for Total Recordable Incidence Rates.

Elevated and Equipped

Last year, two of our major growth projects celebrated significant developments. In March 2023, we broke ground on the Golden Triangle Polymers facility, a joint venture between Chevron Phillips Chemical and an indirect subsidiary of QatarEnergy. In October, we finalized financing for a joint venture project with QatarEnergy that will bring a \$6 billion integrated polymers facility to Ras Laffan Industrial City, Qatar.

Within our ranks, employees thrive. CPChem's longstanding ICARE program continues to bear fruit on our DE&I journey, empowering employees and employee resource groups to act as agents of change and bring their authentic selves to work. We are proud that efforts to create a diverse and inclusive workplace have gained purchase, and we are honored by acknowledgments from Forbes and Newsweek with placements in groups like World's Best Employers, Best Employer's for Diversity, America's Greatest Workplaces for Parents and Families, and others.

In 2023, we paid special attention to elevating our organization's awareness and approach to sustainability. Through an enterprise-wide movement, we set aside time for every CPChem employee to engage with the Sustainability + Me Development Series. Shaped by CPChem's sustainability strategy, this program employs real-world examples and open discussions to establish connections between sustainability and all roles within the company.

Sustainability at CPChem

Leveraging innovation, technology and a workforce driven to effect positive change, we experienced notable achievements in all three of the organization's sustainability focus areas: Climate Change, Product Sustainability and Circularity, and Social Responsibility. Within these successes, we discovered an inspiring collection of stories featuring standout employees and their extraordinary contributions. To recognize and encourage exceptional efforts to advance sustainability, CPChem introduced and proudly presented an inaugural group of employees with its new commendation, the Sustainability Inspiration Award.

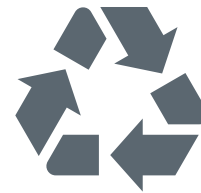
Climate Change

During 2023, we continued our pursuit of CPChem's 2030 aspirational goal to reduce its carbon intensity by 15% compared to a 2020 baseline. In the last year, CPChem teams completed intensive marginal abatement cost curve assessments at five CPChem facilities. We are using this critical process to develop site-specific strategies to reduce emissions and optimize energy efficiencies. Additionally in 2023, CPChem advanced initiatives dedicated to exploring renewable energy and uncovering opportunities to further the industry's transition to a lower carbon future.



Product Sustainability and Circularity

Since our last report, we have directed considerable resources to enhance circularity and enable a circular economy for plastics. Sales teams reported a significant increase in sales of Marlex® Anew™ Circular Polyethylene in 2023, and the company added two locations to its collection of facilities that have earned the International Sustainability & Carbon Certification PLUS distinction. Every day, CPChem intends to be the supplier of choice by offering our customers quality products and services delivered reliably. We are also investing time, talent and resources to enable our portfolio of products and solutions to be even more sustainable through a determined focus on circularity.



Social Responsibility

Around the world, companies are responding to the public's emerging interest in corporate social responsibility practices. I am pleased to share that we have been active and immersed in this space for years. From bringing clean water infrastructure to a remote town in Peru, to greatly increasing our support of diverse suppliers, to embracing the United Nations Sustainable Development Goals, this report contains many great stories of positive impact from 2023. I encourage you to spend a few moments learning how we care for communities locally and abroad.



Please enjoy our 2023 sustainability report, *Stepping Up*.

Thank you,

Steve Prusak

President & Chief Executive Officer

About this Report

Stepping Up is CPChem's 13th sustainability report. This annual report reflects the purpose, people and progress of our global business as we work to address key environmental, social and governance (ESG) issues. Additionally, we aim to provide a comprehensive overview of why and how we plan to meet our sustainability targets.

Stepping Up contains carefully collected and measured data to demonstrate our compliance with industry reporting standards, along with compelling stories of innovation and advancement across the company. → [Performance Data Tables](#) detailing CPChem's social, environmental and financial performance are located at the end of this report.



Explore performance and financial data from CPChem's past and present with our [Interactive Data Tool](#).

This report was published in July 2024 and was prepared in accordance with the 2021 GRI Standards. Data, disclosures and statements published in this report have received Limited Assurance from KERAMIDA, an independent Environmental, Health, Safety, and Sustainability consulting firm. [View Limited Assurance](#)

This report, additional information and previous reports are hosted at cpchem.com/sustainability.

Questions and comments are welcome at sustainability@cpchem.com.

Highlights from 2023

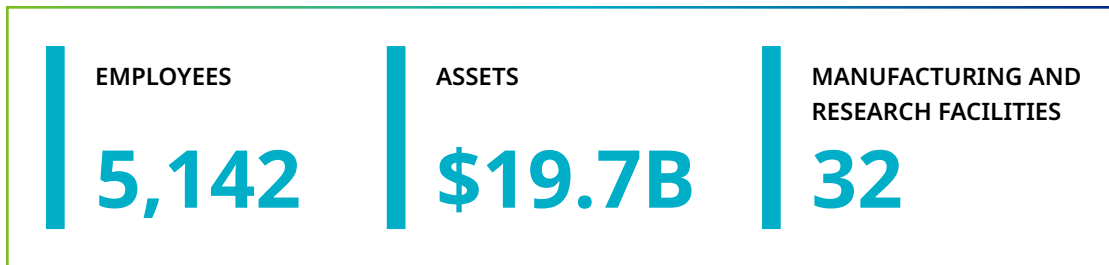
- 1. Top 10%** in industry for Total Recordable Incidence Rate (0.08)
- 2. Top 25%** in sustainability scores amongst industry peers rated by EcoVadis
- 3. Doubled spend** supporting diversity of supplier network (Compared to 2022)
- 4. Zero plastic loss** from CPChem facilities (→ [Read how we manage plastic](#))
- 5. 100% employee engagement** in Sustainability + Me Development Series
- 6. 350+** potential carbon reduction opportunities identified through MACC* assessments
- 7. Substantial commercial breakthrough** in Marlex® Anew™ Circular Polyethylene since launch
- 8. Completed first** enterprise-wide Water Body Risk Assessment

* Marginal Abatement Cost Curve

Global Solutions. Responsible Practices.

Strategically CPChem

CPChem is a joint venture between Chevron U.S.A. Inc. and Phillips 66 Company. As one of the world's top producers of olefins and polyolefins, CPChem is a leading supplier of aromatics, alpha olefins, olefins, styrenics, specialty chemicals, plastic piping and polyethylene.



North America

GLOBAL HEADQUARTERS

The Woodlands, Texas

DRILLING SPECIALTIES HEADQUARTERS

The Woodlands, Texas

PERFORMANCE PIPE HEADQUARTERS

Plano, Texas

RESEARCH AND TECHNOLOGY

Bartlesville, Oklahoma
Kingwood, Texas

MANUFACTURING FACILITIES

Baytown, Texas
Borger, Texas
Brazoria County, Texas
Orange, Texas
Pasadena, Texas
Pascagoula, Mississippi
Port Arthur, Texas

GOLDEN TRIANGLE POLYMERS COMPANY* GROWTH PROJECTS

Orange, Texas

DRILLING SPECIALTIES

Conroe, Texas

PERFORMANCE PIPE

Bloomfield, Iowa
Brownwood, Texas
Hagerstown, Maryland
Knoxville, Tennessee
Pryor, Oklahoma
Reno, Nevada
Startex, South Carolina

AMERICAS STYRENICS*

Allyn's Point, Connecticut
Hanging Rock, Ohio
Joliet, Illinois
Marietta, Ohio
St. James, Louisiana
Torrance, California

South America

AMERICAS STYRENICS*

Cartagena, Colombia

Europe and Africa

EUROPE REGION HEADQUARTERS

Diegem, Belgium

MANUFACTURING FACILITIES

Beringen, Belgium
Tessenderlo, Belgium

SALES OFFICES

Frankfurt, Germany
Istanbul, Turkey
Madrid, Spain
Manchester, United Kingdom
Milan, Italy

* Indicates joint venture facilities with partial ownership.

The Middle East

MANUFACTURING FACILITIES*

Al Jubail, Saudi Arabia (S-Chem)
Mesaieed, Qatar (Q-Chem)
Ras Laffan, Qatar (RLOC)

GROWTH PROJECTS*

Ras Laffan, Qatar (RLP)

SALES OFFICES

Dubai

Asia

ASIA REGION HEADQUARTERS

Singapore

MANUFACTURING FACILITIES*

Jurong Island, Singapore (CPSC)

SALES OFFICES

Selangor, Malaysia
Shanghai, China
Tokyo, Japan

Australia

SALES OFFICES

Chadstone, Australia



* Indicates joint venture facilities with partial ownership.

At CPChem, we take pride in serving industries that can positively impact people around the globe. Our company produces the building blocks for more than 70,000 products used worldwide. CPChem's network of 7,000+ suppliers help to safely and efficiently manufacture and transport products to customers in more than 140 countries. Through our extensive experience, we develop, advance, and deliver innovative solutions that contribute to economic growth, support sustainable development and improve quality of life.

Our commitment to conducting business in a sound and responsible manner is unwavering. We adhere to the highest standards and principles of our industry, and we continuously work to exceed the expectations of our leadership, employees and the public. We are dedicated to reducing our environmental impact, promoting social responsibility, and elevating the communities where we operate.

We offer a diverse and robust portfolio of chemical solutions that serve several essential industries:

- Automotive
- Energy & Chemical
- Food & Agriculture
- Home & Electronics
- Industrial
- Medical & Pharmaceutical
- Personal Care
- Recreation

For more information about our company and products, please visit cpchem.com/sustainability.



Our Sustainability Story

Going Far, Together

A message from the Vice President of Sustainability

The current global landscape has presented pressing issues that demand attention. These challenges have stirred CPChem to activate its sustainability strategy and take action for climate change, respond to the call for circular economies and mobilize programs to address social inequalities. Fortified by CPChem's business resilience and energized by the passion of our employees, we embrace transformation and sustainable development as a means to empower our people and contribute to a more sustainable, equitable future.

I believe sustainable development aims to elevate communities, conserve natural ecosystems and confront social challenges. At CPChem, these ideas manifest into action through our pursuit of ambitious goals meant to effect positive change across three focus areas: climate change, the sustainability and circularity of our products, and social responsibility.

The trajectory of our sustainability journey reflects an alignment of shared values within our culture. Last year, we engaged the entire workforce with the Sustainability + Me Development Series. This internal campaign delivered a collection of sustainability materials tailor-made for employees and curated to increase capacities surrounding CPChem's sustainability focus areas. This campaign was pivotal in unifying sustainability principles across the company, and I am enormously proud of the progress made possible by each employee.



Benny Mermans
Vice President of Sustainability

*"If you want to go fast, go alone.
If you want to go far, go together."*

Author unknown

Through 2024 and beyond, we have set a course to address climate change through targets that reduce our carbon intensity, investments that advance renewable energy and sustainable practices that inspire change throughout the supply chain.

Additionally, CPChem remains fervent in accelerating pathways to circularity. We invest time, talent and resources to enable a circular economy and to realize our vision for increased resource efficiency and the end of plastic pollution.

As we strive for sustainability, it is imperative that we acknowledge and address social and economic disparities within our industry and beyond. CPChem believes social responsibility should permeate all areas of business, and the company holds a special focus on ethical labor practices as well as fostering diversity, equity and inclusion. Using the United Nations Sustainable Development Goals, or SDGs, as a compass to help navigate challenges that lie ahead, I am confident that we can secure a better tomorrow for our employees, communities, business and planet.

Now is the moment for stakeholders to come together and confidently elevate innovative ideas, establish collaborative partnerships and advance sustainable solutions. Reflecting on this call to action, I am reminded of a proverb both simple and wise, "If you want to go fast, go alone. If you want to go far, go together."

Together, let us be the architects of positive change, setting an example for others and forging a path toward a sustainable, equitable and prosperous future.



Benny Mermans recognized as Notable Leader in Sustainability

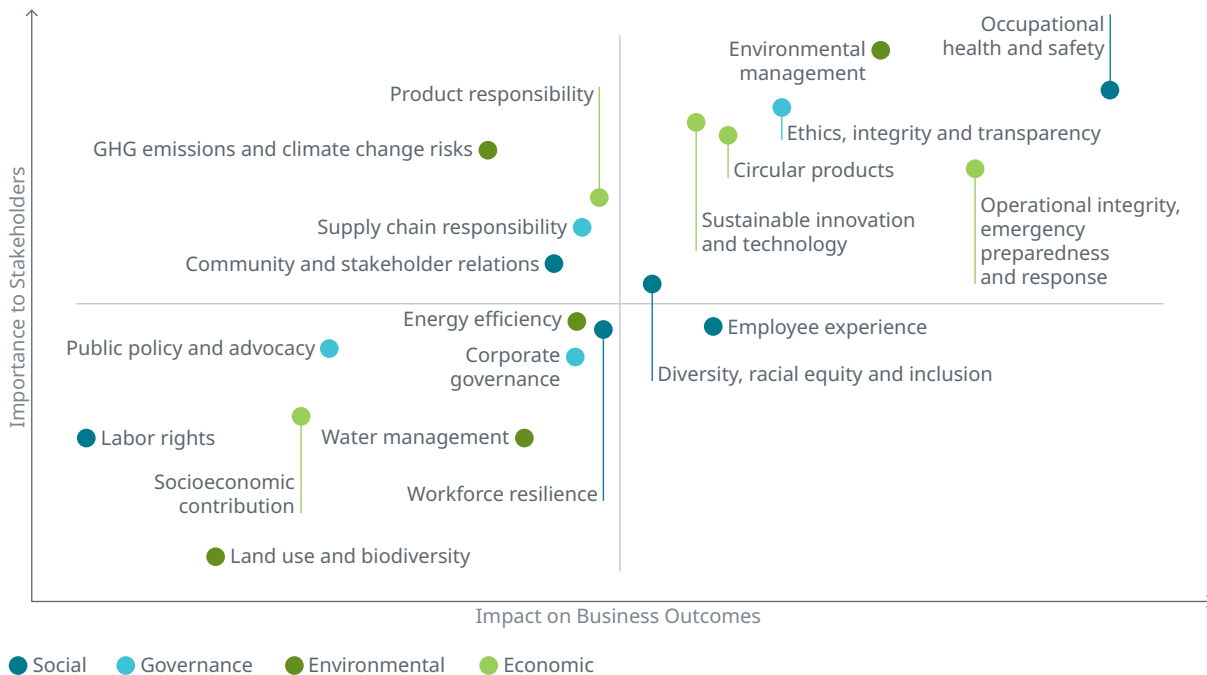
Plastics News recognized Benny Mermans, CPChem's Vice President of Sustainability, in its inaugural class of Notable Leaders in Sustainability. Mermans has worked in the chemical industry for more than 35 years and is among 28 industry leaders recognized worldwide.

Mermans was nominated by his peers for his contributions to global progress toward sustainability. He has been instrumental in developing CPChem's sustainability strategy and guiding the direction of the company's three sustainability focal points: climate change, product sustainability and circularity, and social responsibility.

Materiality

Key topics relevant to our business were identified in 2020 through a materiality assessment process that incorporates feedback from stakeholders. Materiality assessments improve the quality of our reports, as these evaluations uncover risks and opportunities while also measuring potential impacts on our strategy and business. We plan to update and revise CPChem’s key topics after completing our next materiality assessment in late 2024.

Key Topics Matrix



Our Key Topics Matrix reflects only those topics deemed most significant to our stakeholders and business during CPChem’s most recent materiality assessment completed in 2020. Key topics identified through the assessment process reflect our perceived impacts on people, the planet, our products and company performance, as reported by stakeholder groups. We aim to provide context on our efforts and progress with these topics in this report.

[Learn how CPChem engages its stakeholders](#)

Sustainability Focus Areas

CPChem’s sustainability strategy has three focus areas that inspire and drive progress on our sustainability journey, while also elevating the people and communities around the globe.



Climate Change

Climate change is a global concern and addressing it is a primary component of our sustainability strategy. Optimizing the processes used to make our products while minimizing their impact helps to protect the planet and demonstrates how we are working to identify and mitigate climate-related risks. We pursue emerging technologies to enhance operations and processes supporting our goal to reduce our carbon intensity by 15% by the year 2030, compared to a 2020 baseline.



Product Sustainability and Circularity

Our first circular product, Marlex® Anew™ Circular Polyethylene, strengthens CPChem’s portfolio and demonstrates the company’s commitment to circularity and helping customers achieve their own sustainability goals. Additionally, we are engaged and active in the global movement to eliminate plastic waste in the environment.



Social Responsibility

CPChem conducts business with a focus on Social Responsibility, as reflected in our tagline, Performance by Design. Caring by Choice.™ Prioritizing health, safety and well-being of the people in our organization and in the community is a core value. CPChem’s culture of diversity, equity and inclusion (DE&I) is infused within every part of our company, and we celebrate the unique perspectives and experiences of our workforce. We continue to promote human rights and our responsible procurement practices to support sustainable and ethical business practices throughout the value chain. We invest considerable time, talent and resources to make a lasting, meaningful impact in communities across the globe and are committed to drive progress towards the United Nations Sustainable Development Goals (SDGs).



At CPChem, sustainability is woven into our business, and it inspires continuous improvement and innovation across the company. As a global leader in the production of chemicals and plastics, we strongly support efforts to reduce plastic waste and lower greenhouse gas emissions. We have announced several sustainability targets to track progress and drive our evolution.

By the year 2030, CPChem aims to:

- **Reduce carbon intensity by 15% compared to 2020 baseline:** We are identifying and implementing practical solutions that reduce emissions, leverage lower carbon growth projects and optimize operations.
- **Boost production of circular products:** We are working toward the target of an annual production volume of 1 billion pounds of Marlex® Anew™ Circular Polyethylene, demonstrating the great potential of advanced recycling technology to help repurpose difficult-to-recycle plastics again and again.

Supporting the United Nations Sustainable Development Goals

The heart of the United Nations (UN) 2030 Agenda for Sustainable Development are 17 Sustainable Development Goals (SDGs). The goals hope to advance a more peaceful, prosperous and equitable world through three dimensions of sustainable development: economic, social and environmental.

Through assessments of CPChem's strategies, products and projects, we identified 11 SDGs that connect strongly to our business. Aligning with the SDGs allows us to leverage our product portfolio, value chain and industry leadership to advance these important goals while also helping to address potential areas of concern.



CPChem Connects with 11 SDGs



SDG #2 – Zero Hunger

We support more sustainable food production and increase the stability of food supplies around the world through our products and philanthropy.



SDG #3 – Good Health and Well-being

We aim to improve quality of life and elevate our global communities. CPChem products are critical building blocks for many items used in the healthcare industry. Through the principles of *Our Journey to Zero*, we prioritize health, safety and reliable operations, allowing us to offer valuable, life-enriching solutions around the world.



SDG #4 – Quality Education

Providing equitable access to quality education helps in the development of our employees, creating a strong culture of safety and advancing DE&I. We are committed to providing our employees with the sustainability education needed to drive our strategy. We invest in enrichment programs that build awareness, knowledge and help provide equitable access to Science, Technology, Engineering and Math training to prepare tomorrow's workforce.



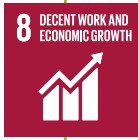
SDG #6 – Clean Water and Sanitation

We believe that access to clean water and sanitation is a human right, and the scarcity of potable water is a global issue. We promote water stewardship and use water responsibly at our sites around the world. Our high-density polyethylene (HDPE) pipe are a major contributor to accessing clean drinking water. HDPE pipe systems typically have fewer leaks, require less maintenance, and boast longer service lives than competing materials for critical infrastructure we need every day.



SDG #7 – Affordable and Clean Energy

We are working to advance renewable energy solutions, optimize energy consumption and minimize energy intensities. CPChem products can help save energy. Polyalphaolefins (PAOs) used in immersion cooling and lightweight HDPE contained in many vehicles are just two examples of how our products are increasing efficiencies and contributing to a lower carbon future.



SDG #8 – Decent Work and Economic Growth

Our tagline, Performance by design. Caring by choice.™, speaks to how we prioritize and approach high standards for operational excellence, ethics and human rights, and DE&I. Acting on these concepts is critical for economic growth and enhancing the quality of life of our employees and communities. We recognize the choices we make for our material and service providers must also reflect these standards, which are outlined in our [Supplier Principles of Conduct](#) (SPOC).



SDG #9 – Industry, Innovation and Infrastructure

We champion research and ingenuity, advancing innovative ideas aimed at reducing our environmental footprint, optimizing efficiencies, promoting circularity and creating new opportunities for collaboration. We work jointly with diverse organizations to address global issues and promote sustainable growth.



SDG #12 – Responsible Consumption and Production

We are enhancing our business and developing more sustainable solutions that use resources responsibly and minimize impacts on people and our planet. CPChem belongs to several industry associations and participates in many initiatives that seek to address global issues like plastic waste while promoting more sustainable operations.



SDG #13 – Climate Action

We are taking action for the climate by reducing our carbon intensity, investing in renewable energy and improving our resilience to climate risks. As part of our action, we are targeting a 15% reduction in the carbon intensity of our operations by 2030 using a 2020 baseline.



SDG #14 – Life Below Water


We support efforts to eliminate plastic waste on land and water. Mismanaged plastics can have negative impacts on the environment, which is why we are working to advance a circular economy and protect Life Below Water.



SDG #17 – Partnerships

We collaborate with strategic stakeholders like community groups, NGOs, industry associations and more to accelerate sustainable change locally and abroad.

Pathways to Learning



Sustainability + Me Development Series

In 2023, CPChem developed and launched a training series dedicated to connecting employees to sustainability topics across the business. The four-part series lifted knowledge and awareness of important global issues and provided employees with real-world examples that demonstrate how each role can contribute to a more sustainable future. Employee incentive pay was linked to participation in this program, and the company celebrated 100% employee participation in 2023. The Sustainability + Me Development Series is built around CPChem's three focus areas and aims to demonstrate how employees contribute to the company's sustainability strategy as individuals, and as a global workforce.

[Click to see how we connect with sustainability.](#)



Sustainability Summit

CPChem held its second annual Sustainability Summit in 2023, hosting a three-day internal conference dedicated to advancing the company's three sustainability focus areas: Climate Change, Product Sustainability and Circularity, and Social Responsibility. The Summit's featured speakers and collaborative work sessions brought company experts and passionate team members together to share insights, explore opportunities, and leverage the company's global reach to bolster the forward movement of CPChem's sustainability programs and further efforts to enable a more sustainable future.

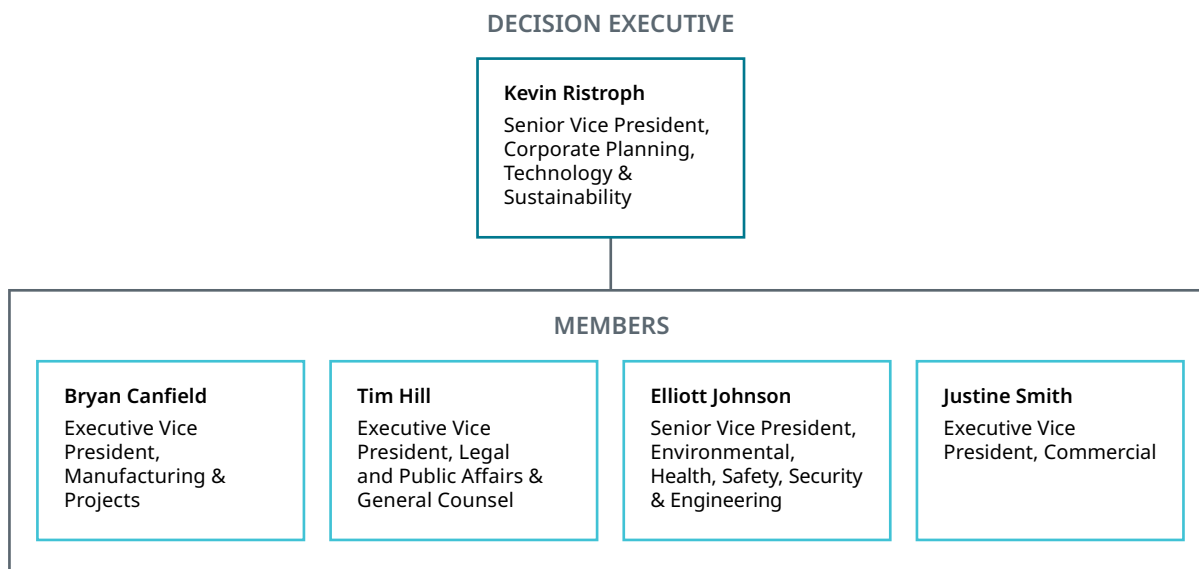
Leadership and Key Governance Systems

Board of Directors

CPChem has a robust governance and risk management approach to oversee risks, including those related to our sustainability focus areas. Our Board comprises eight representatives: three voting representatives appointed on behalf of each of Chevron U.S.A. Inc. and of Phillips 66 Company, and the Chief Executive Officer and Chief Financial Officer of CPChem as nonvoting representatives. Representatives from the Board and members of our Executive Leadership Team serve on various committees, providing strategic oversight of the implementation and stewardship of CPChem’s sustainability strategy, utilizing information both from internal analysis and external subject matter experts (SMEs).

Our Executive Leadership Team is comprised of accomplished individuals with extensive experience and proven talents, working together to guide the company toward a more successful and sustainable future. CPChem’s Sustainability Executive Steering Team (EST) meets regularly to advance its expertise, make progress on sustainability initiatives and review the external policy landscape.

