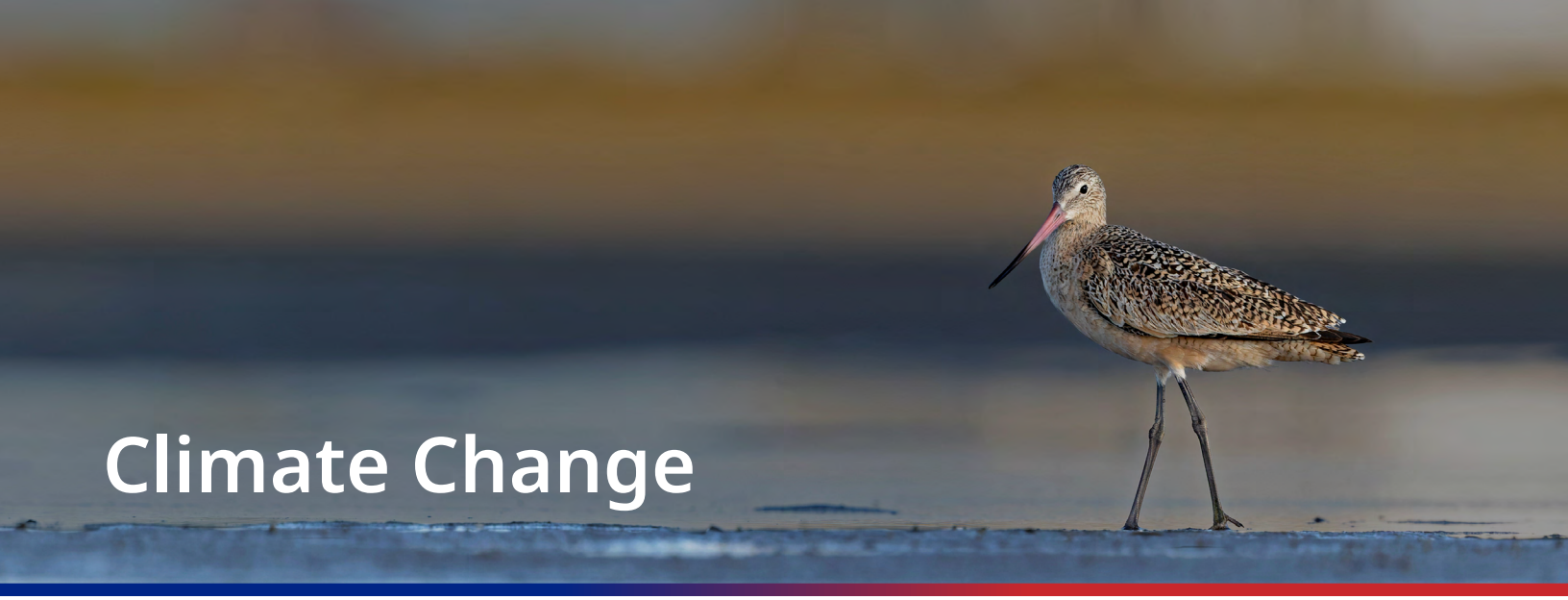


Climate Change

Climate Change Priorities ____ **47**

Climate Resilience and Risk Management ____ **48**

Emissions ____ **50**

- Greenhouse Gas Emissions ____ 50
- Air Emissions ____ 52

How We Manage Resources ____ **54**

- Energy ____ 54
- Water ____ 56
- Waste ____ 58

Climate Change Priorities

Improve Climate Risk Resilience

Building adaptation and operational durability to mitigate physical and transition risks related to climate change.

Reduce GHG Emissions and Emissions Intensity

Strategic and deliberate focus on lowering GHG emissions and reducing carbon intensity.

Position for a Lower Carbon Future

Advancing innovation, efficiency and resilience to support long-term competitiveness in a lower carbon economy.

Climate Resilience and Risk Management

CPChem conducts climate-specific scenario analyses to identify, assess, and manage climate-related risks and opportunities across its value chain.