Sustainability Executive Steering Team (EST)



With decades of collective industry experience, the EST is an informed and practical council, well-equipped to address sustainability issues material to our business.

Reporting to the EST, two executive-led Guidance Review Teams (GRTs) and a Policy Guidance Committee provide direction and oversight on a variety of strategically important sustainability issues. Our GRTs provide a multi-disciplinary view to manage and align sustainability activities with the rest of the operational, commercial and functional priorities. Specialized implementation teams provide deliberate support to GRT actions and priorities.



Key Governance Elements

Through the Benefits Committee, Compensation Committee and Investment Committee, CPChem leverages feedback from employee surveys and focus groups to inform decisions related to benefits and to generate recruitment and retention action plans for its diverse workforce.

The Board Operational Excellence Committee monitors and responds to global trends in the regulatory and political space and supports work to address risks with potential to affect environmental, health, safety and security (EHSS) or related manufacturing facility programs and policies.

Enterprise Risk Management (ERM) is a core process through which the Board and company leadership identify market, operational and reputational risks to CPChem and secure appropriate mitigation options. An ERM committee provides in-depth assessments and an annual review of CPChem’s ERM process with the Board.

Crewed by company leadership, the EHSS Policy Committee provides oversight and governance for EHSS activities and CPChem’s Operational Excellence (OE) System. OE helps CPChem standardize its efforts globally, increase collective rates of improvement, and raise operational discipline in areas of environment, health, safety, security, reliability and quality.

CPChem's Executive Diversity Council provides leadership, guidance and direction to our Diversity, Equity and Inclusion journey. A comprehensive talent management governance structure is in place to ensure that CPChem has the organizational capabilities required to meet current and future business needs, and that talent management strategies are achieved. The Talent Management Council (TMC) governs talent decisions for executive-level employees and each business unit, manufacturing facility and region has a Talent Stewardship Committee (TSC). The TMC and TSCs evaluate employee performance management, development opportunities, career tracks, potential for new roles and succession planning. CPChem encourages employees to engage in regular discussions of development and career goals with supervisors and TSCs.

The Board is responsible for exercising reasonable oversight with respect to CPChem's Ethics & Compliance (E&C program) and for being knowledgeable about its content and operation. The Board Audit Committee (BAC) has been empowered by the Board to, among other things, monitor the status and effectiveness of the E&C Program. Quarterly reports are provided by CPChem's Ethics & Compliance Office (E&C Office) to the BAC detailing E&C Program initiatives, reports, investigations, and other pertinent information.

Ethics and Compliance

Our E&C program applies to all stakeholders, from our Board of Directors to front-line supervisors and individual contributors. It is managed by the E&C Office, which is part of the CPChem legal department and reports directly to the CEO. The E&C Office also monitors company-wide compliance with the [Code of Conduct](#). Day-to-day implementation of the Program is managed by appropriate SMEs throughout the organization including EHSS, finance, global trade, human resources, information technology, legal and public affairs. Stakeholder feedback and concerns may be anonymously reported through a third-party phone service.



100% Completion of Ethics Training in 2023

Employees are required to complete CPChem's Code of Conduct training and attest compliance annually. The Code of Conduct reflects how we operate as a global business and in 2023, 100% of employees completed Code of Conduct training, which covered the following topics:

- Antiboycott
- Anticorruption
- Conflict of Interest
- Drugs & Alcohol
- Employment Practices
- Environmental, Health, Safety & Security
- Fair Competition
- Global Trade
- Information Governance
- Information Technology
- Insider Trading
- Intellectual Property
- Internal Controls & Fraud
- Political Activities
- Privacy of Information

[SDG #8, Decent Work and Economic Growth](#)

CPChem takes reasonable steps to ensure that certain third parties performing work on its behalf conduct their business in a manner consistent with CPChem's expectations on ethics and compliance.

The Third-Party Management Program provides a process and guidelines for the engagement, retention, and monitoring of third parties identified through a risk assessment.

Managing Risk

Biennial risk assessments are conducted across the company to identify issues that may potentially impact compliance with relevant internal policies, regulations and laws. Once a risk issue is identified, mitigation steps may include updates to company policies, training, communications, audits and more. 100% of CPChem wholly owned or operated facilities were assessed in 2022 and no significant risks were identified.

CPChem is vigilant in protecting its assets and employs several programs to prevent security risks.

Performing information security risk assessments, audits of control procedures, incident response and records retention best practices are examples of steps taken to prevent breaches in security.

CPChem seeks to consistently evaluate and manage legislative, regulatory, policy and political activities, address potential business impacts and generate value by:

- Building and supporting relationships with external stakeholders, including governments and communities where CPChem operates
- Managing potential risks and mitigating impacts when necessary
- Developing and implementing issue management and stakeholder engagement plans, systematically tracking engagements, issues and effectiveness





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Stepping Up for People

CPChem conducts business with a focus on Social Responsibility, as reflected in its tagline, *Performance by Design. Caring by Choice.*™ We readily offer expertise, time and financial contributions to make lasting and meaningful impacts in communities across the globe. The priorities we have set for Social Responsibility signal our intent to contribute positive change locally and abroad.

Social Responsibility Priorities

Do our part to protect human rights

Inspire CPChem's current and future workforce by investing in education and fostering a culture of diversity, equity and inclusion

Promote health, safety and well-being

Maintain a workplace that prioritizes health, safety, and well-being of its personnel and communities

Increase economic prosperity

Leverage CPChem's products, enterprise and philanthropic activities to enrich global communities and promote equitable access to economic opportunities

CPChem Takes Action for Social Responsibility in 2023:

- Performed in the top 10% in industry for Total Recordable Incidence Rate (0.08)
- Increased company transparency by including CPChem's [Code of Conduct](#) and [Equal Employment Opportunity Policy](#) on its corporate website
- Initiated process to conduct CPChem's Portfolio Sustainability Assessment
- Created employee training and educational materials to further align with SDGs
- Doubled CPChem's total spend on diverse and small suppliers over previous year
- Helped to complete installation of new clean water system in San Roque, Peru
- Engaged 100% of employees with a dedicated lesson in social responsibility within the Sustainability + Me Development Series

Health, Safety and Well-being

At CPCChem, we are committed to the health, safety and well-being of employees and contractors. We promote a positive safety culture through all facets of our business, and we are committed to doing the right thing, the right way, every time.

Environmental, Health, Safety and Security (EHSS) Strategy

Our Journey to Zero is more than a slogan for our EHSS strategy. It represents our commitment to each other, our employees, and the communities in which we live and operate. There are three major components of our strategy: caring for each other, driving safe and reliable operations, and improving the environment. The EHSS strategy serves as a blueprint for how we approach our work, emphasizing the importance of safety, reliability, and environmental sustainability. Our guiding principles and successful internal programs are imperative in *Our Journey to Zero*.



Our commitment to each other and to our communities:

- ◆ Put the health and safety of all personnel before production.
- ◆ Eliminate high severity, high potential incidents.
- ◆ Maintain and operate a safe, secure and reliable workplace.
- ◆ Protect the environment.



Guiding Principles

The safety of our employees and contractors is at the forefront of everything we do, and our safety culture is maintained through a set of guiding principles that provide direction in all circumstances, regardless of duty or position. These three principles emphasize the importance of holding unwavering operational discipline.

- *Work safely or not at all.*
- *There is always time to do it right.*
- *If it's worth doing, do it better.*

Life Saving Rules

Our nine Life Saving Rules relate to activities that, if not executed correctly every time, have a high potential for serious injury or fatality. At CPChem, these Life Saving Rules reinforce our charge to get everyone home safely at the end of the day.



CPChem's Commitment to Health and Well-being

CPChem contributed \$100,000 to Sweeny Community Hospital Development Foundation in Sweeny, Texas, to support the construction of a new hospital. The donation reflects a commitment to the health and well-being of the surrounding community and to expanding access to high-quality, modern healthcare.

[SDG #3, Good Health and Well-being](#)

Tenets of Operation

CPChem's Tenets of Operations are an extension of its values and principles and apply to all employees and contractors. Our Tenets provide a universal code of conduct to guide decision-making and risk management practices in the workplace.

Operational Excellence

CPChem takes pride in striving for Operational Excellence (OE), pushing to be the best company in our industry by doing the right things in the right way, every time. Our OE System is a risk management methodology which intends to standardize our global efforts, continuously improve and raise the level of operational discipline across health, safety, security, reliability, quality and environmental performance.

Voluntary Protection Program

The Voluntary Protection Program (VPP) is an Occupational Safety and Health Administration (OSHA) program in which a facility takes responsibility for managing its safety through policies, programs and reinforcing behaviors to promote a safe working environment for employees, contractors and visitors. All 18 of CPChem's eligible U.S. locations hold Star Status, the highest VPP certification awarded by OSHA.



Shaping the Future

CPChem hosted its 12th [Contractor Safety Forum](#) in October 2023, underscoring the pivotal role that contractors play in the safety and reliability of company operations. The forum serves as a collaborative space to come together to share experiences, exchange best practices, and reaffirm commitments to safety and responsible sourcing practices. [SDG #8, Decent Work and Economic Growth](#)



HOT Days

Last summer, nearly 600 employees across the organization gathered at our Cedar Bayou complex in Baytown, Texas, to share experience and expertise in a new type of training designed to heighten safety skills through tactile learning and peer interaction. Hands-On-Training (HOT) Days involve interactive training and refresher courses designed specifically for Operations and Maintenance personnel, encompassing respiratory protection, confined space operations, hazard recognition and fire extinguisher training.



Technology in Safety Forum

CPChem's Sweeny, Clemens & Old Ocean Facilities joined nearly 30 companies at Brazoria County Petrochemical Council's 2023 Technology in Safety Forum. Teams shared technology focused best practices and covered topics including the use of drones to perform inspections, issuing electronic safe work permits, remotely monitoring confined space ingress/egress and discussed how technology can be used to improve safety and reduce risks.

Human Performance



- Keep our operational discipline focus
- Make it easier to succeed & harder to fail
- Understand how work is really done
- Implement safeguards / mitigations

Human Performance (HP) is the next frontier of CPChem's safe and reliable operations. HP is focused on building a better understanding of how work is performed before implementing more effective safeguards to mitigate consequences and continue operational discipline.

HP calls for a shift in mindset and challenges CPChem employees and leadership to comparatively examine how assignments are planned against how they are completed. This exercise is meant to identify and reduce potential risks of high consequence through skill-sharing discussions and guidance from teammates most experienced with the task at hand. We believe everyone at CPChem can leverage HP to lift trust and productivity in their teams, ultimately making it easier to succeed and harder to fail.

Walk the Line for Safety

Operators and technicians use "Walk the Line" tools like inspections, checklists and frequent communication to maintain alignment on the full scope and status of our processes and operations. "Walk the Line" tools help reduce process safety events by removing assumptions and verifying that critical information is received and relayed accurately and completely.



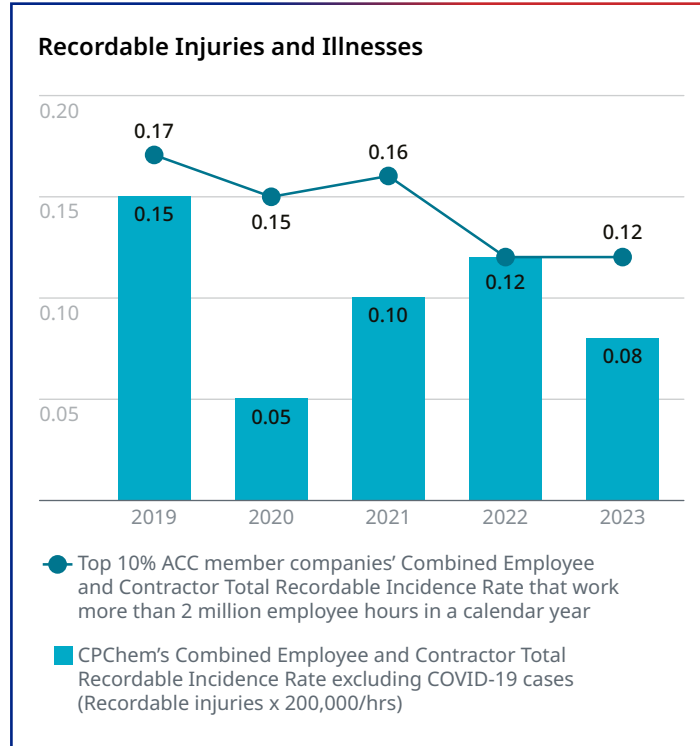
Assessing New Safety Metrics

As a part of the 2017 roll out of *Our Journey to Zero*, CPChem introduced a high consequence and high potential incident reporting program. Having extended our focus, we share lessons learned from high potential consequence incidents and install corrective actions to prevent their occurrence.

We are deploying an HP strategy which aims to improve performance in all areas with human engagement as well as target further reductions in incidents and unacceptable consequences.

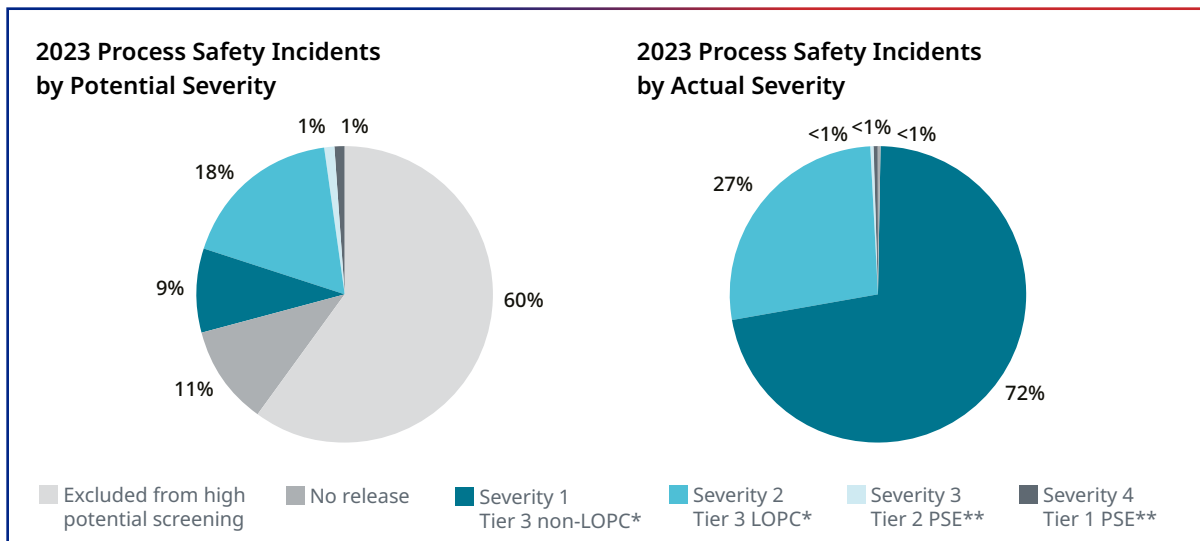
Using programs like *Our Journey to Zero* and Human Performance, we seek to continuously lift operational discipline and further equip CPChem employees to avoid and intercept unfavorable outcomes.

In 2023, CPChem performed in the top decile in industry for Total Recordable Incidence Rate with 23 work-related injuries or illnesses. Of these, fractures were the most reported injury in 2023. Last year, we placed a greater emphasis and awareness on these incidents and introduced a new metric, High Consequence/Potential Incident Rate (HIPO). This metric will provide valuable insight and help measure progress toward achieving our vision to eliminate high severity, high potential incidents altogether.



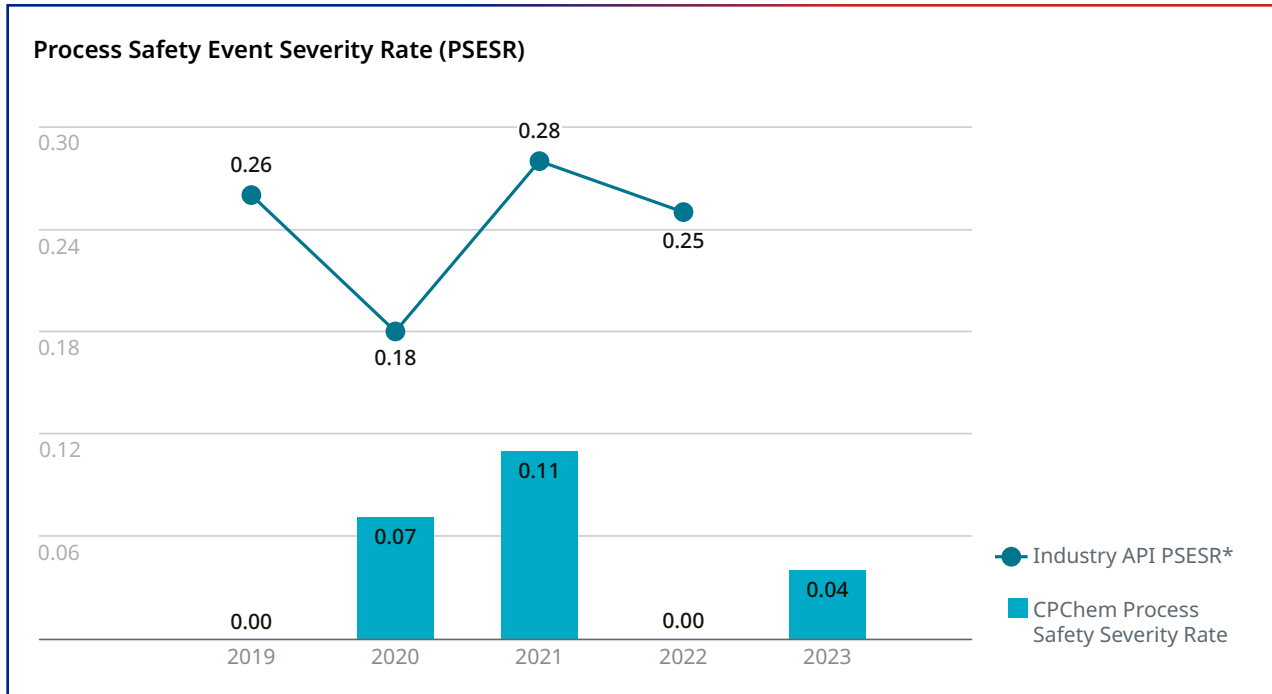
Stepping Up Core Competencies

Three components of CPChem's Process Safety Core Competencies program include eliminating high severity and high potential process safety events, strengthening process safety culture, and providing people with tools, training and experiences for development. Detailed figures on CPChem's safety performance are available in → [Performance Data Tables](#).



* Loss of Primary Containment (LOPC)

** Process Safety Event (PSE)



* 2023 data not available at the time this report was published.

8 DECENT WORK AND ECONOMIC GROWTH

Safety Achievement Milestone

The Startex Performance Pipe facility celebrated 12 years of injury-free operations. OSHA representatives visited the site to commend employees for their impressive achievement. Safety is a daily commitment, and it is important to recognize and thank employees who make these milestones a reality.

[SDG #8, Decent Work and Economic Growth](#)

People Before Production

When we noticed a rise in safety incidents in 2023, companywide safety reset and refocus sessions were held among all staff groups. During these critical sessions, we worked to identify potential distractions and improve safety performance. At CPChem, we put people before production, and we believe these sessions helped to fortify and realign all employees and contractors with our determined commitment to *Our Journey to Zero* and safe and reliable operations.

Top Safety Performance in Industry

American Fuel and Petrochemical Manufacturers' Safety Achievement Awards

- CPChem's Bartlesville, Cedar Bayou, Conroe, Orange and Sweeny, Old Ocean & Clemens facilities earned a spot among the nation's top safety performers.

American Chemistry Council Responsible Care® Awards

- CPChem's Bartlesville, Borger, Conroe, Kingwood, Pasadena and Orange facilities were recognized in 2023 with American Chemistry Council Responsible Care® Safety Awards.

Texas Chemistry Council Safety Awards

- CPChem received 11 safety awards for our operational excellence and our commitment to reliable operations, safety and community support.

Singapore Chemical Industry Council Responsible Care Awards

- CPChem's facility in Singapore was awarded the Excellence Award for Process Safety Code, as well as the Gold Award for Employee Health and Safety Code.

Award Winning Fleet Safety in North America

We work closely with transportation providers to safely move our products on roads, rail and water. In 2023, CPChem's Borger Proprietary Fleet received the Grand Award for private fleets from the National Tank Truck Carriers in their North American Safety Contest. This award distinguishes companies with exceptional fleet safety performance, which the Borger Proprietary Fleet accomplished in 2023 by transporting odorant products across 800,000 miles and maintaining a perfect record through the Department of Transportation with zero reportable accidents.

Emergency Responders

CPChem's Emergency Response Teams (ERTs) provide on-site support in the event of an emergency to help keep people safe and minimize impact to the environment. It is critical for employee first responders to complete frequent, hands-on, high-quality training to maximize the preparedness of these front-line teams.

ERTs are trained and equipped for exterior firefighting, interior firefighting, confined space and high-angle rescue, vehicle extrication and medical events. We are proud of CPChem responders who champion safe and prepared communities.



"Our highly skilled emergency response teams are critical for ensuring the safety of people and the environment during an emergency. I am grateful to be a member of my facility's emergency response team, and we stand ready to protect our colleagues and community."

Erik Pierce

Emergency Preparedness Supervisor



Sharing Safety with Students

In recognition of Fire Prevention Week last October, Cedar Bayou and Pasadena facilities' ERTs visited local elementary schools and met with students to share important safety information and demonstrate best practices for use at school and at home.



Top Marks Earned in Mock Rescue Competition

Emergency responders from the Cedar Bayou Plant earned top marks for their performance in annual rescue challenges during the 2023 International Rescue & Emergency Care Association (IRECA) and (Texas A&M Engineering Extension Service) TEEEX conference. The 2023 IRECA and TEEEX Conference featured a full week of rescue and medical challenges along with the opportunity to learn with and compete against some of the top teams in the nation.

Making Wellness a Priority

CPChem U.S. employees can take advantage of “Your Journey to Wellness,” a program designed to help improve physical and financial well-being while earning reimbursements and cash incentives for participating in preventative care activities. In 2023, we enhanced this program and expanded opportunities to earn rewards through actions like completing a health screening, financial wellness activity and participating in a regional step challenge.

[SDG #3, Good Health and Well-being](#)



More Family Time

In 2019, CPChem introduced a Parental Leave program that provided two weeks of paid leave for employees to bond with their newborn or newly adopted child. In 2021, this leave was doubled to four weeks. As part of ongoing efforts to provide competitive Total Rewards, we again increased the duration of this leave in 2023, and eligible employees are now offered up to six weeks of Paid Parental Leave.

Additionally in 2023, CPChem was named by Newsweek as one of America’s Greatest Workplaces for Parents and Families.



“The time was priceless. My wife and I treasured moments with our newly adopted daughter, and we celebrated watching her thrive. CPChem’s family leave and adoption reimbursement benefits gave us peace of mind and space while we formed new memories and enjoyed the expansion of our family.”

Andrew Mills (he/him)
Heavy Olefins Commercial Manager

Parental Leave Utilization

Total Employees	228
Total Female	35
Total Male	193
Return to work rate from 2022 (still employed through 2023)	90%
Retention rate from 2022 (12 months after returning to work)	87%

Total Rewards Program

At CPCChem, the well-being of our employees and their families is paramount. We offer a robust and competitive Total Rewards package designed to enhance the well-being of employees and their families. We constantly evaluate and explore opportunities that enhance this program to remain competitive in attracting and retaining top talent. Benefits and rewards vary by position and location.

Total Rewards Program Highlights

Health

- Medical, behavioral health, prescription drug, dental and vision plans
- Company-paid life insurance, long-term disability insurance, accidental death and personal loss (AD&PL) insurance and business travel accident insurance
- Healthcare and dependent care flexible spending accounts, with company contribution to Health Savings accounts
- Optional additional life and AD&PL coverage, critical illness insurance and group legal plan
- Gender affirming and transgender-inclusive health care coverage

Wealth

- Bonus, salary increase and recognition programs
- Company-paid employee assistance, financial planning and healthcare advocacy services
- Pension plan for most employees
- Flexible Benefits Program

Career

- Educational assistance/tuition reimbursement
- Relocation assistance

Family and Community

- Flexible work arrangements, including a hybrid work-from-home model at many locations
- 9/80 and 4/10 work schedules at many locations
- Matching charitable gifts for higher education and qualified nonprofit organizations
- MyDay, a floating holiday benefit, provides U.S. based employees the flexibility to self-select a day of cultural, religious or personal significance to observe as a paid day off
- Paid leave programs including vacation, parental leave, volunteer leave and short-term disability
- Family formation support, including infertility treatment and in-vitro fertilization

Powered by People

Newsweek Names CPChem one of America’s Top Workplaces in 2023

Respondents to Newsweek’s national survey rated employers on benefits, working environment, work-life balance, training and career progression, company image, corporate culture, sustainability awareness and proactive management of a diverse workforce. CPChem earned five out of five stars.



“This recognition reflects our ongoing commitment to fostering a workplace where our employees thrive, innovate and grow. We will continue to prioritize employee well-being and nurture a culture that celebrates diversity, encourages learning, and drives both personal and professional development.”

Maricela Caballero (she/her)
Senior Vice President of Human Resources

Employees by the Numbers

Global Employee Headcount

5,142

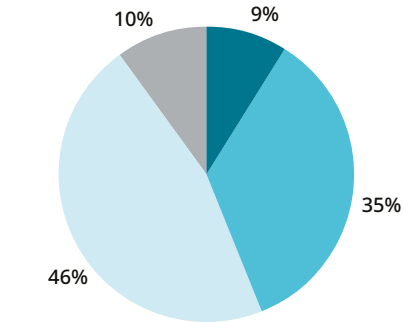
Increased Employees in Workforce by

174

Voluntary Attrition Rate

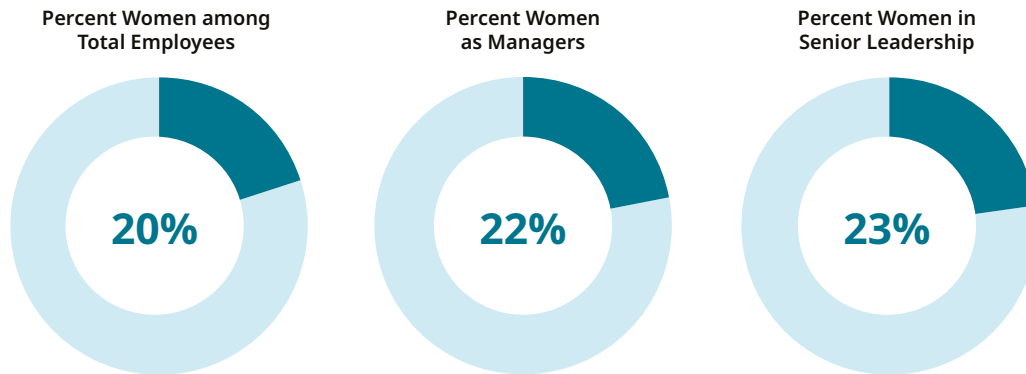
4.2%

Employee by Generation



- Baby boomers (1946–1963) ages 61–78
- Generation X (1964–1978) ages 46–60
- Generation Y (1979–1994) ages 30–45
- Generation Z (1995 and later) ages 29 and younger

Global Employee Gender Diversity



Elevating Talent Management

Talent management continues to be a primary theme of our culture evolution, which positions our people and organization for long-term success. We elevate talent at CPChem by sustaining an environment where performance is recognized, and employees receive feedback needed to reach their full potential. Our talent management strategy includes concentrated attention on recruitment, recognition, learning, development and career planning.

Recruitment

CPChem’s talent acquisition teams utilize their expertise to attract a dynamic and diverse workforce. Our recruitment teams undergo unconscious bias, diversity, and interview best practices training to engage an inclusive group of top candidates. As part of this effort, we require diverse interview panels for college and experienced hire recruiting activities. In addition, our college recruitment programs are uniquely designed to attract candidates with diverse backgrounds and experiences.

Winning Together

In 2023, we introduced Shine, an internal program with an entirely new approach to employee recognition. Shine provides a private social platform where employees acknowledge and celebrate their colleagues’ success through posts of appreciative feedback and in some instances, monetary rewards. Through Shine, we empower our workforce to recognize achievements and celebrate the many shapes of success at CPChem.



Shine Recognition Platform Highlights

- In its first year, Shine received more than **40,000 employee submissions** recognizing fellow colleagues.
- Shine hosted CPChem’s inaugural Sustainability Inspiration Awards campaign and awarded **13 employees** for their **leadership in CPChem’s sustainability focus areas**.

Learning and Development

CPCChem’s Learning and Development team is responsible for identifying innovative solutions to advance employee development throughout the organization. At CPCChem, we approach learning as an ongoing process, and we leverage on-the-job training, coaching, mentoring, eLearning and classroom-based instruction as opportunities to deliver high-value lessons and elevate skillsets.

Training and Career Planning

We are committed to providing ongoing learning and development opportunities for our employees. We believe that career progression should be tied to performance, not just tenure. From new hires to seasoned professionals, our training programs are designed to allow employees to take charge of their career journeys and develop their potential to the fullest.



Employee Development

Average Hours of Training per Employee

49.5

Total Employee Training Hours

254,374

[SDG #4, Quality Education](#)

Leadership Elements



Protect
Each Other



Trust
Each Other



Challenge
Each Other



Win
Together

Growing Leaders One Element at a Time

CPChem’s Leadership Elements are the skills, abilities and behaviors we believe are imperative to achieve success at CPChem, regardless of role. Every part of our organization is shaped by the performance of our people. We employ Leadership Elements in all career journeys to objectively identify, develop and leverage skills, abilities and behaviors that strengthen our people and organization.

Seven Elements of CPChem’s Culture Evolution

Creating a rewarding and fulfilling work environment is a top priority for CPChem, and one that allows us to live out our tagline, Performance by design. Caring by choice.™ Since our Culture Evolution program launched in 2021, CPChem has integrated seven culture elements into all areas of its business. The seven elements of the Culture Evolution program equip our employees with tools to flourish in their roles and champion the behaviors on which the foundation of CPChem’s culture is built. We believe that demonstrating the behaviors of accountability, innovation, meaningful feedback, trust, transparency and career development is paramount for CPChem employees to succeed.

STRENGTHS



Execute With Excellence
safety & reliability

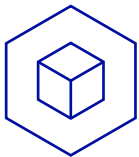


Honor Our Purpose
our shared vision & values



Cultivate Connection
open & trusting relationships

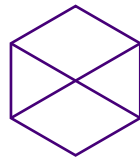
FOCUS AREAS



Do What Matters
performance transparency



Unlock Possibilities
innovation & improvement



Maximize Potential
talent development & career opportunities



Take Initiative
personal & leader accountability

2023 Global Employee Engagement Survey

Employee feedback is essential for continuous improvement and helps to chart our progress in culture evolution and talent management. Administered by a third-party human resource consulting firm, CPChem conducted an enterprise-wide employee engagement survey in 2023. The survey asked employees to consider elements like job satisfaction, employee culture, workload and more in their responses.

Within the comprehensive feedback from employees, we recorded a Sustainable Engagement score of 85%. This score aims to measure how connected employees feel to the company, support for productivity and overall well-being.

Survey results also indicate that CPChem remains an industry leader in employee engagement. We greatly appreciate our employees for their honest feedback, which allows CPChem to bolster its competitive edge as well as attract and retain a diverse and dynamic workforce.

Diversity, Equity and Inclusion

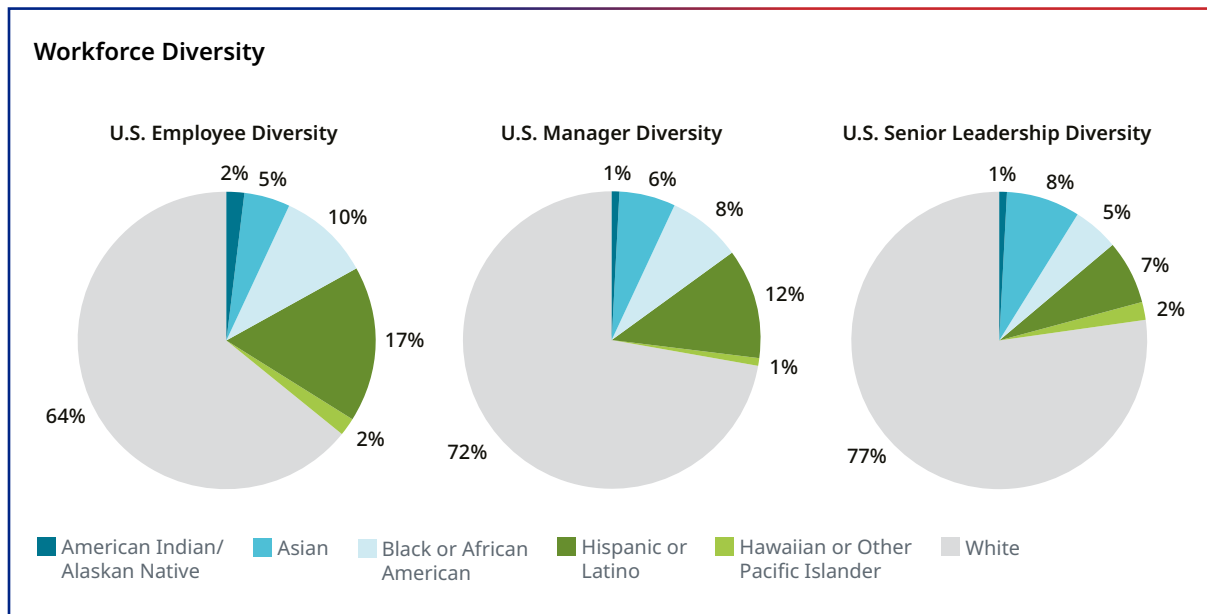
CPChem is building upon its foundation of DE&I principles with programs and efforts that advance a culture where diversity is celebrated, equity prioritized and inclusion woven into all aspects of the organization. We want employees to feel included and connected to our company and to each other. Further, we believe people thrive when they hold a strong sense of belonging and have access to development opportunities. Nurturing these elements of our culture can lead to a more profound employee experience and an energized workforce active in our company, culture and communities around the world.

Using 2023 as a year of introspection, we sought out candid reflections, evaluated current practices and reorganized our approach to better align with the evolving needs of CPChem’s diverse workforce and network.

Distinguished in Diversity

CPChem’s DE&I efforts were also recognized in 2023 through acknowledgements in Forbes lists such as:

- Best Employers for Diversity in 2023 for third consecutive year (Rank: 284)
- Best Employer for Women in 2023 (Rank: 237)
- World’s Best Employers in 2023 (Rank: 336)



Celebrating Differences: United in Diversity

Last year, CPChem was selected by Forbes for its “Best Employers for Diversity” list. This accomplishment highlights CPChem’s ongoing commitment to an inclusive workplace where diversity is not only embraced but regarded as inextricably tied to the company’s success. The Forbes acknowledgements in 2023 are encouraging endorsements of CPChem’s pursuit of excellence through diversity.



“These recognitions are a testament to CPChem’s genuine commitment to fostering a diverse and inclusive workplace that celebrates differences. I am proud of these awards as well as the environment we promote where every individual feels valued, empowered and respected.”

Dinorah Colmenares (she/her)
Global Talent Manager & Chief DE&I Officer

More than a Decade of ICARE

Having launched more than 10 years ago, CPChem’s program built around principles of Inclusion, Cooperation, Accountability and Respect Every day (ICARE) remains strong and central to our culture.

Every year, CPChem recognizes standout individuals who demonstrate and promote the ICARE principles. In 2023, more than 390 nominations were submitted for this highly respected employee award. Recipients are known to exhibit and inspire diverse ideas and unique perspectives that propel innovation across the organization. These ICARE leaders propagate trust and personify CPChem’s mission and values.



Championing Change: Our DE&I Journey

An established framework of employee groups helps steer DE&I at CPChem.



Executive Diversity Council (EDC)

Members of senior leadership and select representatives across the company sit on CPChem's Executive Diversity Council (EDC). The EDC provides guidance and direction for our DE&I journey to advance DE&I objectives throughout every facility and at every level of our organization.

ICARE Ambassadors

Selected by local management of each site and approved by the EDC, ICARE ambassadors and council members promote ICARE principles wherever CPChem operates. Working in tandem with site management, ambassadors and council members engage colleagues by:

- Building awareness and supporting positive workplace behaviors
- Providing DE&I guidance and information
- Modeling best practices and acting as agents of change

Employee Resource Groups

CPChem believes Employee Resource Groups (ERGs) are integral to a culture of inclusion and high employee morale. ERGs are voluntary, employee-led groups that support and guide members through personal and career developments. Each ERG is paired with an executive sponsor, helping to strengthen communications and connections between employees and company leadership. ERG members promote safe spaces and advocate for employees to bring their authentic selves to work.

We proudly support our ERGs and commend their reputations of diversity and companionship.

Employee Resource Groups



BELIEVE (Black Employees Leading in Inclusion, Education, Vision and Excellence)

Serves as a forum to share knowledge, develop skills, leverage capabilities and recognize the achievements and advancement of Black employees.



PRIDE

Promotes an inclusive culture that enables LGBTQ+ employees to achieve their full potential by feeling confident and safe at work.



HOLA (Hispanic Origin Latin Advancement)

Serves as a forum to share knowledge, develop skills, leverage capabilities and recognize the achievements and advancement of Hispanic and Latin American employees within CPChem.



INSPIRASIAN

Dedicated to fostering an environment where Asian members and allies can feel comfortable bringing their whole selves to work, be heard, valued, engaged, and receive support to reach their fullest potential.



STRIVE (Seeking Thoughtful Representation in Valuable Employees)

Focused on driving collaborative conversation on career fulfillment with a focus on unique challenges to women in the workplace.



VETNET

Committed to fostering an environment for those currently serving in the military, veterans and allies to come together and support one another by sharing experiences, networking, mentoring and supporting military members and veterans in the community.

The combined membership of CPChem's six ERGs totaled 1,365 employees in 2023. We continue to see growth as ERG members and allies strengthen high-trust relationships and work to generate positive impacts for their colleagues, culture, company and communities.

Leading the Way: America’s Best Employers for Women

We champion work environments that enable all employees to flourish. Named by Forbes as one of “America’s Best Employers for Women,” CPChem believes it is on the right track and advocates for gender equality and greater empowerment of women in the workplace.



CPChem Employees Honored with National Women MAKE Awards

Two CPChem employees were among 130 national recipients of the prestigious 2024 Women MAKE award by the National Association of Manufacturers’ (NAM) Manufacturing Institute. Crystal Cintra, Procurement Lead, received an Honoree Award and Erica Stewart, Instrumentation Reliability Engineer, received the Emerging Leader Award.

The Women MAKE Awards recognize women in science, technology, engineering and production careers who exemplify leadership within their companies. This national honor identifies top talent in the manufacturing industry and further encourages award winners to mentor and support the next generation of female talent to pursue manufacturing careers.



“We are delighted that Crystal and Erica are being honored by this esteemed group. Both women deserve every acknowledgement of their leadership and of the significant impacts they have at CPChem and in the community.”

Allison Martinez (she/her)

Senior Vice President, Business Transformation & CIO
STRIVE ERG Executive Sponsor



Girls in STEM

STRIVE, CPChem's ERG supporting women in the workplace, hosted STEM students from Bartlesville High School to discuss the sustainability of polymers and offer a glimpse into careers in STEM. Students heard from CPChem experts and participated in interactive activities before visiting the Plastics Technology Center and touring robotics in our Material Evaluation Labs.

[SDG #4, Quality Education](#)

FOSSI and the Future of STEM

CPChem sponsors the [Future of STEM Scholars Initiative \(FOSSI\)](#), a collaborative program aimed at creating pathways for students attending Historically Black Colleges and Universities to enter and succeed in the chemical industry. To date, CPChem has sponsored 20 FOSSI scholars, and the company plans to sponsor a total of 10 more students in 2024 and 2025. We believe quality education is a human right and we actively support enrichment programs that build awareness, interest, skills and knowledge in STEM fields.

[SDG #4, Quality Education](#)

[SDG #8, Decent Work and Economic Growth](#)



"Programs like FOSSI are vital to ensure our future workforce has the technical education, mentorships and support systems needed to help our company evolve and to develop solutions for global challenges."

Ken Martin (he/him)

Talent Acquisition Manager

CPChem Welcomes Urban Enrichment Institute

The Urban Enrichment Institute (UEI) is a youth leadership and development program for at-risk males, ages 12 to 19. UEI serves one of Houston's most economically depressed neighborhoods and is designed to empower students to become responsible and productive members of their families and community. Last summer, CPChem's Pasadena Plastics Complex welcomed 40 students from UEI, ages 12 to 18, to its facility for a glimpse into manufacturing and to interact with industry professionals. Through experiences like these, we hope to inspire the next generation of scientists, engineers and technology professionals.

Supporting Differential Learning

CPChem donations to the Texas Autism Academy covered tuition and technology fees for 30 students in the 2023–2024 school year. Active in North Houston communities, the Academy brings awareness to the scarcity of educational opportunities available to children with autism, and this group is invested in closing the education gap faced by these children and their families.

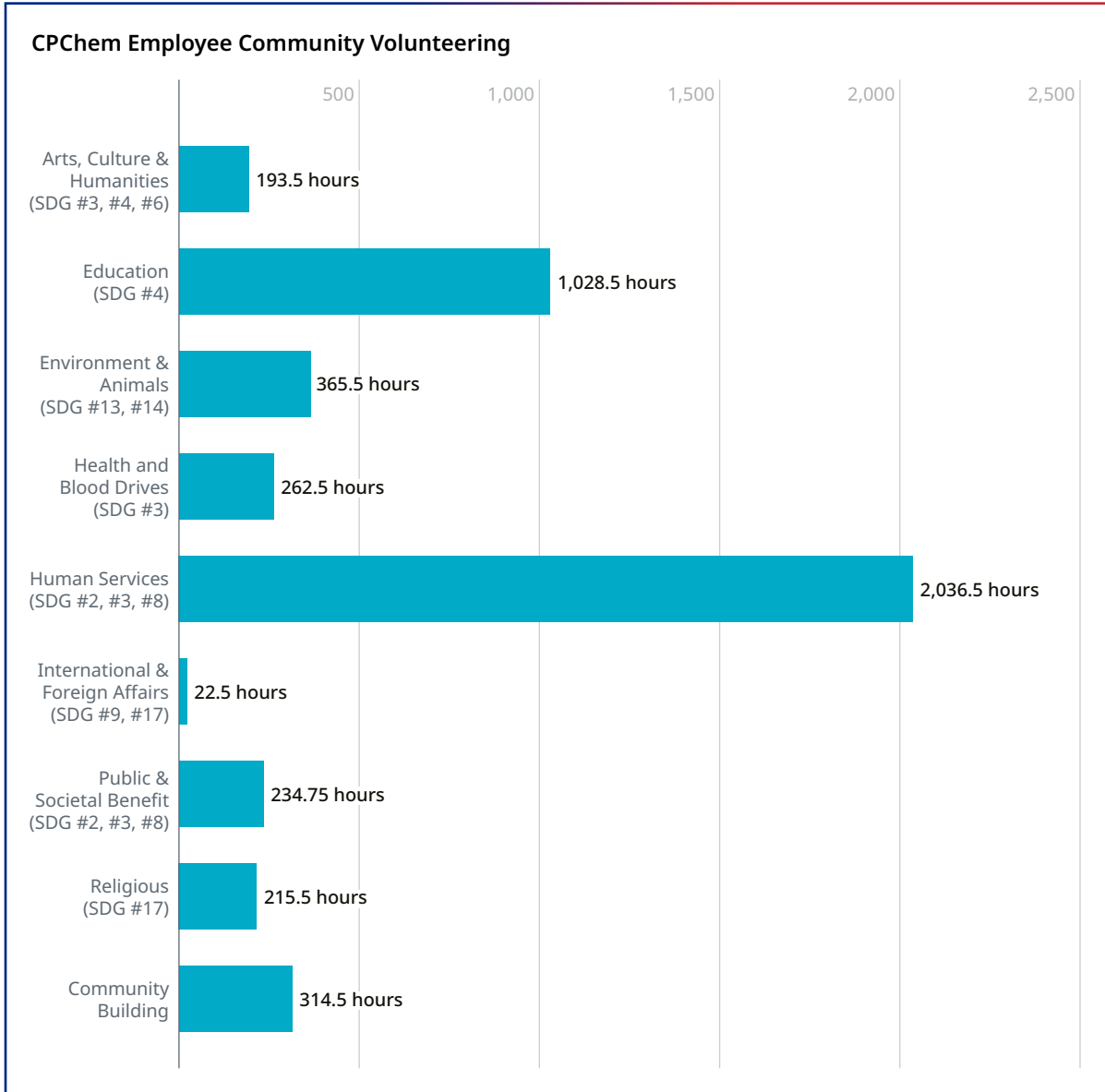


Community Centered

We aspire to be a neighbor of choice with a reputation for social responsibility. CPChem is active in communities around the world and believes volunteering brings the company tagline to life. We encourage employees to spend two paid workdays every year volunteering for causes that matter to them.

CPChem makes charitable contributions and in-kind investments to improve quality of life, expand access to education opportunities and facilitate growth within its communities. We support civic, cultural, educational, health, human services institutions and more. CPChem believes successful investments and volunteering are those that align with one or more of CPChem's sustainability focus areas, contribute progress towards the United Nations Sustainable Development Goals, support customer or industry relationships, engage employees in meaningful community service, and enhance the company's reputation if possible.





Caring for our Communities

CPChem highly values its relationships with community members. We participate in Community Advisory Panels (CAPs) in the communities where we operate to maintain open lines of communication between our organization and members of the community.

CPChem supports Habitat for Humanity's mission to provide affordable housing that is safe and economically sustainable. CPChem has supported Habitat for Humanity in locations across the globe. Last year, CPChem sponsored its 12th home through Habitat for Humanity in Conroe, Texas; third home in Baytown, Texas; and first home in Singapore through Project HomeWorks. Project HomeWorks is an intensive home rehabilitation program designed to improve the lives of vulnerable families by transforming homes into more sanitary, safe places to live.



Project HomeWorks

Employees volunteered 76 hours with Habitat for Humanity Singapore's Project HomeWorks in 2023. This organization helps vulnerable individuals and families make their living spaces safer and more sanitary through in-home assistance and rehabilitation services.



Large Business Community Awards

The Brownwood Chamber of Commerce recognized the Brownwood Performance Pipe facility in their Large Business category at their annual community awards ceremony.

This award was established to recognize notable community involvement and activities made by companies within the 600+ organizations of the Brownwood Chamber of Commerce.



Disaster Relief for Earthquake Survivors

It is estimated that more than 50,000 people died as a result of earthquakes in Turkey and Syria during February 2023. Survivors faced frigid temperatures while struggling to find access to proper shelter, clean water and electricity. CPChem made immediate donations to Doctors Without Borders to support victims of the natural disasters and set up a matching fund campaign to encourage employees to help with the recovery efforts.

- [SDG #2, Zero Hunger](#)
- [SDG #3, Good Health and Well-being](#)
- [SDG #6, Clean Water and Sanitation](#)



Alleviating Food Insecurity in 2023

[SDG #2, Zero Hunger](#)

- 600+ employee volunteer hours
- 26 events with CPChem employee participation
- \$75,000 in donations directed toward reducing food insecurity around the world



Camp Chemisphere

Across seven facilities, nearly 150 volunteers helped to welcome more than 400 children to CPChem's Camp Chemisphere. Featuring hands-on STEM experiments and high energy chemistry demonstrations, Camp Chemisphere offers kids an exciting look at the science behind CPChem.

Local First Workforce Development Program Launched in Golden Triangle Region

[Golden Triangle Polymers Company LLC](#), a joint venture owned by Chevron Phillips Chemical and an indirect subsidiary of QatarEnergy, has directed \$400,000 toward a community centered program called “Local First.”

Through Local First, CPChem collaborates with Orange County officials and Workforce Solutions Southeast Texas to prioritize local businesses when sourcing suppliers, vendors and labor for the Golden Triangle Polymers Project. Local First has also helped to expand workforce development opportunities in the Golden Triangle region. [SDG #8, Decent Work and Economic Growth](#)

Learn how [Local First](#) is making a difference in Orange, Texas.



“Local First is a community economic and workforce development program that gives residents of Orange County the best chance possible when competing for work on our project. Ensuring local residents see a positive economic impact from our presence is key to our long-term success and will create generational change for those who live here.”

Heather Betancourth

Golden Triangle Polymers, Community Relations

Golden Triangle Polymers Community Impact in 2023

\$1.7 million

in charitable giving

\$272 million

spent on local businesses as of Dec. 31

958 residents

of the nine-county Golden Triangle region hired as of Dec. 31

10 acres of land

donated to Orange County
The County plans to use the land to help citizens during emergencies and natural disasters

3,900

canned and boxed food items donated to a Thanksgiving food giveaway for Orange residents

\$30 million

in non-charitable community support with improvements to public roads

Responsible Sourcing

CPChem backs socially responsible and environmentally conscious procurement practices to secure the goods and services needed to run its global business. We seek out suppliers who share our values and hold high ethical standards.

[SDG #12, Responsible Production and Consumption](#)

Our [Supplier Principles of Conduct \(SPOC\)](#) outlines criteria and behaviors we ask our supplier network to uphold.

The SPOC includes expectations for:

- **Labor and Human Rights** – CPChem suppliers should match our deeply held opposition to human trafficking and support a work environment free of harassment, discrimination and abuse.
- **Environmental Responsibility** – CPChem expects suppliers to respect the environment and employ industry best practices for managing hazardous waste, transporting goods, preventing pollution and reducing greenhouse gas emissions.
- **Health and Safety** – CPChem suppliers must prioritize employee safety and provide information and support in areas like emergency preparedness, substance abuse and more.
- **Ethics and Compliance** – Expectations for ethics and compliance encompass protection against corruption, fraud and conflicts of interests, as well as established processes for responsible sourcing of materials and the ethical treatment of vendors.