These analyses evaluate key physical risks such as flooding, extreme heat, hurricanes, and water scarcity; and transition risks, including evolving public policy, regulatory developments, and market dynamics. The results are integrated into CPChem's Enterprise Risk Management (ERM) framework, enabling the Company to systematically assess potential impacts, prioritize mitigation and adaptation actions, and embed climate considerations into strategic planning, capital allocation, and operational decision-making. Through this structured approach, CPChem enhances its ability to adapt to changing climate conditions, strengthen resilience across operations, and maintain long-term competitiveness in a transitioning global economy.

Insights from CPChem's climate scenario analyses directly inform business and operational decisions across the enterprise. Results from physical climate risks including extreme heat, flooding, and water stress are integrated with enterprise processes to capture holistic resilience, such as design standards, hazards analysis, and emergency preparedness. Transition risk insights, including potential policy and market changes, are considered during strategic planning and technology evaluations. These efforts help CPChem assess efficiency improvements, fuel flexibility options, and other emissions reduction projects under a range of future scenarios. These applications ensure that climate related risks and opportunities are systematically incorporated into capital allocation, operational planning, and long term strategy.

In 2024, CPChem revisited its Climate Risk Assessment. Incorporating data from the latest IEA NZE scenario and other third-party sources aligned to IPCC RCP 7 and RCP 8.5, we utilized scenario-planning tools for our internal analysis of transition and physical risks. Results for 2024 identified risks consistent with our previous analyses. See the risks discussed in prior reports at the end of this report.

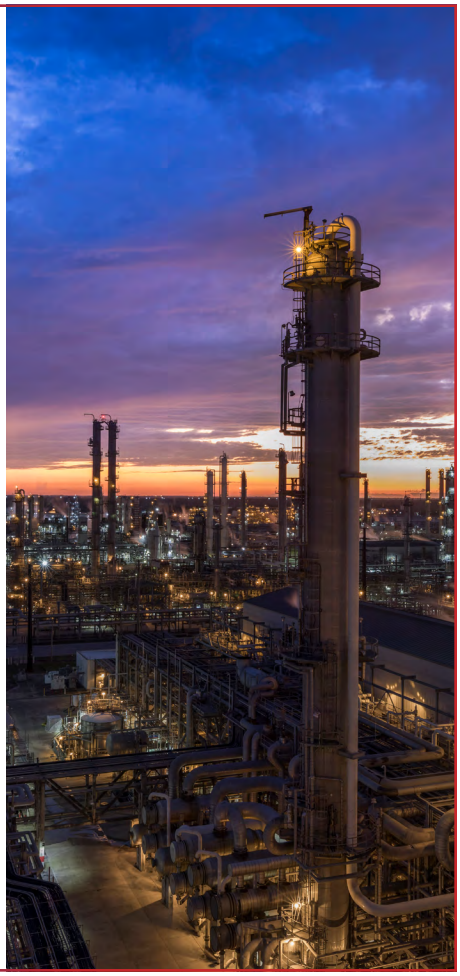
SDG #13, Climate Change

Advancing Lower-Emission Technology

In 2025, CPChem and Technip Energies began installation of a proprietary Low GHG Emission Cracking Furnace in an existing olefins unit at the company's Sweeny, Texas, facility. The lower-GHG emission design is expected to reduce fuel consumption and carbon dioxide emission intensity by approximately 30%.

Once operating, the Furnace is projected to improve efficiency through advanced heat recovery, electrification of a major compressor driver and a furnace capable of operating on hydrogen fuel. Together, we anticipate that these features will enable immediate GHG emissions reductions while supporting future pathways to reduce GHG emissions intensity as lower-carbon fuels become available.

Our company is focused on initiatives and projects that are cost effective and have a meaningful impact on lowering the intensity of GHG emissions generated by the production of the basic chemicals that society needs. Our collaboration with Technip Energies to deploy the proprietary Lower CO_2 Emissions Cracking Furnace represents a meaningful step toward achieving our carbon intensity reduction goals.



Nature and Biodiversity

In 2025, CPChem completed its first Nature and Biodiversity Risk Assessment, underscoring the company's commitment to managing risks and opportunities related to biodiversity and ecosystem services. The assessment provided an asset level evaluation of how CPChem facilities interact with surrounding natural systems, using geospatial data to assess local ecosystem condition, biodiversity importance, and facility resilience.