Responsible Sourcing Achievements in 2023:

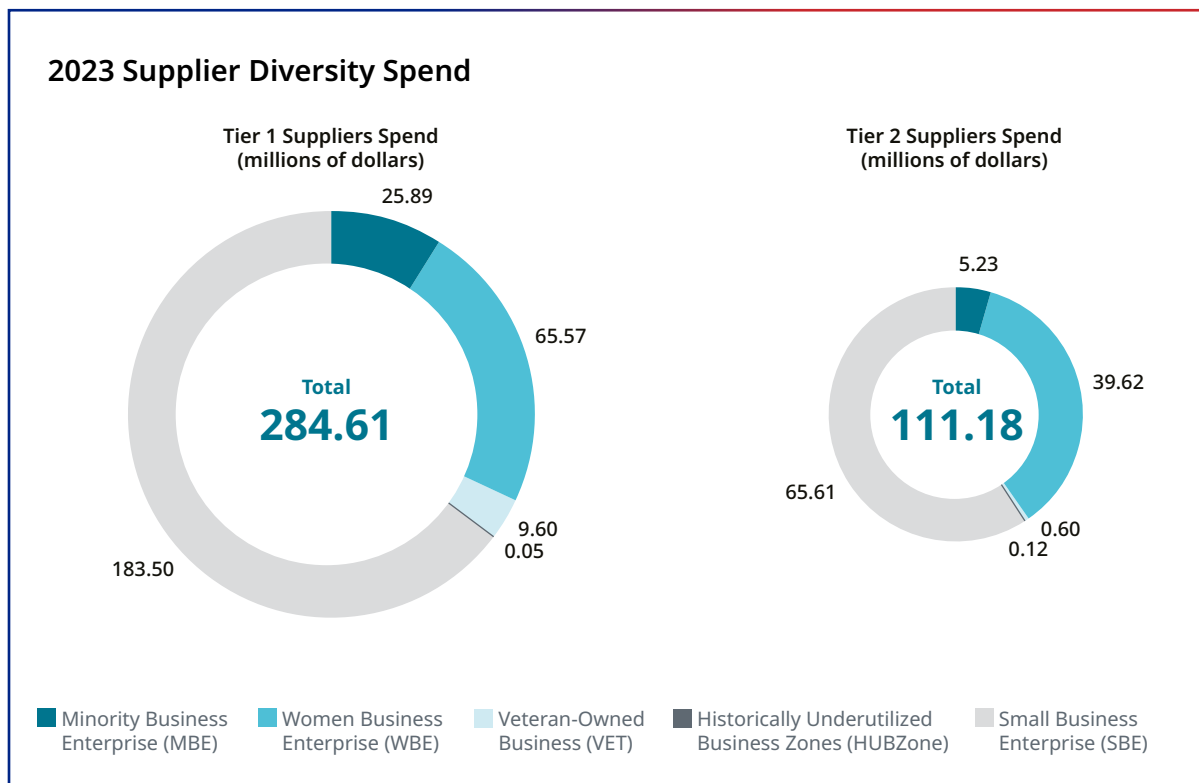
- Launched ESG training for 280+ suppliers across Asia, Europe and North America.
- Facilitated ESG training for all CPChem positions responsible for buying/sourcing goods and services.
- Doubled spend supporting diversity of supplier network, compared to 2022.

Supplier Diversity Program

Through our Supplier Diversity Program, we cultivate long-term relationships with suppliers who demonstrate inclusion of minority groups, small businesses, women, LGBTQ+, veterans and individuals with disabilities. Our objective is to provide these suppliers with opportunities to offer innovative, high-quality, competitive and cost-effective products and services in the communities we serve.

In 2023, CPChem enhanced reporting and tracking of its supplier network to strengthen the company's Responsible Sourcing Program. We modified procurement processes to include at least one small and diverse supplier in bids when possible, and we have included an ESG assessment in vendor registration and bidding processes.

Read more about CPChem's [Supplier Diversity](#) efforts.





Supplier Diversity at CPChem

Supporting sustainable and diverse suppliers helps us embrace new ideas, achieve a competitive advantage and deliver positive contributions to the communities where we live and work.

[Watch the video online](#)

Measuring Our Impact

We use third-party assessments to measure progress on ESG topics and gather feedback on our sustainability performance. During the third quarter of 2023, CPChem completed the company's third EcoVadis Sustainability Assessment and successfully increased its score received in 2022. CPChem's comprehensive and detailed ethics and compliance policies received special commendation, as did the company's detailed reporting in alignment with the Global Reporting Initiative (GRI) Index. Overall results placed the company in the top 24% of industry organizations rated by EcoVadis.

CPChem Shines in 2023 EcoVadis Assessment

Top 5%
Ethics

Top 10%
Sustainable Procurement

Top 14%
Labor & Human Rights

Top 24%
Overall



Scores are based on assessments of industry peers also evaluated by EcoVadis.



Climate Change

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Stepping Up for the Planet

At CPChem, we believe the chemical industry plays an important role in the transition to a lower carbon future. In many applications, CPChem products have a lower carbon footprint compared to alternative materials and leverage beneficial characteristics that enable fuel and energy efficiencies, prolonging shelf lives of food, product safety, along with many more advantages.

Climate Change Priorities

Reduce Carbon Intensity

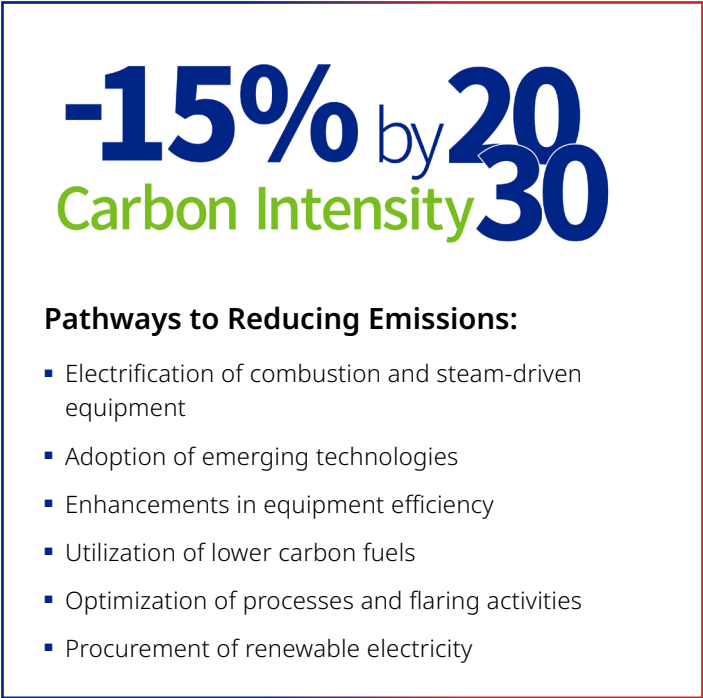
By 2030, targeting 15% reduction in carbon intensity using a 2020 baseline

Advance Renewable Energy Solutions

Develop renewable energy projects to support carbon intensity reductions

Strengthen Climate Resilience

Continue building resilience to mitigate physical and transitional climate risks



-15% by **2030**
Carbon Intensity

Pathways to Reducing Emissions:

- Electrification of combustion and steam-driven equipment
- Adoption of emerging technologies
- Enhancements in equipment efficiency
- Utilization of lower carbon fuels
- Optimization of processes and flaring activities
- Procurement of renewable electricity

Optimizing the processes and materials used to make our products while minimizing their environmental impact is a priority that helps to protect the planet. Our multi-layered approach will leverage innovation to elevate opportunities that reduce our carbon intensity.

CPChem in Action for the Climate in 2023:

- Completed → [MACC* assessments](#) at five CPChem facilities, bringing MACC assessment progress to 57% complete
- Identified more than 350 unique reduction concepts through CPChem's MACC assessment process, with over 800 identified to date
- Engaged 100% of employees with a dedicated lesson in climate change within the Sustainability + Me Development Series
- Performed first → [Water Body Risk Assessment](#) (WBRA), a strategic element of CPChem's Climate Action Plan
- Accelerated project to inventory Scope 3 emissions

* Marginal Abatement Cost Curve



Climate Action

Reinforcing Efforts to Minimize Climate Risk

In alignment with the Taskforce on Climate Related Financial Disclosures (TCFD), CPChem uses climate-specific scenario analyses to stress-test our business and simulate potential impacts of physical and transitional risks related to climate change. Examples of physical risks include flooding, extreme heat, hurricanes and water scarcity. Transitional risks relate to the global transition to a lower carbon economy and include considerations for policy and government actions, technology, market responses and reputation management.

These analyses produce valuable data for CPChem's Enterprise Risk Management (ERM) and strategic planning processes, which work to maintain CPChem's resilience and competitiveness. Read more about climate-related risk management in [CPChem's Climate Risk Report](#).

CPChem's Climate Action Plan expresses our approach to climate change and outlines our steps to meet carbon intensity targets. [SDG #13, Climate Change](#)

Climate Action Objectives

- **Actualize** carbon intensity reductions
- **Integrate** climate considerations into business practices
- **Enable** our workforce to support climate action
- **Build** resilience to mitigate physical and transitional climate risks
- **Engage** stakeholders and value chain

Climate Technology

CPChem's Climate Technology Team investigates innovative technologies for carbon reduction strategies and studies how these solutions could be integrated into current and future assets. Sourcing renewable electricity, exploring opportunities for electrification and hydrogen firing and evaluating carbon capture solutions are several areas where CPChem believes technology has the capability to drive sustainable advancements.

Designing and implementing lower carbon growth projects will also be a part of securing lower carbon intensity. CPChem's joint venture, Golden Triangle Polymers in Orange, Texas, is designed to use innovative emissions reduction technology and processes, including additional equipment electrification and an advanced ethane refrigeration system. Additionally, the facility aims to recycle the high hydrogen fuel by-product to the ethylene furnaces to minimize purchased natural gas, reducing emissions from combustion. Golden Triangle Polymers targets production of high-density polyethylene while leveraging energy-saving, modern technology that is expected to allow for lower greenhouse gas emissions than at similar facilities.

Knack for MACC

CPChem's MACC process leverages ideation and research to develop site-specific strategies to reduce emissions and optimize energy efficiencies. Together, multi-disciplinary teams have put forth upwards of 800 concepts and ideas covering immediate and long-term solutions for emissions reductions and decarbonization projects. Those projects identified for further development hold a total potential abatement of up to 270,000 MT of CO₂e. Information and ideas generated from CPChem's MACC Assessments will play a critical role as the company works to achieve its climate goals.

In 2023, CPChem completed MACC Assessments at five facilities, totaling 11 as of the date of this publication. [SDG #9, Industry, Innovation and Infrastructure](#)



"I believe the MACC exercise is an excellent tool for identifying opportunities to help us reduce energy consumption and emissions. The extensive knowledge and diverse perspectives of our MACC teams are producing hundreds of promising ideas for CPChem and a more sustainable future."

Joe Curren

Senior Process Engineer

Employee-led Conservation



Protecting Wild Habitats

Volunteers from CPChem’s Golden Triangle Polymers Project Team in Seoul, South Korea, had the unique opportunity to help local wildlife experts enhance an otter habitat on Yeouido Island. The CPChem team crafted protective fencing for the otters using only natural materials while learning about these incredible animals and the importance of conserving their habitat in the wild.



RETREET®

Employees in Orange, Texas, joined members of Keep America Beautiful® to plant 140 trees near the homes of Orange County families through the RETREET® program.

RETREET® stewards community restoration through a unique approach that rebuilds tree populations lost to natural disasters like hurricanes and tornadoes. Reestablishing natural landscapes strengthens wildlife habitats, contributes to energy conservation, and offers many additional benefits to plants, animals and people.



Fundraising for Wildlife

Last year, CPChem’s Borger facility hosted a fundraising initiative for the Wild West Wildlife Rehabilitation Center (WWWRC). Located in the Texas Panhandle, WWWWRC assists the Borger facility with the safe rehabilitation and relocation of stray wildlife. Proceeds from the fundraiser helped to construct new spaces for animals receiving care from WWWWRC.

Emissions

Greenhouse Gas Emissions*

Scope 1

In 2023, CPChem's Scope 1 emissions on an operated basis amounted to 4.4 MMT CO₂e, and 7.2 MMT CO₂e on an equity-basis.

Scope 2

In 2023, CPChem's Scope 2 emissions on an operated basis amounted to 1.8 MMT CO₂e, and 2.4 MMT CO₂e on an equity basis.

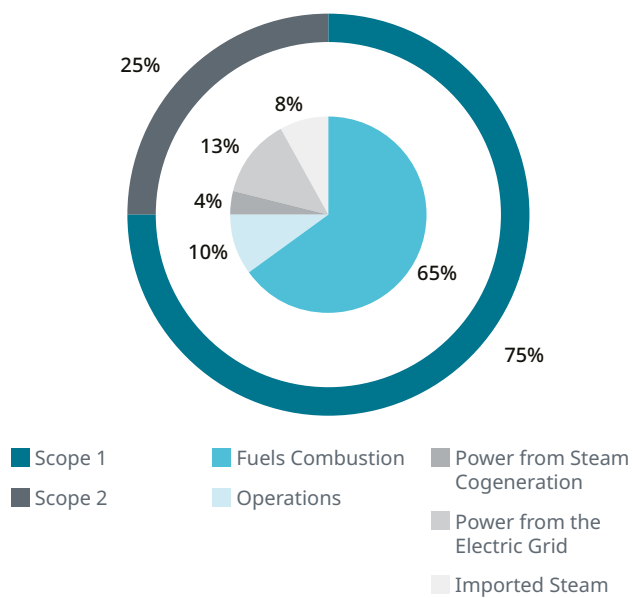
Scope 3

We are evaluating the organization's Scope 3 emissions in alignment with the GHG Protocol and working to measure GHG emissions emitted throughout our value chain. Our goal is to assemble a comprehensive GHG emissions inventory of Scope 1, Scope 2 and Scope 3 emissions for reporting in the future. CPChem seeks to use its inventory data to help identify potential GHG emissions reduction opportunities.

* The calculation of CPChem's GHG emissions data is consistent with the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol (GHG Protocol).

Combustion of fuels in ethylene furnaces and steam boilers, and process-related emissions such as flaring represent most of CPChem's Scope 1 emissions. CPChem's Scope 2 emissions originate primarily from third-party providers in the generation of energy used by CPChem. Supplied energy includes power procured from the electric grid, steam cogeneration and imported steam. CPChem's ethylene and polyethylene assets typically achieve a lower GHG emissions intensity compared to similar global facilities due to fleet location, ability to crack light feedstocks and regular improvements in energy efficiencies.

Scope 1 and Scope 2 GHG Emissions Sources

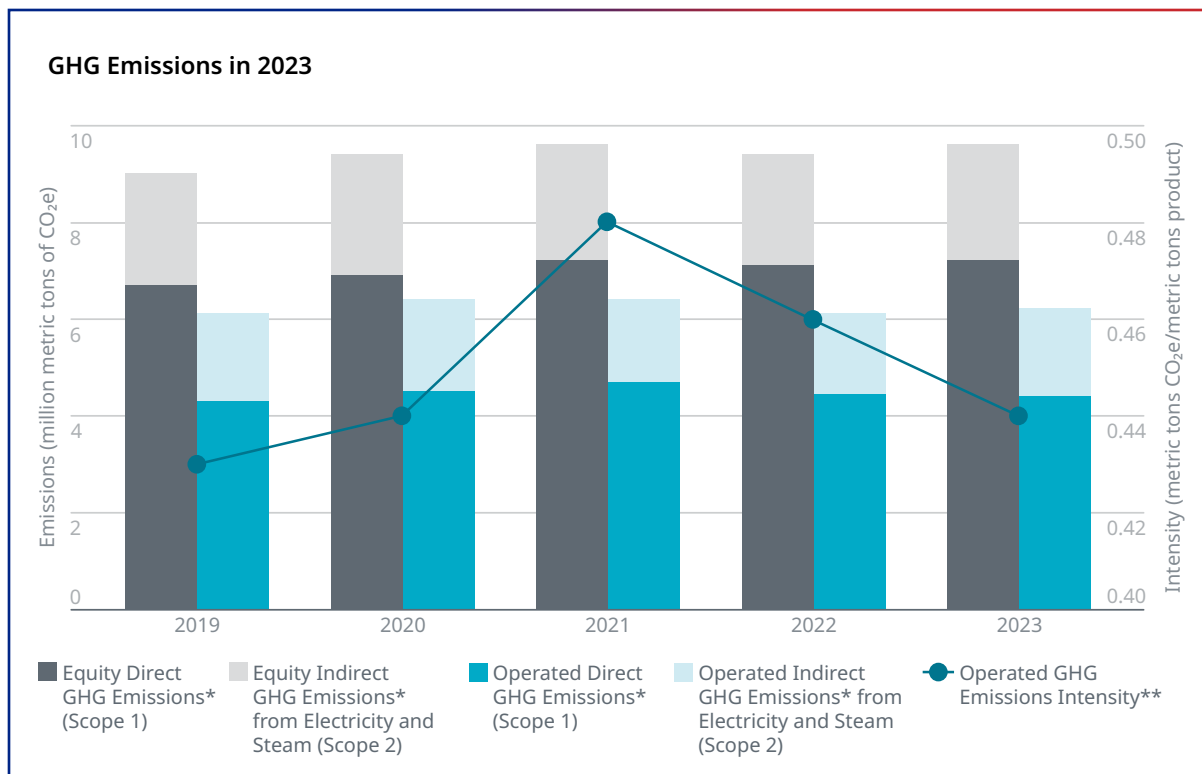


In 2023, CPChem’s absolute GHG emissions increased both on an operated and equity basis compared to the prior year. The increase in 2023 is attributable to increased production at existing sites, activation of new assets like a → [world-scale 1-hexene unit](#) and site enhancements such as CPChem’s → [debottleneck project expansion](#). Despite an increase in total emissions, CPChem facilities are stepping up to manage GHG emissions intensity while mobilizing assets to meet the global demand for its products.

CPChem is targeting a 15% reduction in its carbon intensity by 2030 compared to a 2020 baseline. This target includes reductions in both Scope 1 and Scope 2 GHG emissions at CPChem-operated assets. GHG emissions intensity in 2023 decreased compared to prior years and settled near our 2020 baseline figures.

Our strategy for meeting 2030 targets is both meticulous and comprehensive. During the next several years, we will leverage MACC Assessments to closely examine operations and uncover opportunities to deploy reduction projects. We are also evaluating opportunities to source greater amounts of renewable energy, improve energy efficiencies, reduce flaring emissions and introduce a myriad of additional cost-effective and sustainably conscious solutions.

Explore our → [Performance Data](#) to learn more about emissions at CPChem.



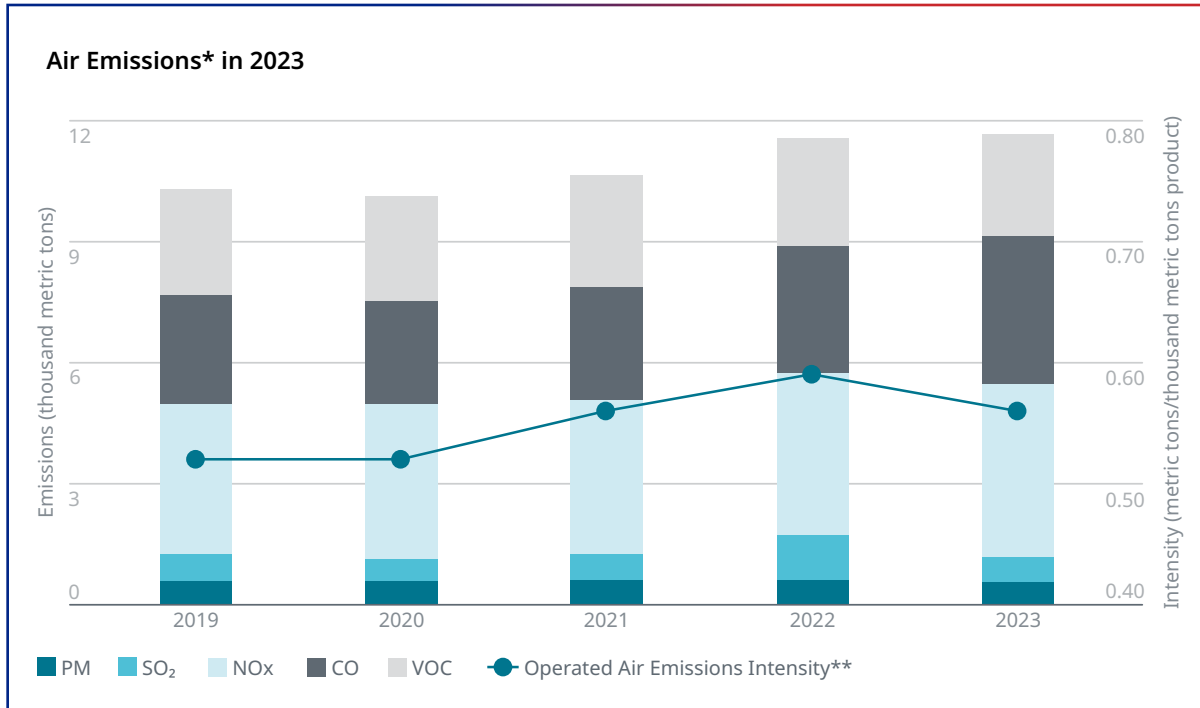
* GHG emissions reported on an operated basis represent 100% stake for wholly owned and joint venture operations which are operated by CPChem, inclusive of one CPChem operated Owner’s facility in Old Ocean, Texas. GHG emissions reported on an equity basis represent wholly owned operations, inclusive of one CPChem operated Owner’s facility in Old Ocean, Texas, and the equity stake for facilities where CPChem has only partial equity ownership. Totals are rounded to the nearest hundred thousand metric tons. Totals are rounded to the nearest hundred thousand metric tons.

** GHG Intensity is reported on an operated basis and represents 100% stake for wholly owned operations, inclusive of one CPChem operated Owner’s facility in Old Ocean, Texas. GHG Intensity is the ratio of the greenhouse gases emitted (MT of CO₂e) divided by the products produced (MT of product).

Air Emissions

In 2023, air emissions totaled 11.64 TMT on an equity basis. We recorded a decrease in air emissions intensity from 0.59 in 2022 to 0.56 MT/TMT product on an operated basis in 2023.

Explore our [Performance Data](#) to learn more about air emissions at CPChem.



* Air emissions data is reported on an equity basis and represents 100% stake reported for wholly owned operations, with the exception of Performance Pipe and inclusive of one CPChem operated Owner's facility at Old Ocean, Texas and one CPChem-operated joint venture in Baytown, Texas, and the equity stake for facilities where CPChem has only partial equity ownership, with the exception of AmSty and owner operations in Pascagoula, Mississippi.

** Air emissions intensity data is reported on an operated basis and represents 100% stake for wholly owned operations, with the exception of Performance Pipe.

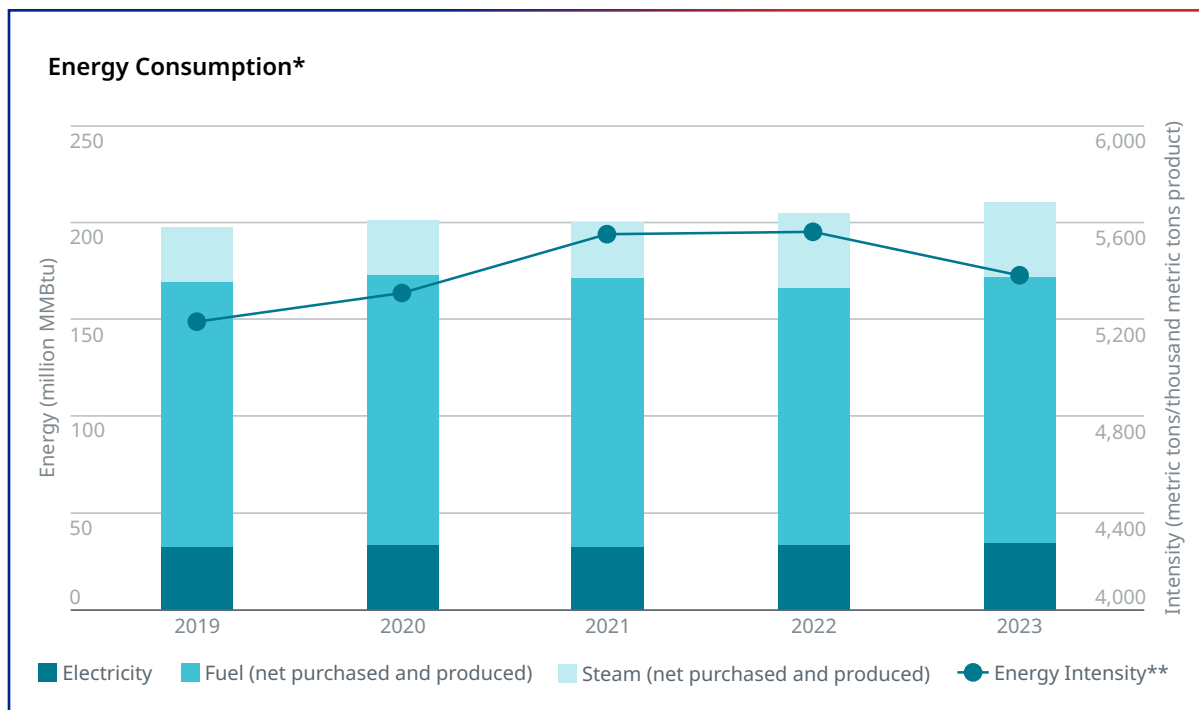
Energy

We support access to affordable and clean energy, and we work to advance renewable energy opportunities, optimize energy consumption and minimize energy intensities. We believe renewable energy is one of many promising pathways to achieve our carbon intensity goal.

[SDG #7, Affordable and Clean Energy](#)

Our company purchases energy in the form of fuel, electricity and steam. Additionally, our manufacturing facilities leverage fuels created as a by-product during operations to generate energy on site. Supporting carbon intensity reductions and improving other air emissions performance is made possible by long-standing programs at CPChem focused on reliability and energy management.

In 2023, CPChem's equity global energy consumption equaled 211 million MMBtu, and energy intensity totaled 5,378 Btu/lb. of product on an operated basis in 2023. CPChem's total energy consumption increased in 2023, in part due to increases in both fuel consumption and production figures. CPChem's manufacturing teams continuously seek out opportunities to increase efficiency across our facilities and boost energy performance. Showing impressive resolve, employees brought forth ideas and enhancements that helped CPChem decrease its energy intensity by 3% compared to the prior year.



* Energy consumption totals are reported on an equity basis and represent wholly owned operations, with the exception of Performance Pipe, and the equity stake for facilities where CPChem has only partial equity ownership, with the exception of AmSty and CPChem owned owner operations in Borger, Texas. Reported electricity consumption is reported as a net value and represents a mix of renewable and non-renewable sources. CPChem currently procures electricity from local utility grids and cogeneration facilities and does not currently procure or generate electricity directly from renewable sources, outside of those supplied to local utility grids. The compilation of our energy consumption data is consistent with the methods used by American Chemistry Council (ACC) for the ACC Energy Efficiency and Greenhouse Gas Annual Survey.

** Energy intensity is reported on an operated basis and represents 100% stake for wholly owned operations, with the exception of Performance Pipe.

Energy Best Practice Teams

CPChem empowers local Energy Best Practice Teams to improve energy performance and initiate energy reduction projects. Team leaders routinely meet to share best practices, celebrate success, and challenge each other to creatively meet company energy goals. We experienced strong improvements in energy efficiency in 2023, receiving two awards from the American Chemistry Council for energy performance at our U.S. sites.



Saving Significant Energy

Polyethylene assets at CPChem's Old Ocean facility, reduced energy consumption per pound of product by 9.4% compared to 2022, 17% below a three-year average. These savings represent a reduction of 677,000 MMBtu and 35,000 MT of CO₂e compared to 2022. Energy reductions were achieved by optimizing steam and fuel consumption in equipment and operations.



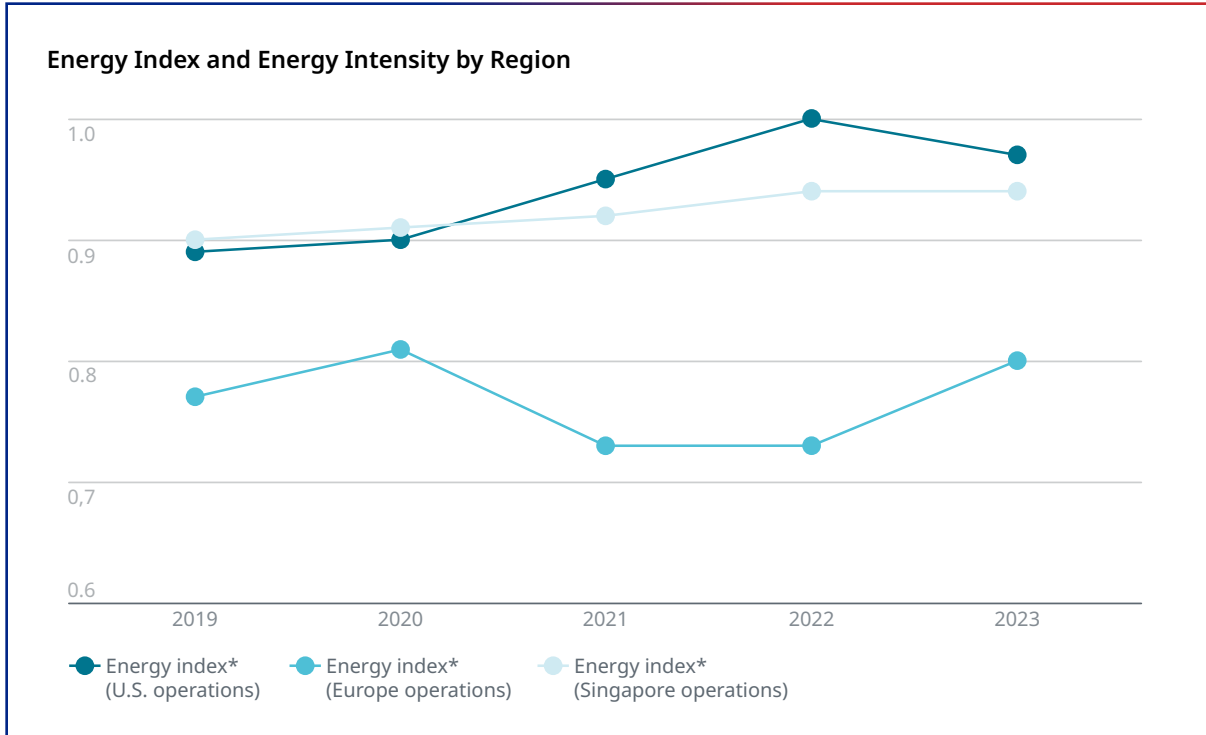
Installing Results

In 2023, CPChem's Orange facility continued to improve its energy performance through the installation of variable frequency drives (VFDs) on cooling towers, reducing electricity needs.

The site also revamped its steam trap maintenance program and implemented a system to optimize repairs using a web-based tool. As a result, energy intensity at the site decreased 3.1% per pound of product.

Local Energy Best Practice Teams use a facility-level energy intensity index calculation to standardize benchmarking and monitoring efforts while tracking annual progress toward energy reduction goals. Along with running efficiently, unit outages, reliability, and capacity utilization continue to be factors in energy performance. CPChem recorded energy intensity indexes of its three main regions where CPChem operates facilities as 0.80 (Europe), 0.94 (Singapore) and 0.97 (United States).

Explore our → [Performance Data](#) to learn more about energy performance at CPChem.



* Energy index compares a facility's performance to a baseline year. The majority of CPChem facilities use 2008 as the baseline year.

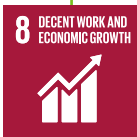
Renewable Energy

CPChem sees exceptional potential in renewable energy as a significant contributor to achieving the company's carbon intensity goal. We have made strategic investments to accelerate growth in this industry, and we will look to sources of renewable energy for an increasing portion of our energy use on our path to 2030 and beyond.



Water

We believe access to clean water and sanitation is a human right, and the scarcity of potable freshwater is a global issue. We promote water stewardship and use water responsibly to manage our environmental impact.



From Pipe Dream to Reality: Clean Water Now on Tap in San Roque, Peru

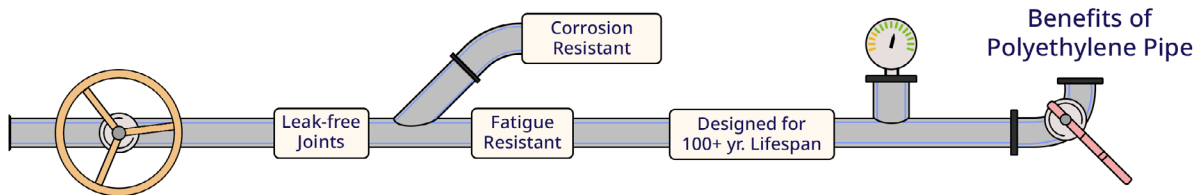
Last year, CPChem collaborated with Water Mission, a non-profit organization working to bring safe, clean water to underdeveloped and disaster-ridden communities. We helped to complete the installation of a clean water drinking system in the small town of San Roque, Peru. Tucked deep within the Amazon rainforest with limited infrastructure, the residents of San Roque relied solely on the nearby Cumbaza River as their source of water. CPChem worked hand in hand with Water Mission to elevate this community, donating pipe and fittings through its Performance Pipe division as well as contributing financially to construct a new, safe drinking water system for the people of San Roque. The new system includes a floating pump station, water treatment facility and delivery equipment capable of distributing clean water to nearly 1,500 residents, four schools (two preschools, one elementary school and one middle school) and a local health clinic.

[SDG #3, Good Health and Well-being](#); [SDG #4, Quality Education](#); [SDG #6, Clean Water and Sanitation](#); [SDG #8, Decent Work and Economic Growth](#)

[Link to full story](#)

Benefits of Polyethylene Pipe

Our Products: High density polyethylene pipes provide clean drinking water, safely transport natural resources and protect sensitive electrical cables that keep the world connected.

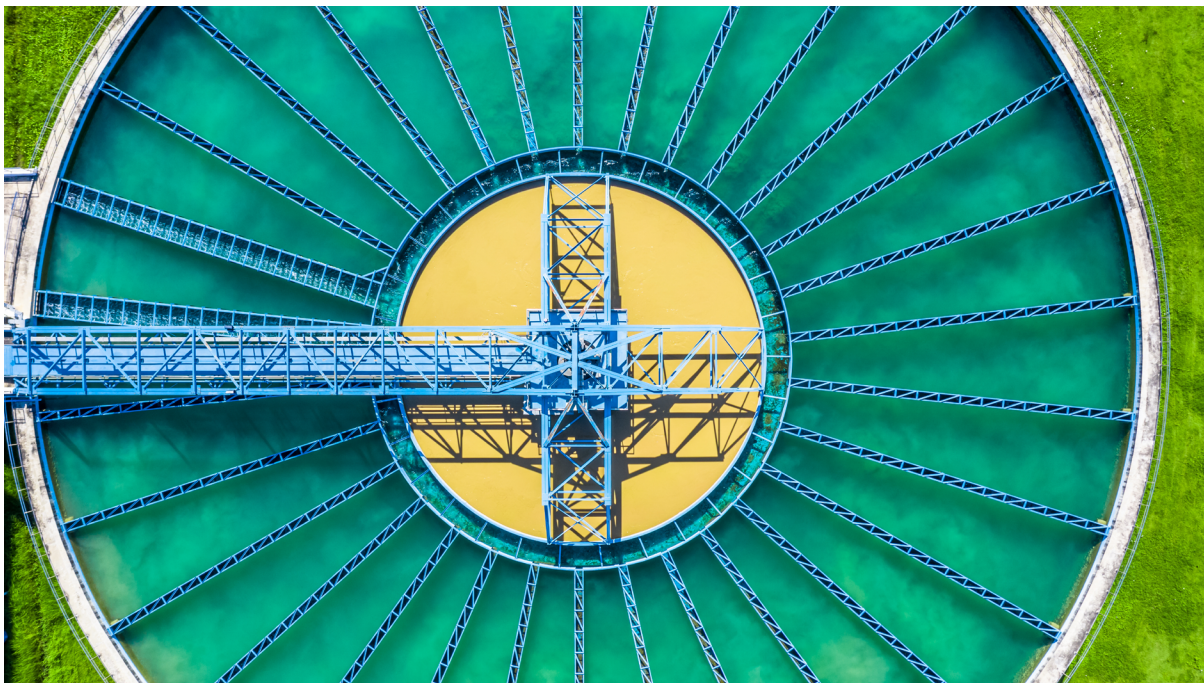


Water Conservation

According to the World Resources Institute Aqueduct Water Risk Atlas, four CPChem wholly owned facilities are in areas of high-water stress risk. As a part of its climate action planning process, CPChem has identified steps to better understand water stress and mitigate risk at its facilities.

Developed by the ACC and nonprofit, The Water Council, Water Body Risk Assessments (WBRA) help identify and mitigate water-related risks. Last year, CPChem began using WBRA as a tool to assess its facilities and amplify conservation opportunities in shared bodies of water.

Water Reliability Teams at CPChem facilities employ best practices for water management and lean on technology to optimize water consumption. We implement systems that reuse and recycle freshwater and incorporate desalinated water, particularly in regions where water stress is highest.

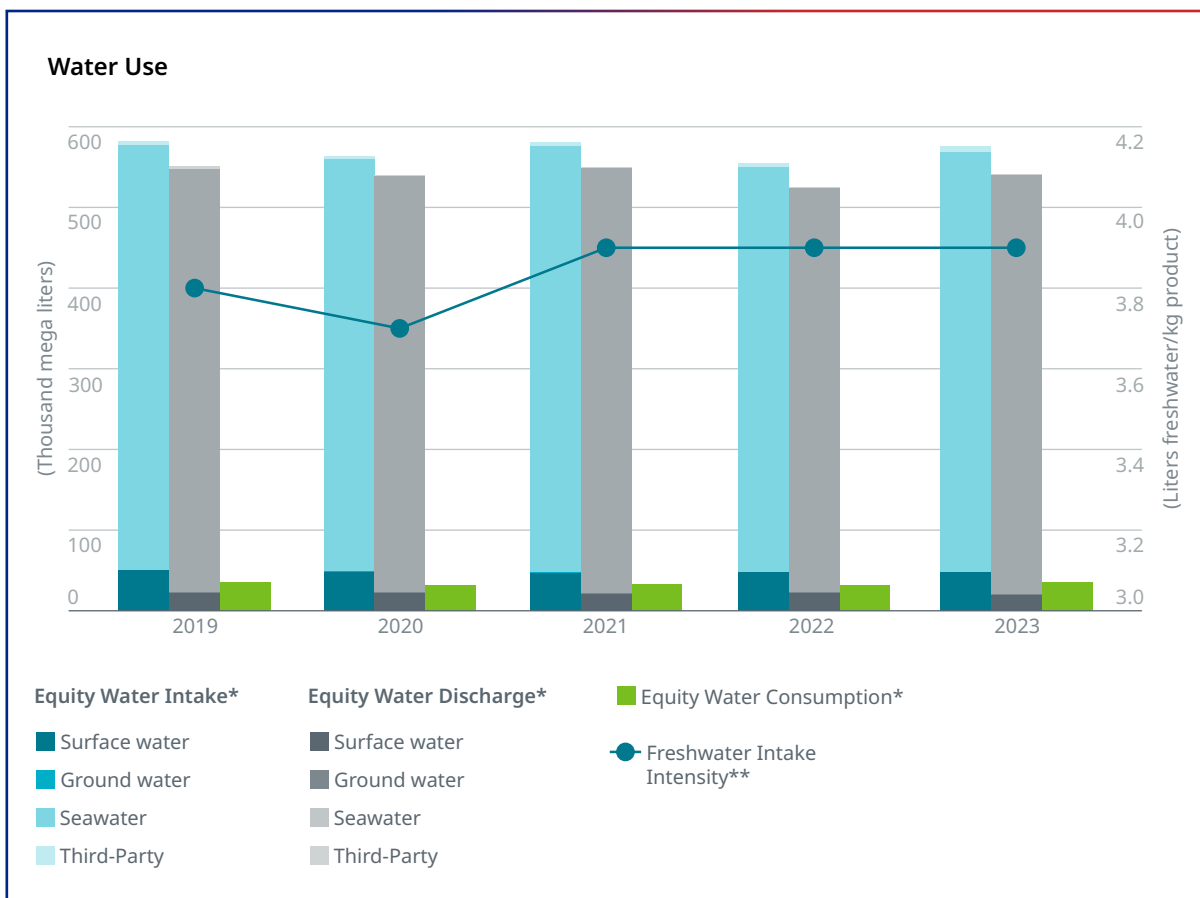


Using Water Responsibly

CPChem uses surface water, groundwater, seawater and water provided by third parties for cooling, quenching, steam production, conveyance and treatment of potential contaminants. Prior to release, water is treated to meet applicable regulations and limits.

CPChem’s water intake during 2023 totaled 574 thousand mega liters and recorded its freshwater intake at 54.7 thousand mega liters on an equity basis. Seawater is leveraged in several cooling applications which allows CPChem to reduce its consumption of freshwater resources. Compared to the previous two years, water consumption in 2023 increased to 33.9 thousand mega liters while freshwater intake intensity remained unchanged.

Explore our → [Performance Data](#) to learn more about water use at CPChem.



* Water intake, discharge and consumption totals are reported on an equity basis and represents wholly owned operations, inclusive of CPChem operated Owner operations at Old Ocean, Texas, and Pascagoula, Mississippi, and the equity stake for facilities where CPChem has only partial equity ownership, with the exception of AmSty and CPChem Owner’s operations in Borger, Texas, as well as 100% stake is reported for a CPChem-operated joint venture in Baytown, Texas, and a CPChem operated Owner’s facility in Old Ocean, Texas. Total Water Consumption represents the difference between water intake and water discharge and includes water lost due to evaporation. Total water intake and discharge are rounded to the nearest thousand mega liters.

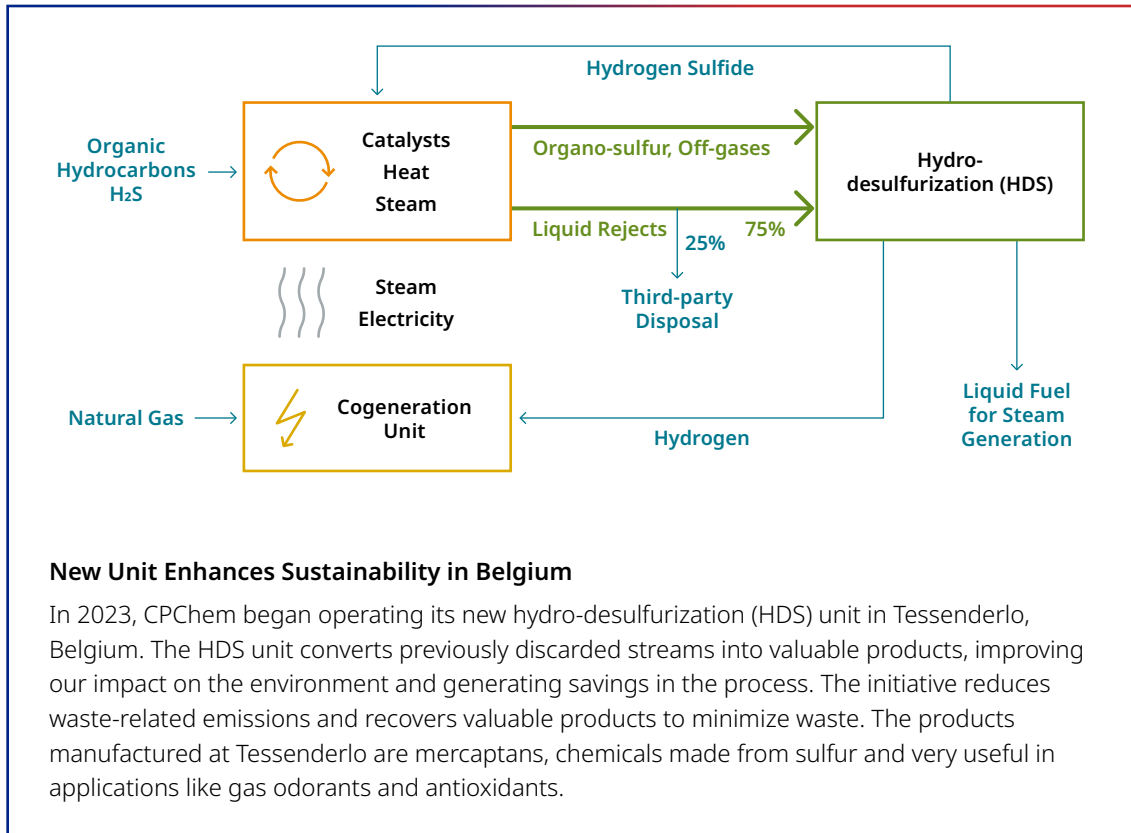
** Freshwater intake intensity is reported on an operated basis and represents 100% stake for wholly owned and joint venture operations which are operated by CPChem, inclusive of one CPChem operated Owner’s facility in Old Ocean, Texas.

Waste

CPChem optimizes its consumed resources and waste produced to lessen climate-related impacts. Further, we use diversion mechanisms to keep waste out of landfills, reduce consumption where possible and advance a circular economy across the company and industry. Waste specialist teams at each manufacturing site develop and endorse practices to minimize waste, prevent pollution and adopt a “reduce, reuse, recycle” mindset.

[SDG #12, Responsible Consumption and Production](#)

CPChem advocates for the proper disposal of all waste. Reviewing disposal practices and standardizing waste processes improves communication with third-party facilities and helps to ensure the right management of the right materials in the right place. Beyond these efforts, our facilities maintain dedicated procedures for spill prevention, controls, countermeasures and contingencies for hazardous waste and plastic loss.





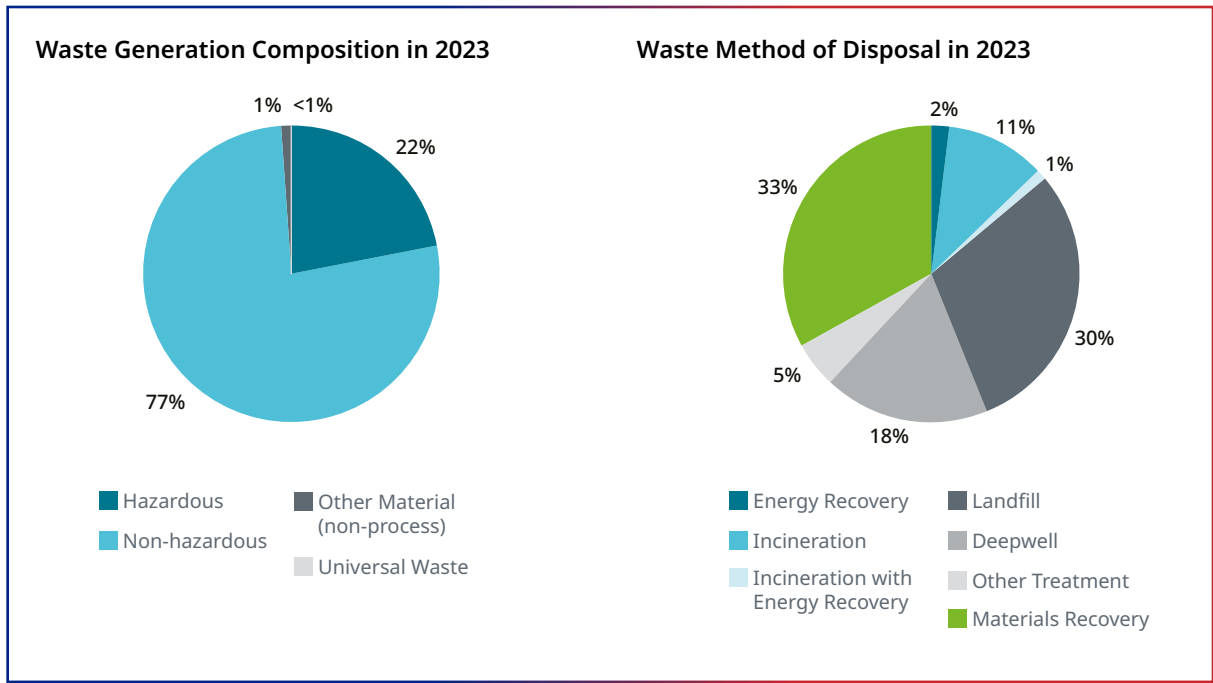
“This HDS unit enables us to significantly reduce costs and waste-associated emissions, setting the stage for further facility growth and enhanced efforts that minimize its impact on the planet.”

Patrick Wijnen

EA Manufacturing Manager

In 2023, CPChem’s global operations generated 116.7 TMT of non-hazardous waste and 32.8 TMT of hazardous waste on an equity basis. Nearly 40% of non-hazardous waste was diverted from disposal, the company’s largest waste category. We continue to develop our waste inventory through expanded analysis of all waste streams to better identify and prioritize areas for improvements, including our Scope 3 emissions inventory.

Additionally, we perform specialized disposal techniques like biotreatment, energy recovery, incineration, landfill, materials recovery, and more. In 2023, more than one-third of CPChem’s waste was recycled using recovery and reclamation processes.



No Aversion to Waste Diversion



Tons of Material. Tons of Savings.

Approximately 6,000 tons of excess ballast was diverted from disposal and reused, saving an estimated \$2.5 million at CPChem's Baytown facility. CPChem uses this rocky material to improve drainage and stabilization around railroad tracks, but it must be frequently replaced to remain effective. As old ballast accumulated, the facility team sought alternatives to sending the material to a landfill. The large rock and crushed limestone in the ballast was found to be a great ground layer on-site, capable of handling heavy duty truck traffic and able to support heavy storage containers.



New Composting Program Finds Fertile Soil

Sustainability champions at CPChem's HQ in The Woodlands, Texas initiated a composting program responsible for preventing more than 3,000 pounds of compostable material from ending up in a landfill. Working with staff from the onsite cafeteria the program accepts kitchen waste generated during meal preparation, leftovers and employee food scraps.



Recycling Single-use PPE

Sustainability champions at CPChem's Bartlesville facility sponsor Terracycle Zero Waste Box™ which provides a place to recycle post-use personal protective equipment (PPE) such as disposable face masks, disposable gloves, ear plugs, hair nets and safety glasses. Once the box is filled, the materials are collected and mechanically recycled by Terracycle.