The assessment evaluated both potential impacts on biodiversity and dependence on ecosystem services, including water availability and natural flood mitigation functions. Results indicated that CPChem's operations generally have a higher reliance on ecosystem services than it has direct impacts on those services. The assessment also considered potential operational risks associated with ecosystem service degradation.

These insights support CPChem's ongoing risk management and planning efforts by helping identify locations where additional attention to biodiversity considerations may be appropriate. The findings complement existing sustainability and Operational Excellence programs, including established management practices related to air, water and community stewardship.

Emissions

Greenhouse Gas Emissions*

Scope 1

In 2025, CPChem's Scope 1 emissions on an operated basis were 4.5 million metric tons (MMT) CO_2e, and 7.1 MMT CO_2e on an equity-basis.

Scope 2

In 2025, CPChem's Scope 2 emissions amounted to 1.95 MMT CO_2e on an operated basis, and 2.53 MMT CO_2e on an equity basis, on a market-basis.

In 2025, CPChem's Scope 2 emissions amounted to 1.87 MMT CO_2e on an operated basis, and 2.46 MMT CO_2e on an equity basis, on a location-basis.**

Scope 3

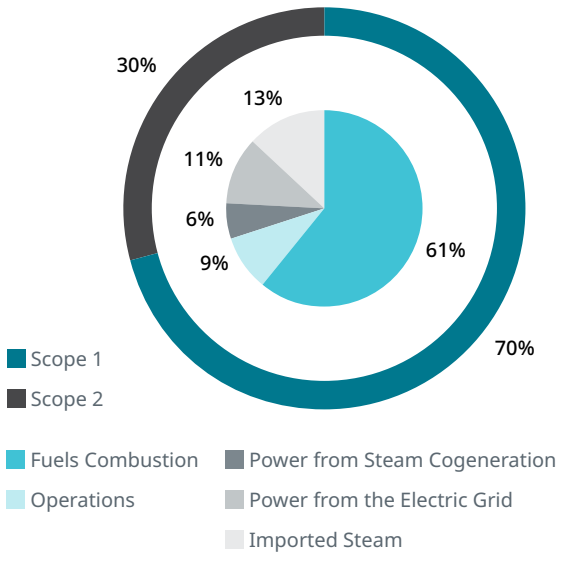
CPChem is evaluating Scope 3 emissions in alignment with the GHG Protocol and continues to advance efforts to measure greenhouse gas emissions across its value chain. The company's aspiration is to develop a comprehensive GHG emissions inventory encompassing Scope 1, Scope 2, and Scope 3 emissions for future reporting. CPChem intends to use this inventory to enhance transparency and help identify potential opportunities to reduce GHG emissions.

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

** Location-based reporting uses the average emissions intensity of the local power grid, while market-based reporting reflects emissions from the specific electricity contracts a company has purchased. 2022 eGrid and 2023 Green-E (2021 data) emission factors were used to calculate RY2025 Scope 2 emissions.

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 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 2 Operated GHG Emissions Sources