Electronics Recycling

CPChem facilities in the U.S. participated in electronics recycling programs in 2023. Suitable equipment is refurbished and donated to charitable organizations for reuse. Equipment that cannot be reused is sold for its components and the proceeds are donated to charitable organizations. Recycling electronics reduces the demand for precious metals and materials needed to make new devices, often extracted from sensitive ecosystems around the world.



Product Sustainability and Circularity

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Stepping Up for Circularity

At CPChem, we develop products and solutions while using resources responsibly. We work diligently to minimize our footprint and we proudly contribute to efforts to end plastic waste. Our efforts in Product Sustainability and Circularity center around three key priorities.

Product Sustainability and Circularity Priorities

Drive development of circular products

Targeting an annual production volume of 1 billion pounds per year of Marlex® Anew™ Circular Polyethylene by 2030

Lighten product footprint

Complete product Life Cycle Assessments and Portfolio Sustainability Assessment

Support global action to eliminate plastic waste

Contribute and extend efforts to eliminate plastic waste in the environment

CPChem in Action for Product Sustainability and Circularity in 2023:

- Two additional CPChem facilities received International Sustainability & Carbon Certification (ISCC) PLUS distinction in 2023; in total, five manufacturing facilities are now certified
- Substantial commercial breakthrough in Marlex® Anew™ Circular Polyethylene since launch
- Engaged 100% of employees with a dedicated lesson in product sustainability and circularity within the Sustainability + Me Development Series
- Zero plastic resin loss from our global manufacturing facilities
- 150% increase compared to 2022 in value-chain collaborations including conferences and presentations
- Completed Life Cycle Assessment for CPChem growth projects' portfolios
- Evaluating CPChem's product families and potential global warming effects

Products for a More Sustainable Future

Plastics play a crucial role in our society through products that preserve food and water, protect medical instruments, boost vehicle efficiencies and impart countless benefits to our daily lives. At CPChem, we explore and advance opportunities to incorporate sustainability throughout the design and application of our products.

CPChem's robust product portfolio accommodates more than 70,000 consumer and industrial applications. We work to harness the benefits of plastics for more than eight billion people who share our planet today, and we innovate to minimize our footprint for the billions we will share it with tomorrow.



Auto & Aviation

The lightweight properties of plastics can help save fuel and increase engine efficiencies. CPChem's normal alpha olefins (NAO) and polyalphaolefins (PAO) are used as components in high-performance lubricants for vehicles, aircraft, wind turbines and more, performing beyond limits of many alternative materials.

[SDG #7, Affordable and Clean Energy](#)



Energy & Chemicals

High density polyethylene pipe provide clean drinking water and nearly eliminate the substantial water loss in steel and concrete piping systems. Polyethylene pipe is also used to protect sensitive electrical and telecommunication cables that keep the world connected.

[SDG #6, Clean Water and Sanitation](#)

[SDG #7, Affordable and Clean Energy](#)



Food & Agriculture

Specialized plastic packaging allows for efficient and cost-effective means to preserve produce, extend shelf-lives of dairy, meat and poultry products and protect food during storage and transportation. Plastics also assist in food production, supplying agricultural irrigation systems with durable pipe and fittings to water crops and hydrate livestock.

[SDG #2, Zero Hunger](#)



Home & Electronics

PAOs are excellent at insulating and keeping temperatures low in electronic immersion cooling systems. The versatility of plastics has also proven to be highly desirable in electronic and technological applications. Strong and flexible, plastic shielding of electrical wires allows us to safely use extension cords, connect network cables and charge our devices.

[SDG #9, Industry, Innovation and Infrastructure](#)



Medical & Pharmaceutical

The unique characteristics of plastics make them ideal for use in medical applications like pharmaceutical containers as well as for packaging to keep medical instruments protected and sterile. Products from CPChem's Specialty Chemicals division support the pharmaceutical industry through their use in medical devices and surgical equipment.

[SDG #3 Good Health and Well-being](#)



Personal Care

From squeezable tubes for lotions and shampoos to deodorant packaging and feminine hygiene products, plastics provide an exceptional level of quality and accessibility in personal care products.

[SDG #3, Good Health and Well-being](#)

Recreation & Outdoors

Lightweight and resilient plastics have greatly expanded opportunities to enjoy the outdoors. Able to withstand harsh weather, rough handling, and frequent use, plastics have enhanced the performance of products like sleeping bags, coolers, kayaks and more.



Ingenuity and Innovation

A Scientific Approach

CPChem's Research and Technology (R&T) teams work to build on our pioneering legacy to propel innovation and sustainability throughout the company and across the industry. R&T teams collaborate with industry partners and academic institutions to research, develop and assess emerging technologies like plastics recycling. Through the R&T Management Sponsored Research (MSR) program, researchers can propose pioneering ideas and apply for funding to accelerate the study, development and potential commercialization of new and novel approaches to sustainability. In 2023, more than one-third of CPChem's MSR program funds were awarded to projects advancing the circularity of plastics.



"The technological prowess and fervor of our Research and Development teams greatly strengthen our efforts directed toward climate change and enabling circularity. We are working to create more sustainable solutions with long-term benefits that extend beyond our business and into global communities."

Venki Chandrashekar (he/him)

Vice President, Research and Technology

CPChem encourages all teams to embrace imaginative ingenuity and celebrate and incentivize creativity and agility. In 2023, focused and collaborative ideation sessions established a pipeline of creative ideas and suggestions generated by employees and was linked to CPChem's incentive pay program. Through 2024 and beyond, our CPChem teams will be charged with transforming ideas to reality and driving the evolution of the company.





CPChem Employee Recognized with Fellow of Society Award

In January 2023, Vivek Rohatgi, CPChem's Pipe Resin & Applications Technical Service Manager, received the Society of Plastics Engineers' (SPE's) Fellow of Society Award. SPE is a global community of plastics professionals active in more than 80 countries. The Fellow of Society Award acknowledges significant contributions in the fields of plastics engineering, science and technology.

In the 40 years since SPE's Fellow of Society Award was established, fewer than 400 people have received this prestigious recognition. Vivek is the fourth CPChem employee to earn the SPE distinction.

- Don Peters – 1987
- Ashish Sukhadia – 2014
- John Rathman – 2017
- Vivek Rohatgi – 2023



Laboratory Revamp

CPChem's Borger facility completed a \$10 million upgrade to its laboratory in December 2023. The investment helped to modernize laboratory infrastructure and further equip the site to meet customers' needs and expectations.

Advanced Recycling and Feedstocks of the Future

We believe all recycling technologies are needed to reduce plastic waste and increase reuse of these valuable materials. CPChem is proud of its efforts in both traditional and advanced recycling, and the company remains dedicated to expanding circularity and developing circular products. CPChem is also exploring opportunities with bio-based feedstocks, and how lower carbon feedstocks may reduce our product carbon footprint.

Driving Development of Circular Products

The chemistry behind products like plastic packaging has evolved alongside consumers' growing need for high-performance, quality goods. New infrastructure and technology are needed to repurpose difficult-to-recycle plastics in an economical and scalable manner.



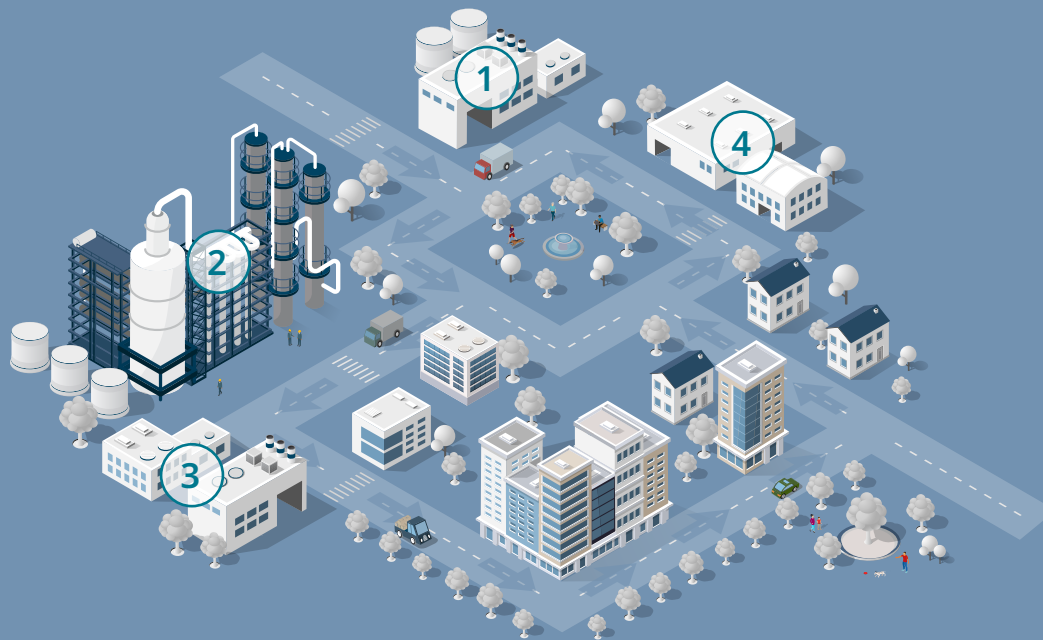
What are “difficult-to-recycle” plastics?

Picture a bag of dog food. You might not be able to tell by holding it, but bags like these often contain several different layers of plastic, each serving a specific purpose. Some layers offer protection from moisture and contaminants while others provide strength, flexibility and serve as product labeling. While these special layers offer impressive levels of customization and protection, it is the same layers that make these products difficult to recycle through traditional means.

Advanced recycling is a step closer to a circular economy, where difficult-to-recycle plastics like plastic films and multi-layered food packaging can be used, recovered and recycled again and again. Polymers produced via advanced recycling are chemically identical to their fossil-based counterparts, allowing their use in highly regulated applications.

Pyrolysis is one example of an advanced recycling technology. Through the pyrolysis process, plastics that were once difficult-to-recycle can be converted to pyrolysis oil and used as feedstock to produce circular products like CPChem's Marlex® Anew™ Circular Polyethylene. CPChem hopes to accelerate the developing field of advanced recycling by increasing its support and investments in companies that produce pyrolysis oil. Enhancing production capacities of companies that supply pyrolysis oil also enhances CPChem's ability to contribute to a circular economy for plastics.

Elevating Circularity with Advanced Recycling



1 Using advanced recycling, polymers that make up previously difficult-to-recycle items can be saved and reused by “unzipping” them into a valuable liquid called pyrolysis oil. CPChem works with several suppliers of pyrolysis oil who manage this critical part of the advanced recycling process.

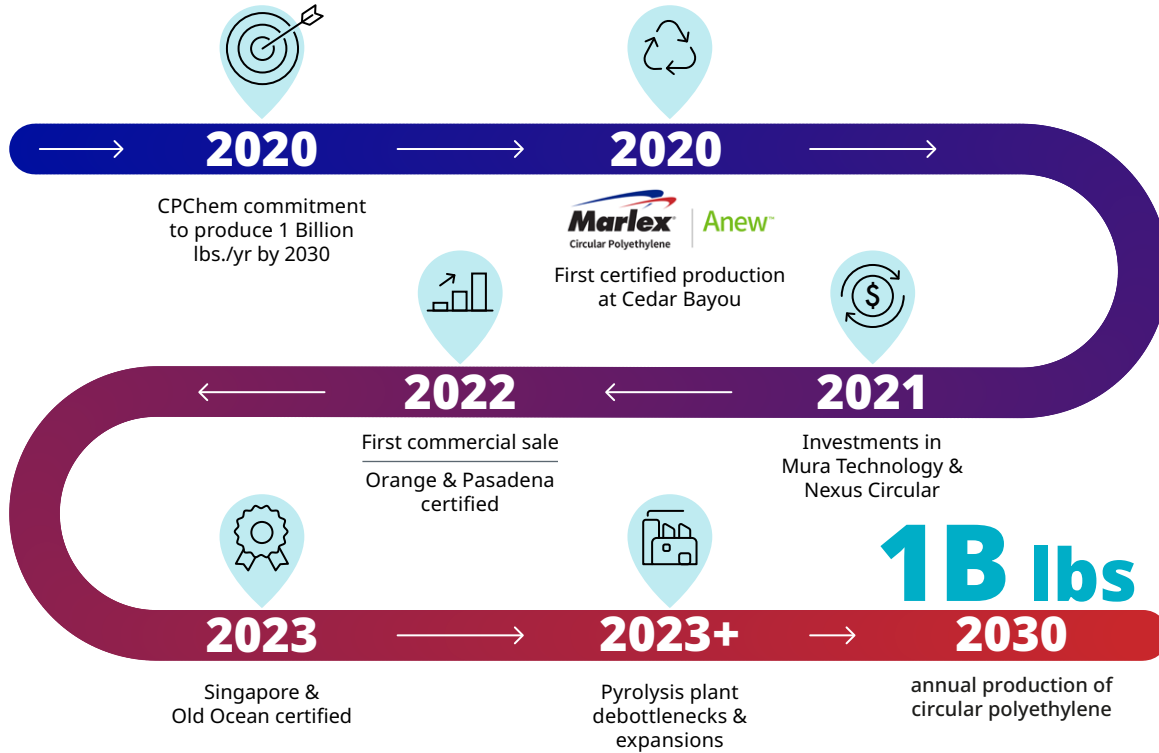
2 Pyrolysis oil contains recycled, highly valuable chemical building blocks that CPChem can use as a feedstock to produce Marlex® Anew™ Circular Polyethylene.

3 Made with waste plastics, our fully circular polyethylene can be used in many products we use every day, and it is well-suited for highly regulated industries such as those with food and medical applications.

4 With advanced recycling and proper infrastructure, products that were once difficult-to-recycle can be collected and reprocessed into pyrolysis oil, starting these materials on their next circular journey, again and again.

Made using advanced recycling technology and certified through the ISCC PLUS process, Marlex® Anew™ Circular Polyethylene is a cutting-edge product that embodies our commitment to helping the world find sustainable solutions and eliminate plastic waste in the environment. By 2030, we aspire to reach an annual production volume of one billion pounds of Marlex® Anew™ Circular Polyethylene. In only two years since becoming commercially available, sales of our first circular product have experienced significant growth, indicating strong demand for high quality circular products as we work toward our 2030 target.

Our Journey to 1 Billion



Banding Together for Biodegradable Plastics

CPChem is collaborating with Georgia-based biotechnology company, Danimer Scientific, to explore and develop high-volume biodegradable plastic products using their Rinnovo® P3HP biopolymers.

Product Stewardship

CPChem is committed to product stewardship and responsible business practices. We follow guidelines outlined in our OE System to ensure safe handling and use of our products. The company conducts annual reviews of its products to assess and prioritize attention to customer feedback, regulatory changes, hazard communication documentation, transportation risks and other areas of review.

Comprehensive Product Portfolio Review

100% of our product portfolio undergoes a thorough assessment using a weighted composite score system. This evaluation measures:



End-use applications



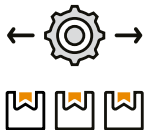
Environmental impact



Marketing response



Potential hazards



Production volume



Public perception



Regulatory profile



Supply chain disruptions

Lower Carbon Products

Life Cycle Assessment (LCA) helps CPChem measure the potential environmental impact of its products over the entirety of each product's journey. Using measurements beginning at the initial sourcing of materials through production, use, and end-of-life or recycling, LCAs produce valuable insight and detailed datasets for our products.

LCA data can be used to conduct a Portfolio Sustainability Assessment (PSA). Whereas an LCA involves the study of a single product, a PSA is a comprehensive overview of an entire product portfolio to evaluate sustainability performance. Often a multi-year exercise, a full PSA requires in-depth, systematic analyses of individual products to quantify potential effects on human health and the environment.

CPChem is pursuing LCAs across all product lines to appraise each product's carbon footprint as well as other potential environmental impacts. These efforts generate data and can uncover opportunities to reduce emissions, curb water consumption and lower energy use. Employing this type of data-based approach, we can catalyze a sustainably focused evolution of our products and reinforce the resilience of CPChem's portfolio in all economic climates.

Life Cycle Analysis



Tackling Plastic Waste

Plastics play an important role in a more sustainable future. However, mismanaged plastic has created consequences with plastic finding its way into the oceans and natural environment.

From manufacturing to the end use of our products, preventing plastic loss to the environment is critical. Our global commitments to Operation Clean Sweep® and internal plastic management programs are CPChem’s way of promoting responsible operations that keep valuable plastic materials where they belong and out of the environment. To date, CPChem has made five significant investments: The Alliance to End Plastic Waste, Circulate Capital’s Ocean Fund I, Infinity Recycling, Closed Loop Partners’ Circular Plastics Fund, and most recently, Circulate Capital’s Ocean Fund Latin America and Caribbean. These investments make meaningful impacts on plastic waste reduction and support innovative projects around the world.

Efforts to Eliminate Plastic Waste in 2023





Operation Clean Sweep® (OCS®)

CPChem has been a member of [OCS®](#) for more than two decades. OCS® is a global initiative striving to achieve zero plastic resin loss to keep plastics out of waterways and other unintended locations. In the U.S., all CPChem operations follow enhanced OCS® Blue membership guidelines, which involve a deepened commitment to plastic loss reduction and additional program requirements like the sharing of best practices, enhanced reporting, third-party audits and cross-industry collaboration.



Alliance to End Plastic Waste

CPChem is a founding member of the [Alliance to End Plastic Waste](#), a collection of nearly 70 companies committed to driving action to eliminate plastic waste. This industry-founded organization helps to launch and establish pioneering projects that advance a circular economy and shape pathways to a more sustainable future. Since forming in 2019, Alliance projects have diverted more than 38,000 metric tons of unmanaged plastic waste thanks to project teams in 29 countries.



CIRCULATE CAPITAL
OCEAN FUND



CIRCULATE CAPITAL
LATIN AMERICA AND CARIBBEAN

Circulate Capital

CPChem has joined [Circulate Capital](#), an investor advancing a circular economy for plastics in growing nations, to launch a \$65 million initiative to address plastic pollution in Latin America and the Caribbean. The goal of the initiative is to scale the recycling supply chain, address climate change and improve the economies of the affected nations.



Closed Loop Partners' Circular Plastics Fund

Last year, CPChem became an investor in [Closed Loop Partners' Circular Plastics Fund](#). The Circular Plastics Fund is focused on meeting the growing need to advance the recycling of rigid and flexible plastics in the United States and Canada. The Circular Plastics Fund has made significant investments in a range of solutions, including cutting-edge sortation technology and recycling infrastructure for plastics.



Infinity Recycling

[Infinity Recycling's Circular Plastics Fund](#) invests in advanced recycling technologies to create markets for end-of-life waste streams. By investing in the Circular Plastics Fund, CPChem aims to help streamline the transition from a linear to a circular economy by producing significant and measurable financial and environmental returns.



A Second Act for Plastics

Last year, CPChem's Sweeny, Clemens & Old Ocean facility donated six outdoor picnic tables made from recycled plastics to a local school district. Made using repurposed materials from residential plastic recycling programs, the new tables demonstrate one of the many convenient and functional applications of recycled plastics.

Additionally, the facility teamed up with local industry members to create a new recycled plastic playground at Surfside Jetty Park in Brazoria County. The new recycled plastic playground provides a safe place for families to spend time outside and signifies the importance of recycling plastics and keeping our oceans and watersheds clean of debris.

Employees Stepping Up for their Communities

Global Litter Cleanup Results

- 51 employee teams
- 557 employees and family members
- 522 bags of trash collected
- 15,000 trees donated to OneTreePlanted

Polymers Business Outlook

CPChem uses long-term commodity price forecasts, as well as supply and demand outlooks to assess risks to its investments and strategy. While conducting these assessments, consideration is given to uncertainties that may favorably or unfavorably impact projections, which is needed to pressure test investment decisions and strategy direction. For the purposes of projecting a range of outcomes, it is prudent to calibrate internal perspectives against third-party market intelligence. CPChem typically uses several third-party outlooks in these assessments.

While circular outlooks for plastics are generally in early stages of development, CPChem has selected Chemical Market Analytics (CMA) Circular Plastics Service to provide input for our latest scenario analysis. CMA's views on polyethylene (PE) demand are supported by their robust experience in global macroeconomics, energy outlooks and value chain analysis. Incorporating views like these are key to providing a full assessment of the potential impacts to our business. CMA also provides observations of plastic waste generation and disposition, adding insight to views on plastics recycling and recycled materials. Additionally, the company assessed the demand outlook for high-density polyethylene (HDPE), low-density polyethylene (LDPE), and linear low-density polyethylene (LLDPE), based on factors like regulatory impacts, consumer behavior and brand owner preferences.

CMA uses a scenario-based approach to explore potential outcomes for plastics' transition to circularity. One such scenario, the "Green Case," assumes transformative change is embraced by all regions through global alignment on advancing plastics circularity. CMA also prepares a "Base Case" scenario that more closely resembles the current geopolitical environment, asserting notable acceleration in the transition to a circular model for plastics amidst dissimilar global perspectives and priorities. In the Base Case, significant regional gaps exist in standards and adherence to claims. As a result, the world falls short of currently stated goals and objectives.

CPChem used CMA's Green Case in the Accelerated Plastics Recycling scenario, CMA's Base Case in the Plastics Recycling scenario, and created a third scenario as a baseline which maintains historical trends for plastics production and use, and minimal acceleration of circularity drivers.

Accelerated Plastics Recycling Scenario

This scenario demonstrates a circular transition that is transformative for the industry, yet still in pursuit of specific targets. PE demand is expected to remain driven by population or GDP growth trends while increases in recycling solutions lead to larger developments of infrastructure and technology to reach circularity goals. Total PE demand growth rates are lower in this scenario, relative to the Plastics Recycling scenario described below, due to shifts in consumer behavior, the development of globally aligned regulations and standards, and the expansion of technology and related infrastructure.



This scenario also includes a rapid acceleration in the scaling of recycling technology and associated infrastructure. Notably, it also includes the standardization of best practices which rapidly optimize multiple paths for a circular supply chain, expands circular economies across the world, globally consolidates government mandates for use of recycled content, and ratifies a standard form of Extended Producer Responsibility (EPR) to assure adherence to claims. Accelerating regulatory action transitions focus away from outright bans to the standardization of material and packaging formats to curb over-packaging and promote recyclability and reusability.

With more focus on recyclability and reusability, PE sees gains in select non-durables and packaging applications. The most likely areas where mechanically recycled materials replace virgin polymers are secondary packaging and non-food contact applications. In this scenario, fossil fuel feedstock-based production growth peaks in the late-2030s then begins a slow decline while remaining the primary long-term production source. This peak, not present in the Plastics Recycling scenario, is due to the slight decrease in overall demand, coupled with aggressive expansion of mechanical recycling, chemical recycling, and more modest contributions from bio-based PE production. While this scenario presents challenges, CPChem expects to maintain its competitive advantage and enable further growth of both production and revenue.

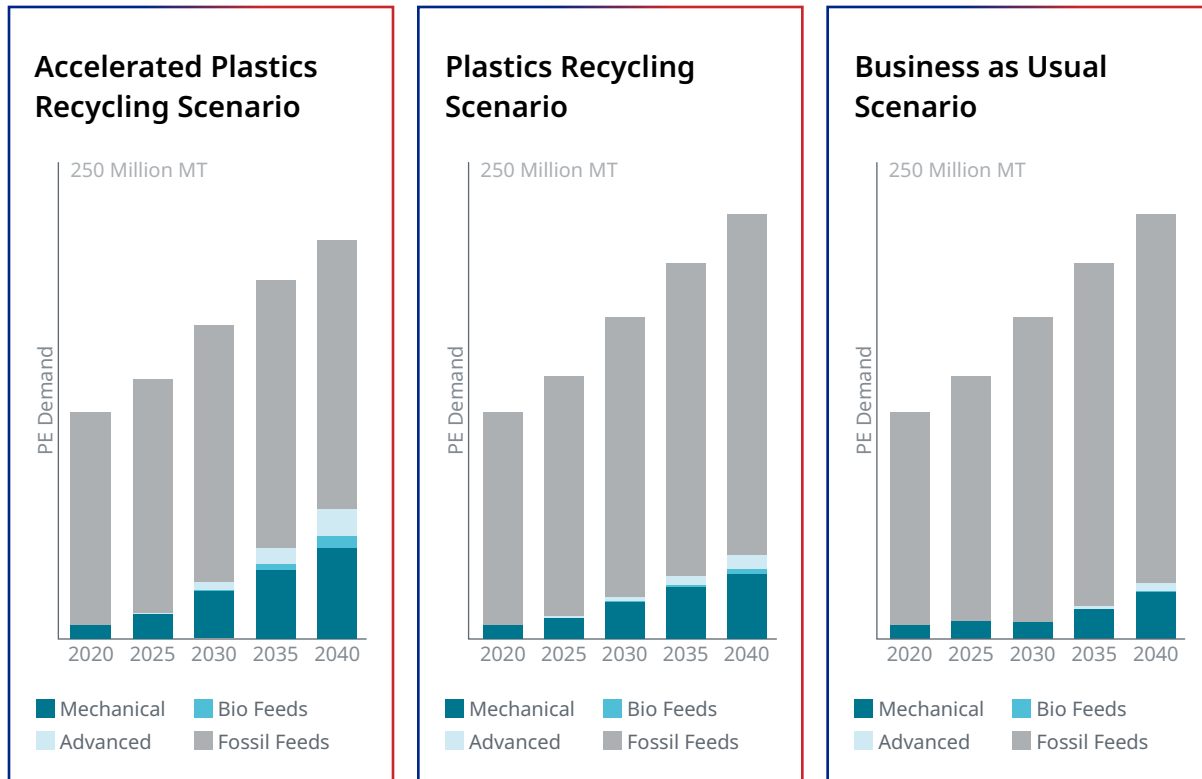
Plastics Recycling Scenario

In this scenario, the circular plastics transition accelerates but experiences region-specific differences that impact transition momentum. The slow pace of technology and infrastructure development supporting chemical and other non-mechanical recycling leaves mechanical recycling as the primary means to recycle waste plastics. Demand for post-consumer or post-commercial mechanically recycled plastics (PCR) for food contact applications and other regulated uses is limited. Production of PCR from municipal waste streams is pursued vigorously due to its preferred cost, emissions status and the lack of global chemical recycling infrastructure. However, the need for future capacity growth for fossil fuel-based production is still anticipated based on limitations of waste collection infrastructure growth, incorporation of mechanically recycled material and uncertainty of scaled production for bio-based feedstocks. Overall, production using fossil fuel-based feedstock materials is slightly reduced compared to the Business as Usual scenario. CPChem's polymer-based revenue analyzed through this case projects positive revenue growth from 2020 to 2040. When compared to Business as Usual scenario revenue, the Plastics Recycling scenario showed little change prior to 2030. This case indicates mild growth effects and that CPChem's business model is resilient in this environment.



Business as Usual Scenario

In this scenario, the outlook is driven by the combination of GDP and middle-class growth, creating a need for investments in PE production. See → [Global Solutions. Responsible Practices.](#) and → [Products for a More Sustainable Future](#) for insights into the wide range of PE applications. CPChem’s polymer-based revenue analyzed through this case projects positive revenue growth from 2020 to 2040.



Polyethylene Outlook

Goals set by customers and brand owners, which include targets for recycled content by 2025, may only impact the demand for plastics in specific markets and applications. Progress toward these goals has been slow to materialize due to limited availability of circular polymers caused by infrastructure constraints, limited investments and ambiguity of the regulatory environment. Consideration of regulations related to recycled content requirements are emerging in legislation, although regulations of this type are not expected to materialize before 2025. In the short-term, rising expectations and pressure from customers and brand owners, as well as global positioning for regulatory changes, are expected to incentivize the development of circular solutions and support demand for PE in the most aggressive cases.

Global expansion of the middle-class is expected to drive polymer and chemicals growth past 2040. Purchasing power per person is expected to double over the next 25 years. PE is utilized in a variety of applications that enable food and water preservation, durable recreational goods and many additional benefits to society. PE is well-positioned as a high performing material due to its advantageous weight and cost, enabling lower GHG emissions impacts when compared to alternative materials. As demand grows and feedstock availability improves, CPChem's current assets have the ability to produce circular and bio-based polymers. Investments, along with research and development in producing circular and lower carbon products, will enable current and future assets to supply demand, contributing to a more circular world. Although the collection and sortation of plastic to meet the demand for circular products while addressing global waste issues remains challenging, CPChem is committed to working with governments, customers, nonprofits and others to improve the recycling and recovery of waste plastics.





Transforming our Performance

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Business Transformation

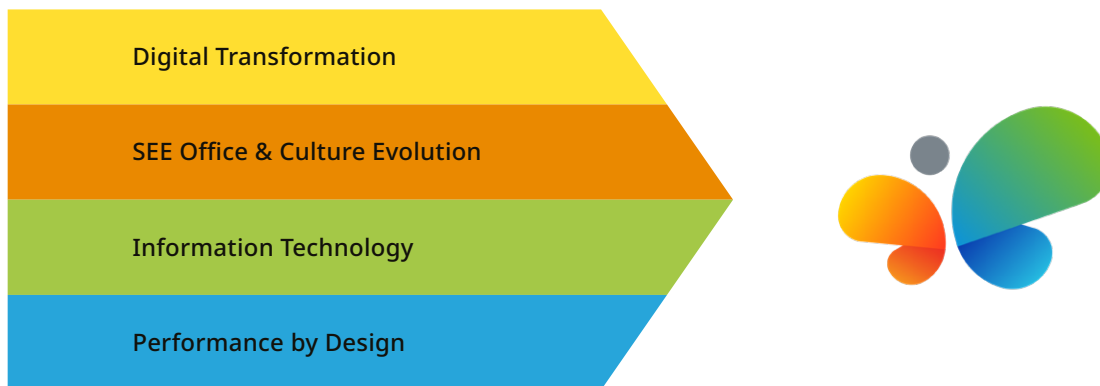
CPChem has a rich history rooted in performance, earned by embracing transformation in evolving global markets. Now a companywide initiative, Business Transformation enhances our organizational capability through improvements and innovations that benefit our processes and people.

Performance by Design

As reflected in the company's tagline, Performance by Design. Caring by Choice.™, our Performance by Design (PBD) program is about designing better ways to do business. At the core of PBD lies a strategy of creative problem-solving and a mindset of collaborative inspiration. Employee experience and knowledge produce ideas that drive value and identify areas for improvement within our existing systems and processes.

A staggering \$1.8 billion in value has been generated through PBD, which is also a testament to the profound impact of our impressive workforce. [SDG #9, Industry, Innovation and Infrastructure](#)

Business Transformation Pillars



Performance by Design – By the Numbers

>1,500
initiatives completed between
2020–2023

>350
Keystone Award recipients
(employee recognition)

1,000+
employee suggestions and nearly
400 PBD initiatives completed in 2023

More than
\$1.8 billion
in total value captured

SEE Office – Two Years On

Formed in January 2022, the Strategic Execution and Enablement (SEE) Office helps CPChem projects and project teams hone skillsets, evaluate capacities, set priorities and avoid pitfalls to optimize the value of these projects from start to finish.

The SEE Office team used last year to fine-tune its Change Management training, build out new lessons and expand competencies at all levels of the organization. In 2023, the SEE Office advised employees on best practices in both change management and project management, as well as shared a systematic prioritization approach that mitigates complications from competing timelines and resources.



“I am excited to see the organization embracing a culture of change. In our first couple of years, we focused on minimizing initiative overload, increasing project transparency and collaboration, as well as building project management and change management competencies. We are continuing our focus in those areas and now we are helping to develop strong business cases and prioritize initiatives. Ultimately, we aim to help the organization to effectively execute projects to realize the true business value of our initiatives.”

Jacquie Perez (she/her)

HR Operations, Planning & Culture Manager

Data-driven Performance

Powering Analytics

Analytics platforms are used by CPChem engineers and digital champions across the company to extract valuable insights from data collected during operations and manufacturing. CPChem uses several digital applications to accelerate data-based decisions and the company has incorporated data analytics and visualization tools into its workstreams at many sites. These applications provide valuable resources that support our digital transformation, and they are exceptional tools that help improve how we solve problems.

Real World. Artificial Intelligence.

Like many organizations, CPChem cautiously followed the rise of Generative AI in 2023. We formed a cross-functional task force with team members from Legal, HR, Public Affairs, SEE Office, Digital Workplace, Data & Analytics, IT Security and Compliance to examine and assess potential risks and benefits of this technology. As a result, CPChem adopted a corporate policy for the use of AI and formed a Generative AI Center of Excellence to bring representatives from across the enterprise to identify and pursue high-value opportunities. We also work with vendors specializing in developing technologies to monitor changes brought by the explosive influence of Generative AI.

Selective Catalytic Reduction Monitoring

CPChem implemented a machine-learning tool to monitor the Selective Catalytic Reduction (SCR) Beds in its ethylene furnace in 2023. This tool is used to assess the health of SCR Beds and schedule maintenance, and to provide additional visibility into NOx emissions and environmental permit targets. Adding this capability allows us to optimize operations and better care for the environment and local communities.

Working Smarter with Digitization

SWIFT Finds Success in Borger, Texas

In 2023, employees at our Borger facility piloted the Safe Work Interactive Field Technology (SWIFT) e-permitting application for use in critical job tasks. As SWIFT was used onsite for routine work permits, Borger teams were able to call on their experience and successfully implement more streamlined processes offered by SWIFT for more complex activities. Because of the pilot's success, this site can more quickly complete permitting assignments through an electronic system that increases efficiency and allows teams to direct their entire focus to the job at hand.

Digital Workplace

Other Digital Workplace projects and products have improved work processes and efficiencies, reduced our paper footprint, increased productivity and enhanced our user experiences across the organization. Some of these improvements include implementing electronic signatures, contractor time and rate management applications, an employee portal for HR-related information, invoice capture automation, cloud computing, electronic forms, citizen-developed applications, and modernization of desktop and communication, just to name a few.

Sustaining Global Growth

Golden Triangle Polymers

It was a groundbreaking year – literally – for Golden Triangle Polymers. After announcing final investment decision to bring an \$8.5 billion world-class, integrated polymers facility to Orange, Texas, the company celebrated with a ceremonial groundbreaking event on March 7, 2023. CPChem manages engineering, procurement and construction for the project and will operate the facility after start-up.

Golden Triangle Polymers launched a new program called → [Local First](#), a community economic and workforce development program. The two-part program aims to place the Orange County and Golden Triangle region first when hiring workers, vendors and suppliers for our project. The Local First Job Fair took place in June and attracted nearly 950 jobseekers. A month later, the Local First Vendor and Supplier Fair welcomed an impressive 400 attendees. [SDG #8, Decent Work and Economic Growth](#)



Groundbreaking Year for Golden Triangle Polymers

\$272 million

spent on local businesses as of Dec. 31

107

Orange County companies on the Local First vendor/supplier list as of Dec. 31

958

residents of the nine-county Golden Triangle region hired as of Dec. 31

\$1.7 million

in charitable giving

\$30 million

in non-charitable community support with improvements to public roads

Ras Laffan Petrochemical Project

In January 2023, QatarEnergy and Chevron Phillips Chemical Company LLC announced they will proceed with the construction of a [\\$6 billion integrated polymers complex](#) in Ras Laffan Industrial City, Qatar. The 435-acre project site will include one of the largest ethane crackers in the world and two high-density polyethylene derivative units. QatarEnergy holds a 70% stake in the joint venture and CPChem owns 30%. In addition to growing production capacity in the region, the plant will create an estimated 550 full-time positions and 14,000 construction jobs.

CPChem provides project management services to oversee the engineering, procurement and construction of the facility. The facility is designed to use modern, energy-saving technology, which along with other measures, is expected to result in lower greenhouse gas emissions intensity than similar global facilities.



Ras Laffan Petrochemical Project Highlights

- 2,080 KTA ethane cracker and two high-density polyethylene derivative units with a total capacity of 1680 KTA
- Polyethylene units will use CPChem's MarTECH™ loop slurry process
- Start-up expected in 2026

1-Hexene at CPChem's Sweeny, Clemens & Old Ocean Facilities

CPChem welcomed employees, suppliers and community members to a ceremonial ribbon-cutting ceremony in August 2023 at the organization's second [world-scale 1-hexene unit](#) in the U.S. The new unit uses the latest iteration of the company's proprietary, on-purpose technology to produce exceptional-purity comonomer grade 1-hexene from ethylene.

This investment brings our total U.S. 1-hexene capacity up to 646 thousand tons per annum. The new unit's location at our Sweeny, Clemens & Old Ocean facilities provides additional flexibility and production capacity to meet anticipated demand from our growing customer base. This project demonstrates CPChem's commitment to expand with customer needs and remain a leading 1-hexene supplier.



Expanding CPChem's Baytown Facility

A multi-disciplinary team finalized a capital project that added capacity at the Baytown facility, achieving a 16% increase in production with minimal additional energy consumption within the current unit footprint. This project's success is attributed to the site's intensely focused and committed team, who recorded nearly two million working hours with zero recordable injuries and finished ahead of schedule.



"This project exemplifies many of CPChem's values and showcases the talents present within our teams. We exceeded our targets because we worked together and never lost our commitment to keeping people safe."

Sarah Earl

Program Improvement Manager

Near the end of 2023, the facility commissioned a brand-new propylene unit helping CPChem meet customer demand and maintain its position as the second largest propylene manufacturer in North America. With global propylene demand on the rise, this project reinforces CPChem's commitment to expand to meet customers' needs and remain a leading propylene supplier.



On the Horizon

Looking ahead, we hold steady on advancing CPChem’s social, environmental and sustainability performance. We are proud that our products can offer access to clean water, food supplies, medical care and provide many important benefits to society. Through innovative engineering and manufacturing, we are working to minimize our environmental impact while providing high-value products that meet the needs of our customers and society. We believe responsible product stewardship is essential to the long-term success of our business and the health of the planet.

Fueled by our sustainability strategy, CPChem strives to operate as a premier chemical company with a reputation for safety, reliability and environmental responsibility. With more than 20 years of progress and innovation, CPChem will continue *Stepping Up* for human rights, global ecosystems, circularity, and accelerating change towards a more sustainable future.





Performance Data Tables

Social Performance Data Tables _____ 101

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Social Performance Data Tables

	2019	2020	2021	2022	2023	GRI
Employees						
Total Employees at Year End	4,805	4,715	4,760	4,968	5,142	2-7 2-8

	2019	2020	2021	2022	2023	GRI
Headcount by Region						
North America	4,247	4,207	4,254	4,414	4,522	2-7 2-8
Female	20%	20%	20%	21%	20%	
Male	80%	80%	80%	79%	80%	
Non-binary / Gender nonconforming					<1%	
Europe	305	306	322	337	350	
Female	28%	29%	30%	29%	28%	
Male	72%	71%	70%	71%	72%	
Asia Pacific	177	151	136	163	156	
Female	49%	54%	53%	50%	52%	
Male	51%	46%	47%	50%	48%	
Middle East	76	51	48	54	104	
Female	8%	10%	10%	9%	10%	
Male	92%	90%	90%	91%	90%	

	2019	2020	2021	2022	2023	GRI
Represented Employees*						
North America	585	557	569	584	570	2-7 2-8
Female	12%	11%	11%	10%	10%	
Male	88%	89%	89%	90%	90%	

* Employee representation is an employee who has the right to seek a union or individual to represent them for the purpose of negotiating with management on issues such as wages, hours, benefits and working conditions. Represented employees in Europe and Asia are not included due to privacy laws.

	2019	2020	2021	2022	2023	GRI
Employment*						
New Employees	417	252	469	691	657	401-1
Attrition Rate	6.9%	6.9%	9.1%	9.7%	6.8%	
Voluntary attrition rate (less retirements)	3.7%	2.6%	3.8%	4.60%	4.2%	

* Employee headcount was extracted from our human resources information system based on active employees as of December 31, 2023.

	2019	2020	2021	2022	2023	GRI
Parental Leave Utilization*						
Total Employees at Year End	-	180	183	207	228	401-3
Total Female	-	27	36	30	35	
Total Male	-	152	142	177	193	
Total Undisclosed Gender	-	1	1	0	0	
Return to work rate (still employed through 2023)	-	95%	95%	90%	-	
Return to work rate (Female)	-	100%	95%	90%	-	
Return to work rate (Male)	-	95%	94%	90%	-	

	2019	2020	2021	2022	2023	GRI
Parental Leave Utilization* (cont.)						
Retention rate (12 months after returning to work)	-	-	-	87%	-	401-3
Retention rate (Female)	-	-	-	81%	-	
Retention rate (Male)	-	-	-	95%	-	
Retention rate (Undisclosed)	-	-	-	100%	-	

* 2019 was the first full year of CPChem's parental leave policy, and data prior to 2020 is not included in the Performance Data Tables.

	2019	2020	2021	2022	2023	GRI
Occupational Health & Safety						
Total Recordable Incidence Rate (Recordable injuries × 200,000/hrs.)*	0.15	0.05 (0.18)	0.10 (0.21)	0.12	0.08	403-9 403-10
Combined Employee and Contractor Recordable Incidence Rate (excluding major capital projects)	0.15	0.05 (0.18)	0.10 (0.21)	0.12	0.10	
Employee Recordable Incidence Rate (excluding major capital projects)	0.07	0.05 (0.31)	0.09 (0.31)	0.11	0.10	
Contractor Recordable Incidence Rate (excluding major capital projects)	0.24	0.05 (0.06)	0.10 (0.00)	0.12	0.10	
Major Capital Projects Recordable Incidence Rate	0	0	0	0.18	0.03	
Fatalities	0	0	0	0	0	
Work-related Injuries (Work-related Recordable Injuries × 200,000/hrs.)*	26	9	17	29	22	403-9
Employee Work-related injuries (excluding major capital projects)	5	4	8	10	9	
Contractor Work-related Injuries (excluding major capital projects)	21	5	9	17	11	
Major Capital Projects Work-related Injuries	0	0	0	2	2	
Fatalities	0	0	0	0	0	

	2019	2020	2021	2022	2023	GRI
Occupational Health & Safety (cont.)						
Work-related Ill Health (Work-related Recordable Ill Health × 200,000/hrs.)*	1	0 (23)	0 (19)	1	1	403-10
Employee Work-related Ill Health (excluding major capital projects)	1	0 (22)	0 (19)	0	0	
Contractor Work-related Ill Health (excluding major capital projects)	0	0 (1)	0	1	1	
Major Capital Projects Work-related Ill Health	0	0	0	0	0	
Fatalities	0	0	0	0	0	

* TRIR is the number of recordable injuries, multiplied by 200,000, then divided by the total number of hours worked in a year. Data within parentheses indicate rates inclusive of confirmed work-related COVID-19 illnesses.

	2019	2020	2021	2022	2023
Process Safety					
Tier 1 and Tier 2 Process Safety Event Rate* (events/hrs. × 200,000)	0.03	0.04	0.07	0.03	0.06
Tier 3 >10% of Tier 2 Quantity Threshold	0.31	0.38	0.37	0.36	0.27
CPChem Process Safety Severity Rate**	0	0.07	0.11	0.00	0.04
Industry API PSESR***	0.26	0.18	0.28	0.25	-

* The total Tier 1 and Tier 2 events, divided by work hours, then multiplied by 200,000.

** Tier 1 process safety events are ranked 1–4 based on severity. Tier 1 PSE Severity Rate = [(# of Level 4 ratings × 1) + (# of Level 3 ratings × 3) + (# of Level 2 ratings × 9) + (# of Level 1 ratings × 27)] / [Total Process Safety Work Hours × 200,000] where a Level 4 incident is the least significant Tier 1 event.

*** 2023 data not available at the time this report was published.

	2019	2020	2021	2022	2023	GRI
Employee Training						
Total employee training hours (LMS and In-Class Training)*	236,799	265,302	251,000	317,062	254,374	404-1
Hours of Training per Employee*	49.3	56.3	52.7	63.8	49.5	

* 2019 data only includes online training and does not include classroom training. 2020 data only includes the months of April through December for classroom training due to changes in tracking these courses. This disclosure does not include hours for any external training taken by employees and paid for by the company.

	2019	2020	2021	2022	2023	GRI
U.S. Employee Diversity*						
American Indian/Alaskan Native	2%	2%	2%	2%	2%	405-1
Asian	5%	5%	5%	6%	5%	
Black or African American	9%	9%	9%	9%	10%	
Hispanic or Latino	14%	15%	15%	16%	17%	
Hawaiian or Other Pacific Islander	<1%	<1%	<1%	0%	0%	
Two or More Races	1%	1%	1%	2%	2%	

* CPChem employees are not required to disclose information related to diversity and these figures represent the number of employees who voluntarily self-identified with one or more of the listed groups. Previous data has been restated due to small rounding adjustments (2% or less). "Manager" is defined as a supervisor of at least one employee. "Senior Leadership" is defined at a certain salary grade within the organization.

	2019	2020	2021	2022	2023	GRI
U.S. Manager Diversity*						
American Indian/Alaskan Native	1%	1%	1%	1%	1%	405-1
Asian	5%	5%	6%	6%	6%	
Black or African American	5%	5%	7%	7%	8%	
Hispanic or Latino	9%	10%	10%	11%	12%	
Hawaiian or Other Pacific Islander	0%	0%	0%	0%	0%	
Two or More Races	1%	2%	2%	2%	1%	

* CPChem employees are not required to disclose information related to diversity and these figures represent the number of employees who voluntarily self-identified with one or more of the listed groups. Previous data has been restated due to small rounding adjustments (2% or less). "Manager" is defined as a supervisor of at least one employee. "Senior Leadership" is defined at a certain salary grade within the organization.

	2019	2020	2021	2022	2023	GRI
U.S. Senior Leadership Diversity*						
American Indian/Alaskan Native	2%	2%	1%	1%	1%	405-1
Asian	5%	5%	6%	6%	8%	
Black or African American	3%	2%	4%	4%	5%	
Hispanic or Latino	4%	4%	6%	7%	7%	
Hawaiian or Other Pacific Islander	0%	0%	0%	0%	0%	
Two or More Races	1%	2%	1%	1%	2%	

* CPChem employees are not required to disclose information related to diversity and these figures represent the number of employees who voluntarily self-identified with one or more of the listed groups. Previous data has been restated due to small rounding adjustments (2% or less). "Manager" is defined as a supervisor of at least one employee. "Senior Leadership" is defined at a certain salary grade within the organization.

	2019	2020	2021	2022	2023	GRI
Women at CPChem						
Percent women among total employees	21%	21%	22%	22%	20%	405-1
Percent women as managers	20%	21%	21%	22%	22%	
Percent women in senior leadership	16%	17%	18%	20%	23%	

	2019	2020	2021	2022	2023	GRI
Generations at CPChem						
Baby boomers (1946–1963) ages 59–76	22%	19%	15%	11%	9%	405-1
Generation X (1964–1978) ages 44–58	43%	44%	44%	44%	35%	
Generation Y (1979–1994) ages 28–43	33%	34%	37%	39%	46%	
Generation Z (1995 and later) ages 27 and younger	2%	3%	4%	6%	10%	

	2022	2023	GRI
Volunteering			
Total employee volunteering hours	4,533.5	4,673	203-2 413-1

	2022	2023
Supplier Diversity Spend*		
Tier 1 Suppliers Spend (millions of dollars)	164.96	284.61
Minority Business Enterprise (MBE)	26.73	25.89
Women Business Enterprise (WBE)	32.07	65.57
Veteran-Owned Business (VET)	6.54	9.60
Historically Underutilized Business Zones (HUBZone)	0.08	0.05
Small Business Enterprise (SBE)	99.54	183.50
Tier 2 Suppliers Spend (millions of dollars)	19.91	111.18
Minority Business Enterprise (MBE)	1.78	5.23
Women Business Enterprise (WBE)	16.55	39.62
Veteran-Owned Business (VET)	1.17	0.60
Historically Underutilized Business Zones (HUBZone)	0.02	0.12
Small Business Enterprise (SBE)	0.39	65.61
Total Suppliers Spend (millions of dollars)	184.86	395.80
Minority Business Enterprise (MBE)	28.50	31.12
Women Business Enterprise (WBE)	48.61	105.19
Veteran-Owned Business (VET)	7.71	10.21
Historically Underutilized Business Zones (HUBZone)	0.10	0.17
Small Business Enterprise (SBE)	99.93	249.11

* Tier 2 is indirect spend with diverse suppliers through CPChem's Tier 1 suppliers.

Environmental Performance Data Tables

	2019	2020	2021	2022	2023
Plastic Management					
Reported plastic releases from facilities (pounds)	0.02	0	0	0	0
Plastic recycled from facilities in the U.S. (millions of pounds)	29.2	31.3	28.2	31.5	32.4

	2019	2020	2021	2022	2023
Energy					
Total Equity Energy Consumption* (million MMBtu)	198	202	200	204	211
Electricity	32	33	32	33	34
Fuel (net purchased and produced)	137	140	139	133	138
Steam (net purchased and produced)	28	28	29	38	38

GRI

302-1

* Energy consumption totals are reported on an equity basis and represent wholly owned operations, with the exception of Performance Pipe, and the equity stake for facilities where CPChem has only partial equity ownership, with the exception of AmSty and CPChem owned owner operations in Borger, Texas. Reported electricity consumption is reported as a net value and represents a mix of renewable and non-renewable sources. CPChem currently procures electricity from local utility grids and cogeneration facilities and does not currently procure or generate electricity directly from renewable sources, outside of those supplied to local utility grids. The compilation of our energy consumption data is consistent with the methods used by American Chemistry Council (ACC) for the ACC Energy Efficiency and Greenhouse Gas Annual Survey.

	2019	2020	2021	2022	2023
Energy Index*					
Energy Index (Operations in the US)	0.89	0.90	0.95	1.00	0.97
Energy Index (Operations in Europe)	0.77	0.81	0.73	0.73	0.80
Energy Index (Operations in Singapore)	0.90	0.91	0.92	0.94	0.94

GRI

302-3

* Energy Index compares a facility's performance to a baseline year. A majority of our facilities use 2008 as a baseline year.

	2019	2020	2021	2022	2023	GRI
Energy Intensity*						
Energy Intensity (Btu/lb. of product)	5,188	5,306	5,547	5,561	5,378	302-3
Energy Intensity (current year/average of prior three years)	0.91	0.96	1.02	1.10	0.98	
Energy Intensity (current year/previous year)	0.89	1.03	1.04	1.06	0.97	302-4

* Energy Intensity is reported on an operated basis and represents 100% stake for wholly owned and joint venture operations which are operated by CPCChem, with the exception of Performance Pipe.