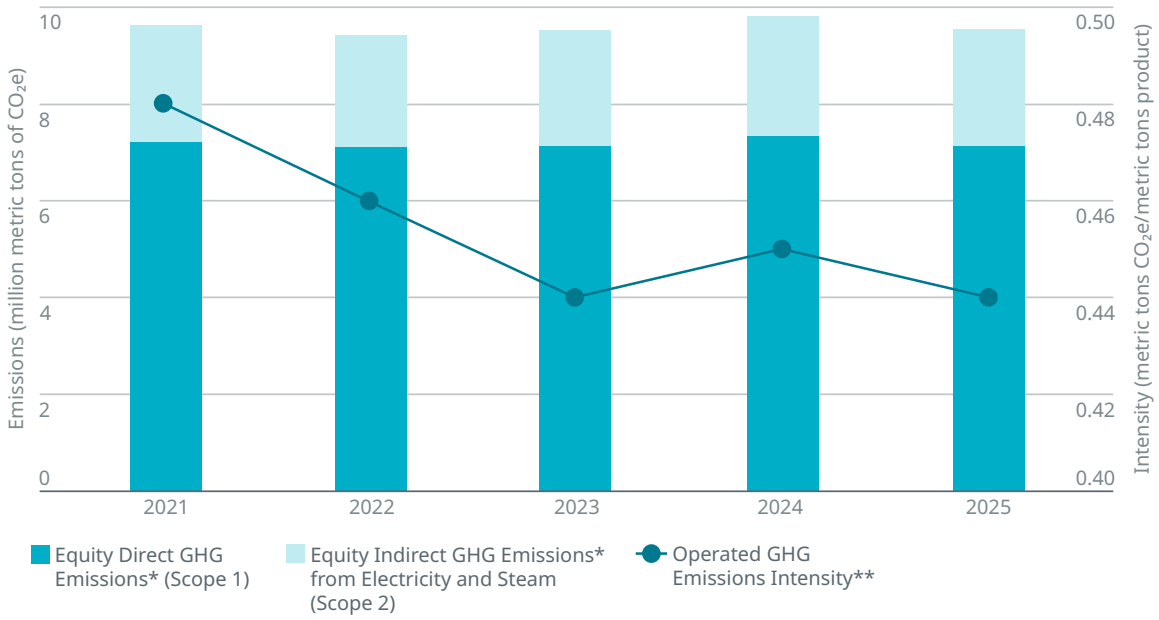


In 2025, CPChem's absolute GHG emissions decreased both on an operated and equity basis compared to the prior year. CPChem facilities are focusing on managing GHG emissions intensity while mobilizing assets to meet the global demand for its products. We completed site Marginal Abatement Cost Curve (MACC) assessments at all sites in 2025, marking a milestone for a major cross-functional effort across the enterprise.

CPChem is targeting a 15% reduction in its carbon intensity compared to a 2020 baseline. This target includes reductions in both Scope 1 and Scope 2 GHG emissions at CPChem-operated assets. In 2025, CPChem delivered its second-best carbon intensity performance since establishing its baseline in 2020.

During the next several years we plan to continue to grow our production capacity, operationalize new more efficient assets, and implement projects identified through MACC Assessments. We remain dedicated to efficient operations and reducing GHG emission intensity and acknowledge that GHG emissions will change as we undertake these projects that are essential to achieving our goals. Explore our Performance Data to learn more about emissions at CPChem.

GHG Emissions



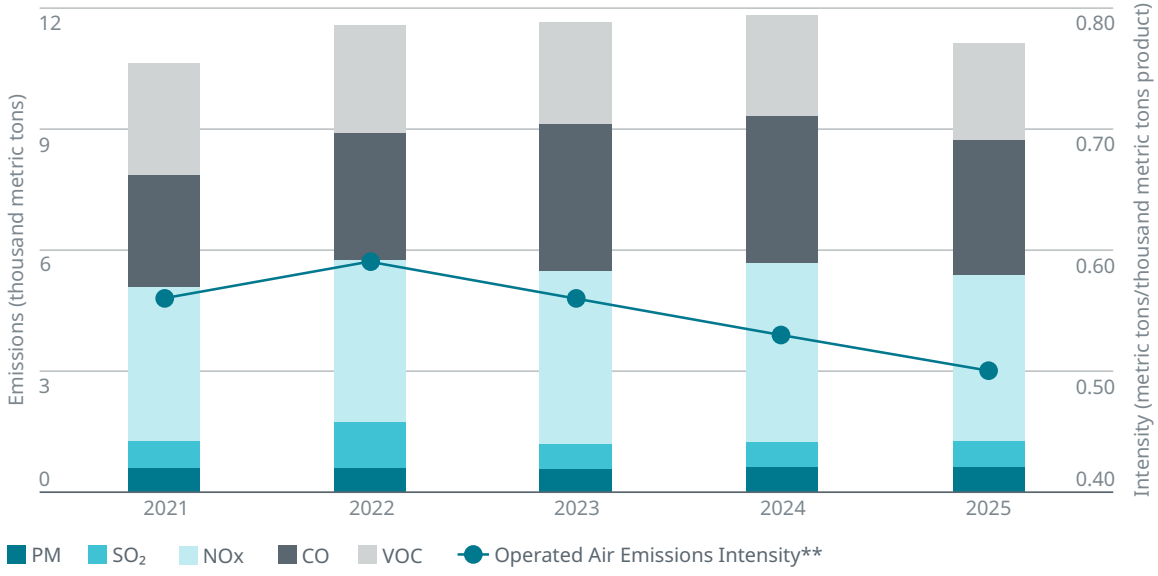
* GHG emissions reported on an operated basis represent 100% stake for wholly owned and joint venture operations which are operated by CPChem, inclusive of one CPChem operated Owner's facility in Old Ocean, Texas. GHG emissions reported on an equity basis represent wholly owned operations, inclusive of one CPChem operated Owner's facility in Old Ocean, Texas, and the equity stake for facilities where CPChem has only partial equity ownership. Reporting includes January 1–July 31, 2025 operated and equity GHG emissions from the Jurong Island, Singapore HDPE facility (formerly owned by CPChem affiliate CPSC), divested to Aster Chemicals and Energy effective August 1, 2025. 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 CO_2e) divided by the products produced (MT of product).