	2019	2020	2021	2022	2023	GRI
Water						
Water Intake*						
Total Equity Water Intake* (thousand mega liters)	581	570	581	553	574	303-3
Surface water	49.9	48.1	46.4	47.4	48.0	
Ground water	0.6	0.8	0.7	0.4	0.4	
Seawater	525	509	527	501	519	
Third-Party	4.0	4.3	6.1	4.4	6.3	
Total Freshwater Intake (less seawater)	54.5	53.2	53.1	51.8	54.7	
Freshwater Intake Intensity** (liters freshwater/kg product)	3.8	3.7	3.9	3.9	3.9	
Total Equity Water Intake in Areas of Extremely High-water Stress (thousand mega liters)	-	-	501	486	491	
Surface water	-	-	7.30	7.5	0.1	
Ground water	-	-	0.05	0.05	0.04	
Seawater	-	-	493	471	491	
Third-Party	-	-	0.20	0.14	0.03	
Total Freshwater Intake (less seawater)	-	-	7.6	7.7	0.2	

	2019	2020	2021	2022	2023	GRI
Water (cont.)						
Water Discharge*						
Total Equity Water Discharge (thousand mega liters)	547	538	549	523	540	303-4
Surface water	22.0	22.4	20.9	22.3	19.6	
Ground water	0.2	0.2	0.2	0.1	0.8	
Seawater	523	515	526	500	518	
Third Party	1.3	0.9	1.8	1.5	1.6	
Total Water Discharge (less seawater)	23.5	23.4	22.9	23.4	22.0	
Total Equity Water Discharge in Areas of Extremely High-water Stress (thousand mega liters)	-	-	497	476	491	
Surface water	-	-	4.0	5.3	0.0	
Ground water	-	-	0.17	0.1	0.1	
Seawater	-	-	491	469	489	
Third-Party	-	-	1.3	1.3	1.3	
Total Freshwater Intake (less seawater)	-	-	5.5	6.6	1.4	
Water Consumption*						
Total Equity Water Consumption (thousand mega liters)	34.2	31.1	31.9	30.1	33.9	303-5

* Water intake, discharge and consumption totals are reported on an equity basis and represents wholly owned operations, inclusive of CPChem operated Owner operations at Old Ocean, Texas, and Pascagoula, Mississippi, and the equity stake for facilities where CPChem has only partial equity ownership, with the exception of AmSty and CPChem owner Owner's operations in Borger, Texas, as well as 100% stake is reported for a CPChem-operated joint venture in Baytown, Texas, and a CPChem operated Owner's facility in Old Ocean, Texas. Total Water Consumption represents the difference between water intake and water discharge and includes water lost due to evaporation. Total water intake and discharge are rounded to the nearest thousand mega liters.

** Freshwater intake intensity is reported on an operated basis and represents 100% stake for wholly owned and joint venture operations which are operated by CPChem, inclusive of one CPChem operated Owner's facility in Old Ocean, Texas.

	2019	2020	2021	2022	2023	GRI
GHG Emissions						
Total Equity Direct (Scope 1) and Indirect (Scope 2) GHG Emissions* (MMT of CO₂e)	8.9	9.3	9.5	9.3	9.6	305-1 305-2
Direct GHG Emissions (Scope 1)	6.7	6.9	7.2	7.1	7.2	
Indirect GHG Emissions from Electricity and Steam (Scope 2)	2.3	2.5	2.4	2.3	2.4	
Total Operated Direct (Scope 1) and Indirect (Scope 2) GHG Emissions** (MMT of CO₂e)	6.1	6.4	6.5	6.1	6.2	305-1 305-2 305-4
Direct GHG Emissions (Scope 1)	4.3	4.5	4.7	4.5	4.4	
Indirect GHG Emissions from Electricity and Steam (Scope 2)	1.8	1.9	1.7	1.7	1.8	
Operated GHG Emissions Intensity*** (MT CO₂e/MT product)	0.43	0.44	0.48	0.46	0.44	
Emissions Events****	47	51	54	45	40	

* GHG emissions reported on an equity basis represent wholly owned operations, inclusive of one CPChem operated Owner's facility at Old Ocean, Texas, and the equity stake for facilities where CPChem has only partial equity ownership. Totals are rounded to the nearest hundred thousand metric tons.

** GHG emissions reported on an operated basis represent 100% stake for wholly owned and joint venture operations which are operated by CPChem, inclusive of one CPChem operated Owner's facility at Old Ocean. Totals are rounded to the nearest hundred thousand metric tons.

*** GHG Intensity is reported on an operated basis and represents 100% stake for wholly owned operations, inclusive of one CPChem operated Owner's facility at Old Ocean, Texas. GHG Intensity is the ratio of the greenhouse gases emitted (MT of CO₂e) divided by the products produced (MT of product).

**** A reportable emissions event includes air, water or land releases above the Reportable Quantity, exceedance of a water discharge limit (permit and regulatory), and emissions events as defined in local regulations or permit conditions that require immediate agency reporting. Emission events count includes wholly owned operations and operations in the Middle East.

	2019	2020	2021	2022	2023	GRI
Air Emissions						
Total Equity Air Emissions* (TMT)	10.27	10.10	10.61	11.54	11.64	305-7
PM	0.57	0.58	0.58	0.54	0.55	
SO ₂	0.73	0.55	0.68	1.14	0.65	
NOx	3.69	3.86	3.80	4.00	4.27	
CO	2.68	2.53	2.80	3.23	3.66	
VOC	2.60	2.58	2.75	2.63	2.50	
Operated Air Emissions Intensity** (MT/TMT product)	0.52	0.52	0.56	0.59	0.56	

* Air emissions data is reported on an equity basis and represents 100% stake reported for wholly owned operations, with the exception of Performance Pipe and inclusive of one CPChem operated Owner's facility at Old Ocean, Texas, and one CPChem-operated joint venture in Baytown, Texas, and the equity stake for facilities where CPChem has only partial equity ownership, with the exception of AmSty and owner operations in Pascagoula, Mississippi.

** Air emissions intensity data is reported on an operated basis and represents 100% stake for wholly owned operations, with the exception of Performance Pipe and inclusive of one CPChem operated Owner's facility at Old Ocean, Texas.

	2022	2023	GRI
Waste*			
Total Equity Waste Generation			
Hazardous** (TMT)	26.51	32.78	306-3 306-4 306-5
Waste directed to disposal	24.90	30.96	
Onsite	12.63	12.68	
Offsite	12.28	18.28	
Waste diverted from disposal	1.61	1.82	
Onsite	0.06	0.00	
Offsite	1.55	1.82	

2022

2023

GRI

Waste* (cont.)

	2022	2023
Non-hazardous (TMT)	161.04	117.67
Waste directed to disposal	130.55	70.90
Onsite	38.76	15.78
Offsite	91.79	55.12
Waste diverted from disposal	30.49	46.77
Onsite	0.01	0.01
Offsite	30.48	46.76
Other Material (TMT)	4.26	1.34
Waste directed to disposal	0.00	0.00
Onsite	0.00	0.00
Offsite	0.00	0.00
Waste diverted from disposal	4.26	1.34
Onsite	0.00	0.00
Offsite	4.26	1.34
Universal Waste (TMT)	0.05	0.13
Waste directed to disposal	0.05	0.11
Onsite	0.00	0.00
Offsite	0.05	0.11
Waste diverted from disposal	0.01	0.02
Onsite	0.00	0.00
Offsite	0.01	0.02

306-3

306-4

306-5

2022

2023

GRI

Waste* (cont.)

Waste Disposal Method (TMT)

	2022	2023
Energy Recovery	3%	2%
Hazardous	-	2.8
Non-hazardous	-	0.0
Universal Waste	-	0.0
Other	-	0.0
Incineration	30%	11%
Hazardous	-	16.1
Non-hazardous	-	0.0
Universal Waste	-	0.0
Other	-	0.0
Incineration with Energy Recovery	-	1%
Hazardous	-	2.1
Non-hazardous	-	0.0
Universal Waste	-	0.0
Other	-	0.0
Landfill	44%	30%
Hazardous	-	1.1
Non-hazardous	-	44.6
Universal Waste	-	0.1
Other	-	0.0
Deepwell	-	18%
Hazardous	-	2.7
Non-hazardous	-	25.1
Universal Waste	-	0.0
Other	-	0.0

306-3

306-4

306-5

2022 2023

GRI

Waste* (cont.)

	2022	2023
Other Treatment	4%	5%
Hazardous	-	6.2
Non-hazardous	-	1.2
Universal Waste	-	0.0
Other	-	0.0
Materials Recovery	19%	33%
Hazardous	-	1.8
Non-hazardous	-	46.8
Universal Waste	-	1.3
Other	-	0.0

306-3
306-4
306-5

* Waste totals are reported on an equity basis and represents wholly owned operations and the equity stake for facilities where CPChem has only partial equity ownership, with the exception of AmSty and CPChem owned Owner's operations in Pascagoula, Mississippi and Borger, Texas, as well as a 100% stake reported for a CPChem operated joint venture in Baytown, Texas, and CPChem operated Owner's facility in Old Ocean, Texas. Data for years prior to 2022 was not included due to amendments in CPChem's waste data collection to include onsite waste management, treatment and disposal, as well as recycled, recovered, universal and other wastes. Waste directed to disposal includes landfill, incineration, energy recovery and other treatment methods. Waste diverted from disposal includes materials recovery.

** Hazardous waste data represents waste deemed hazardous by region specific definitions.

2019 2020 2021 2022 2023

GRI

Environmental Compliance*

	2019	2020	2021	2022	2023
Total Fines	8	9	11	7	2
Total Amount	\$570,761	\$210,829	\$621,048	\$3,572,093	\$11,310

2-27

* The information presented in the table reflects all environmental non-compliance for which a penalty was assessed in the reporting year. Dollars do not directly reflect prior years' performance due to the variability and timing in how penalties are processed. The total amount of fines paid in 2022 related to environmental compliance includes a \$3.4MM penalty associated with a settlement between three CPChem facilities in Texas and the United States Environmental Protection Agency (EPA) as part of EPA's flaring initiative.

Financial Performance Data Tables

	2019	2020	2021	2022	2023	GRI	
Financial Performance*							
Annual Sales and Other Operating Revenues	9,333	8,407	14,104	14,180	11,560	2-6	
Total Liabilities	4,421	4,774	5,014	5,087	5,025		
Total Members' Equity	12,447	12,252	12,763	13,569	14,683		
Net Income	1,760	1,260	3,684	1,662	1,173		
Current Assets	2,554	2,816	3,381	3,472	3,284		
Total Assets	16,868	17,026	17,777	18,656	19,709		
Current Liabilities (Excluding Debt)	1,247	1,394	1,853	2,146	1,757		
Debt-to-Capital Ratio	16%	16%	16%	15%	14%		
Total Revenues & Other Income	9,443	8,266	14,403	14,274	11,372		201-1
Capital Spend	795	525	726	1,534	1,948		
Community Investment	6.00	6.97	6.07	6.15	6.03		

* Reported in millions of dollars (USD).



Global Reporting Initiative Index

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Global Reporting Initiative Index

CPChem's 2023 Sustainability Report, *Stepping Up*, was prepared in accordance with the 2021 GRI Standards. The GRI Content Index is intended to supplement the information provided throughout the report.

General Disclosures

The Organization and its Reporting Practices (GRI reference year 2021)	
2-1	<p>Organizational details</p> <p>About this Report Global Solutions. Responsible Practices. Company History Locations</p>
2-2	<p>Entities included in the organization's sustainability reporting</p> <p>The 2023 Sustainability Report includes information on CPChem's wholly owned operations and joint venture operations where CPChem employees participate in the corporate governance and/or operations of the facilities. See Global Solutions. Responsible Practices. for a list of facilities.</p> <p>CPChem is a privately held company and does not make its financial statements available to the general public. However, the following entities are material to CPChem's consolidated financial statements as of December 31, 2023:</p> <ul style="list-style-type: none"> ▪ Americas Styrenics LLC (AmSty) ▪ Chevron Phillips Chemical Company LP ▪ Chevron Phillips Chemicals Int'l N.V. ▪ Chevron Phillips Singapore Chemicals (Private) Limited ▪ Golden Triangle Polymers Company ▪ Gulf Polymers Distribution Company FZCO ▪ Jubail Chevron Phillips Company ▪ Qatar Chemical Company Ltd. ▪ Qatar Chemical Company II Ltd. ▪ Ras Laffan Olefins Company (RLOC) ▪ Ras Laffan Petrochemicals (RLP) ▪ Saudi Chevron Phillips Company ▪ Saudi Polymers Company ▪ Six Pines Investments LLC ("Six Pines") ▪ SouthTex 66 Pipeline Co, Ltd.

The Organization and its Reporting Practices (GRI reference year 2021)

2-3	Reporting period, frequency and contact point	CPChem's 2023 Sustainability Report, Stepping Up, was published on July 18, 2024. CPChem is a private company and does not have a dedicated financial report. Learn more about the report at About this Report or contact sustainability@cpchem.com .
2-4	Restatements of information	Restatements of information will be specified in each section as appropriate. Restatements on data will be noted in the Performance Data Tables .
2-5	External assurance	View our limited assurance statement and learn more about seeking external assurance at About this Report .

Activities and Workers (GRI reference year 2021)

2-6	Activities and workers	Global Solutions. Responsible Practices. Markets Served Sustainable Global Growth and Expansion Financial Performance Data Tables
2-7	Employees	Information on full-time and represented CPChem employees is provided in the Social Performance Data Tables of the 2023 Sustainability Report. The percentage of part-time, temporary, and non-guaranteed hours employees is less than one percent.
2-8	Workers who are not employees	<p>CPChem engages contractors to assist with non-core business functions. There were no significant variations in the total number of employees during 2023. We do not have access to or publish the gender data of represented employees outside of the U.S. due to the confidential nature of this information.</p> <p>See Shaping the Future to learn more about the pivotal role contractors play for CPChem.</p> <p>Social Performance Data Tables</p>

Governance (GRI reference year 2021)

2-9	Governance structure and composition	Leadership and Key Governance Systems
2-10	Nomination and selection of the highest governance body	Leadership and Key Governance Systems <p>CPChem's Sustainability Executive Steering Team (EST) is made up of Executive Leadership Team members who meet regularly. CPChem is a private company, and its senior leaders make up its highest governing body.</p>

Governance (GRI reference year 2021)

2-11	Chair of the highest governance body	Leadership and Key Governance Systems
2-12	Role of the highest governance body in overseeing the management of impacts	Leadership and Key Governance Systems
2-13	Delegation of responsibility for managing impacts	Leadership and Key Governance Systems
2-14	Role of the highest governance body in sustainability reporting	Leadership and Key Governance Systems
2-15	Conflicts of interest	Stakeholders can find information on these policies in our Code of Conduct or in Leadership and Key Governance Systems.
2-16	Communication of critical concerns	CPChem is a private company and does not disclose the number or nature of critical concerns to protect sensitive and confidential information. Leadership and Key Governance Systems
2-17	Collective knowledge of the highest governance body	Leadership and Key Governance Systems
2-18	Evaluation of the performance of the highest governance body	Senior leaders and all employees receive performance evaluations which include sustainability objectives.
2-19	Remuneration policies	CPChem is a privately held company and does not disclose this information.
2-20	Process to determine remuneration	Compensation is tied to company progress of enterprise-wide objectives, as well as measurement in annual performance evaluations, completed by all employees at all levels. With guidance and input from the Compensation Committee, CPChem conducts global annual pay reviews to support that pay practices are assessed, analyzed and adjusted as needed. CPChem leverages a third-party to perform pay analyses on a regular cadence to identify gaps in compensation practices including remuneration.

Strategies, Policies and Practices (GRI reference year 2021)

2-22	Statement on sustainable development strategy	A Letter from the CEO
2-23	Policy commitments	Leadership and Key Governance Systems Statement of Principles
2-24	Embedding policy commitments	Leadership and Key Governance Systems
2-25	Processes to remediate negative impacts	Ethics and Compliance See our Code of Conduct for details on how reported concerns are processed.
2-26	Mechanisms for seeking advice and raising concerns	Ethics and Compliance
2-27	Compliance with laws and regulations	We operate in accordance with relevant laws and regulations applicable to us, including but not limited to, those concerning labor, employment, the environment, health and safety. Our OE System includes expectations and requirements to ensure compliance with environmental, health, safety and security laws, regulations and internal policies. Facilities, corporate groups, product lines and administrative offices are required to complete annual self-audits and are subject to regular corporate and third-party audits to ensure compliance with the standards outlined in our OE System.

Strategies, Policies and Practices (GRI reference year 2021)

2-28	Membership associations	<p>We participate in many initiatives that promote sustainable operations and tackling global issues like plastic waste, including:</p> <ul style="list-style-type: none"> ▪ Advanced Recycling Alliance for Plastics (ARAP) ▪ Alliance to End Plastic Waste (Alliance) ▪ Circular Plastics Alliance (CPA) ▪ Circulate Capital Ocean Fund (CCOF) ▪ Closed Loop Partners – Circular Plastics Fund ▪ Infinity Recycling – Circular Plastics Fund ▪ Operation Clean Sweep® (OCS®) and OCS® Blue ▪ Responsible Care® ▪ Voluntary Protection Program (VPP) ▪ Wrap Recycling Action Program (WRAP) <p>The associations with which we have significant involvement include:</p> <ul style="list-style-type: none"> ▪ American Chemistry Council (ACC) ▪ American Fuel & Petrochemical Manufacturers (AFPM) ▪ European Chemical Industry Council (Cefic) ▪ Plastics Europe ▪ Plastics Industry Association ▪ Texas Chemistry Council (TCC) ▪ World Business Council for Sustainable Development (WBCSD) ▪ World Plastics Council (WPC)
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Stakeholder Engagement (GRI reference year 2021)

2-29	Approach to stakeholder engagement	<p>Materiality</p> <p>Sustainability Overview</p> <p>Learn how CPChem engages its stakeholders</p>
2-30	Collective bargaining agreements	<p>Social Performance Data Tables</p>

Material Topics

Disclosures on Material Topics (GRI reference year 2021)

3-1	Process to determine material topics	Materiality Sustainability Overview Learn how CPChem engages its stakeholders
3-2	List of material topics	About this Report Materiality Sustainability Overview
3-3	Management of material topics	Materiality Sustainability Overview

Economic Disclosures

201 Economic Disclosures (GRI reference year 2016)

3-3	Management Approach	CPChem is a privately held company and does not produce a Form 10-K.
201-1	Direct economic value generated and distributed	Due to confidentiality constraints, CPChem does not publish financial statements, although select financial information is provided in the Financial Performance Data Tables and available publicly on its webpage, Financials .
201-2	Financial implications and other risks and opportunities due to climate change	Climate Action See our Climate Risk Report

203 Indirect Economic Impacts (GRI reference year 2016)

3-3	Management Approach	Community Centered Enterprise Contributions Policy that outlines governance of charitable contributions globally. Annual amounts are subject to Board approval and allocations are subject to CEO approval.
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203 Indirect Economic Impacts (GRI reference year 2016)

203-1	Infrastructure investments and services supported	Community Centered No negative impacts in infrastructure investments and services supported as defined.
203-2	Significant indirect economic impacts	Community Centered No negative impacts in infrastructure investments and services supported as defined.

205 Anti-corruption (GRI reference year 2016)

3-3	Management Approach	Ethics and Compliance Code of Conduct
205-1	Operations assessed for risks related to corruption	Ethics and Compliance Code of Conduct
205-2	Communication and training about anti-corruption policies and procedures	Ethics and Compliance Code of Conduct

Environmental Disclosures

301 Materials (GRI reference year 2016)

3-3	Management Approach	Stepping Up for Circularity Advanced Recycling and Sustainable Feedstocks
301-2	Recycled input materials used	Stepping Up for Circularity Advanced Recycling and Sustainable Feedstocks CPCHEM is working toward its published annual production goal of 1 billion pounds of circular polyethylene by 2030, expected to represent up to 9.5% of the company's North American polyethylene production and divert approximately 1.4 billion pounds of plastic waste from landfills.

302 Energy (GRI reference year 2016)

3-3	Management Approach	Energy
302-1	Energy consumption within the organization	Energy Environmental Performance Data Tables
302-3	Energy intensity	Energy Environmental Performance Data Tables
302-4	Reduction of energy consumption	Energy Environmental Performance Data Tables

303 Water and Effluents (GRI reference year 2018)

3-3	Management Approach	Water
303-1	Interactions with water as a shared resource	Water
303-2	Management of water discharge-related impacts	Water
303-3	Water withdrawal	Water Environmental Performance Data Tables
303-4	Water discharge	Water Environmental Performance Data Tables
303-5	Water consumption	Water Environmental Performance Data Tables

305 Emissions (GRI reference year 2016)

3-3	Management Approach	Climate Action
305-1	Direct (Scope 1) GHG emissions	Emissions Environmental Performance Data Tables
305-2	Energy indirect (Scope 2) GHG emissions	Emissions Environmental Performance Data Tables

305 Emissions (GRI reference year 2016)

		Emissions
		Information not available.
305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	We are evaluating the organization's Scope 3 emissions in alignment with the GHG Protocol and working to measure GHG emissions emitted throughout our value chain. Our goal is to assemble a comprehensive GHG emissions inventory of Scope 1, Scope 2 and Scope 3 emissions for reporting in the future. CPChem also plans to utilize this inventory data to identify and direct strategic GHG emissions reduction opportunities across the company.
305-4	GHG emissions intensity	Emissions Environmental Performance Data Tables
305-5	Reduction of GHG emissions	Climate Action Emissions Environmental Performance Data Tables
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Emissions Environmental Performance Data Tables

306 Waste (GRI reference year 2020)

3-3	Management Approach	Waste
306-1	Waste generation and significant waste-related impacts	Waste
306-2	Management of significant waste-related impacts	Stepping Up for Circularity Advanced Recycling and Sustainable Feedstocks
306-3	Waste generated	Waste Environmental Performance Data Tables
306-4	Waste diverted from disposal	Waste Environmental Performance Data Tables
306-5	Waste directed to disposal	Waste Environmental Performance Data Tables

308 Supplier Environmental Assessment (GRI reference year 2016)

3-3	Management Approach	Responsible Sourcing
308-1	New suppliers that were screened using environmental criteria	Responsible Sourcing Social Performance Data Tables

Social Disclosures

401 Employment (GRI reference year 2016)

3-3	Management Approach	Powered by People Making Wellness a Priority DE&I
401-1	New employee hires and employee turnover	Powered by People Social Performance Data Tables Due to confidentiality constraints to protect employee privacy, we do not disclose gender, age and location information related to turnover or new hires. We will reevaluate this disclosure when planning future reports.
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	Total Rewards Program
401-3	Parental leave	More family time Social Performance Data Tables

403 Occupational Health and Safety (GRI reference year 2018)

3-3	Management Approach	Health, Safety & Well-being
403-1	Occupational health and safety management system	Health, Safety & Well-being
403-2	Hazard identification, risk assessment, and incident investigation	Health, Safety & Well-being

403 Occupational Health and Safety (GRI reference year 2018)

403-3	Occupational health services	Health, Safety & Well-being
403-4	Worker participation, consultation, and communication on occupational health and safety	Health, Safety & Well-being Leadership and Key Governance Systems
403-5	Worker training on occupational health and safety	Health, Safety & Well-being
403-6	Promotion of worker health	Health, Safety & Well-being Making Wellness a Priority
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health, Safety & Well-being
403-8	Workers covered by an occupational health and safety management system	Health, Safety & Well-being 100% of employees and contractors are covered by the Occupational Health and Safety Management System.
403-9	Work-related injuries	Social Performance Data Tables Health, Safety & Well-being
403-10	Work-related Ill-Health	Social Performance Data Tables Health, Safety & Well-being

404 Training and Education (GRI reference year 2016)

3-3	Management Approach	Learning and Development
404-1	Average hours of training per year per employee	Learning and Development Social Performance Data Tables This disclosure does not include hours for any external training taken by employees and paid for by the company. Training is assigned based on job category. Training opportunities are required and made available to all employees regardless of gender. Training is not currently tracked by gender and employee category.

404 Training and Education (GRI reference year 2016)

404-3	Percentage of employees receiving regular performance and career development reviews	All employees are required to receive regular performance reviews regardless of gender or job category.
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405 Diversity and Equal Opportunity (GRI reference year 2016)

3-3	Management Approach	DE&I
405-1	Diversity of governance bodies and employees	DE&I Powered by People Social Performance Data Tables Metrics disclosed on the diversity of employees encompasses all direct employees of CPChem for all job categories, including all management levels, but excludes CPChem's Board of Directors.

413 Local Communities (GRI reference year 2016)

3-3	Management Approach	Community Centered
413-1	Operations with local community engagement, impact assessments, and development programs	Community Centered Social Performance Data Tables 100% CPChem facilities participate in community engagement through activities such as volunteering, financial donations, community focused events and others.

414 Supplier Social Assessment (GRI reference year 2016)

3-3	Management Approach	Community Centered
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416 Customer Health and Safety (GRI reference year 2016)

3-3 Management Approach [Product Stewardship](#)

416-1 Assessment of the health and safety impacts of product and service categories [Product Stewardship](#)



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