Air Emissions

In 2025, air emissions totaled 11.06 thousand metric tons on an equity basis. We recorded a decrease in air emissions intensity from 0.52*** in 2024 to 0.50 TMT product on an operated basis in 2025. Explore our → Performance Data to learn more about air emissions at CPChem.

Air Emissions*



* Air emissions data is reported on an equity basis and represents 100% stake reported for wholly owned operations; with the exception of Performance Pipe (not included) 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. Reporting includes January 1–July 31, 2025 operated and equity air emissions from the Jurong Island, Singapore HDPE facility (formerly owned by CPChem affiliate CPSC), divested to Aster Chemicals and Energy effective August 1, 2025.

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

*** Revised number based on updated activity data inputs.

TCC Recognizes CPChem with 13 Awards

CPChem was honored with 13 safety awards in 2025 from the Texas Chemistry Council, recognizing our facilities for excellence and safety, operational performance and community engagement. These awards reflect the dedication of our teams to protect each other, our communities and the environment. Highlights include:

- **Zero Incident Award** – Port Arthur
- **Dr. Sam Mannan Award** – Conroe, Pasadena, Sweeny/Clemens/Old Ocean
- **Caring for Texas Awards** – Borger, Pasadena, Sweeny/Clemens/Old Ocean
- **Excellence in Caring** – Port Arthur
- **Sustained Excellence** – Orange
- **Distinguished Process Safety Initiative** – Sweeny/Clemens/Old Ocean

How We Manage Resources

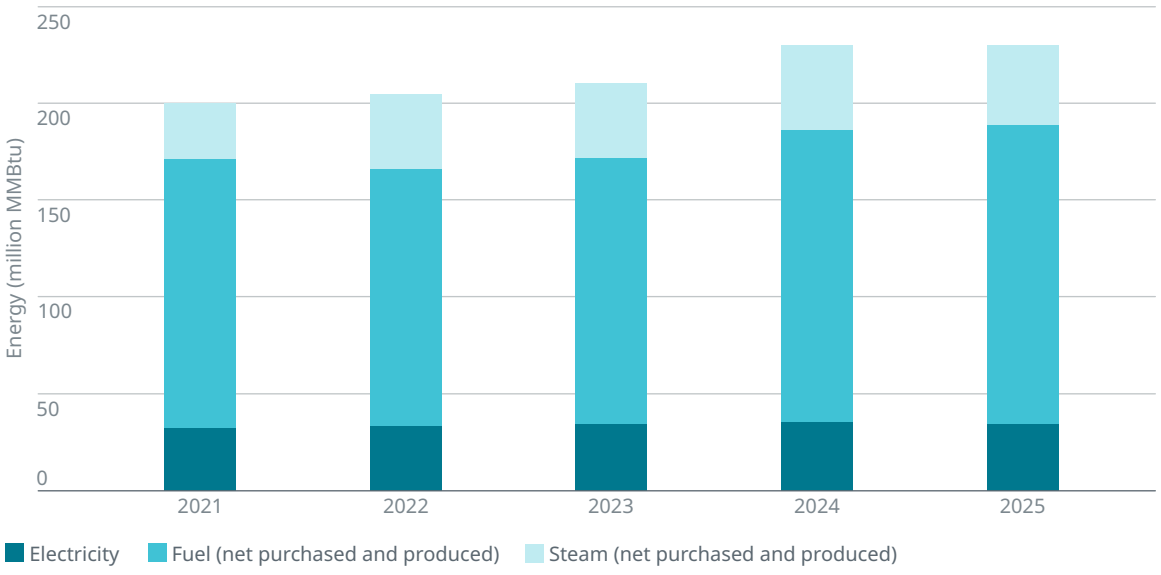
Energy

We support access to affordable and clean energy, optimize energy consumption and seek to minimize energy intensities.
SDG #7, Affordable and Clean Energy

Our company purchases energy in the form of fuel, electricity and steam. Additionally, our manufacturing facilities utilize by-product fuels generated during operations to produce energy on-site. Longstanding programs at CPChem, focused on reliability and energy management, enable reductions in carbon intensity and improvements in other air emissions performance.

In 2025, CPChem's equity global energy consumption reached 230 million MMBtu, with an energy intensity of 5675 Btu per pound of product on an operated basis. Total energy consumption increased in 2025 due to higher fuel consumption and production. CPChem's manufacturing teams continuously strive to enhance efficiency across our facilities and improve energy performance.

Energy Consumption*



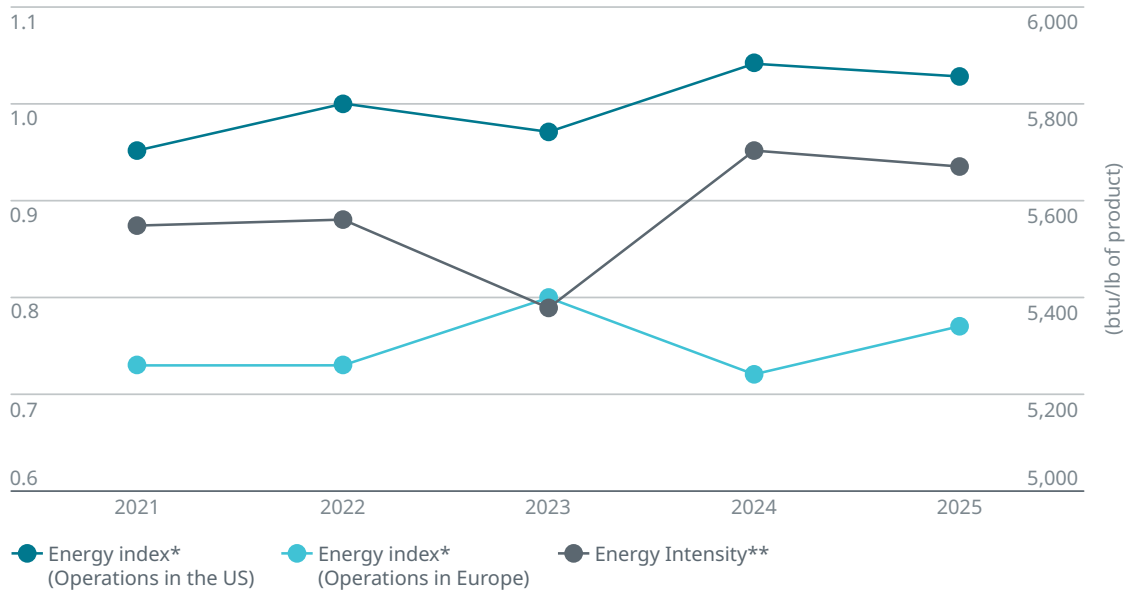
* Energy data reported on an equity basis represents wholly owned operations and the equity stake for facilities in which CPChem has only partial equity ownership, with the exception of Performance Pipe, Amsty and owner operations in Borger, Texas. Reporting includes January 1–July 31, 2025, operated and equity energy consumption from the Jurong Island, Singapore HDPE facility (formerly owned by CPChem affiliate CPSC), divested to Aster Chemicals and Energy effective August 1, 2025.

Energy Best Practice Teams

CPChem empowers site Energy Best Practice Teams to enhance energy performance and spearhead energy reduction initiatives. Team leaders regularly convene to exchange best practices, celebrate achievements, and challenge one another to creatively meet the company's energy goals.

Our teams use facility-level energy intensity index to standardize benchmarking and monitoring efforts while tracking annual progress toward energy reduction goals. CPChem's 2025 energy intensity index in its operated regions was 0.77 (Europe), and 1.03 (United States). See our → 2025 Performance Data for more details on energy performance.

Regional Energy Index and Energy Intensity



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

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

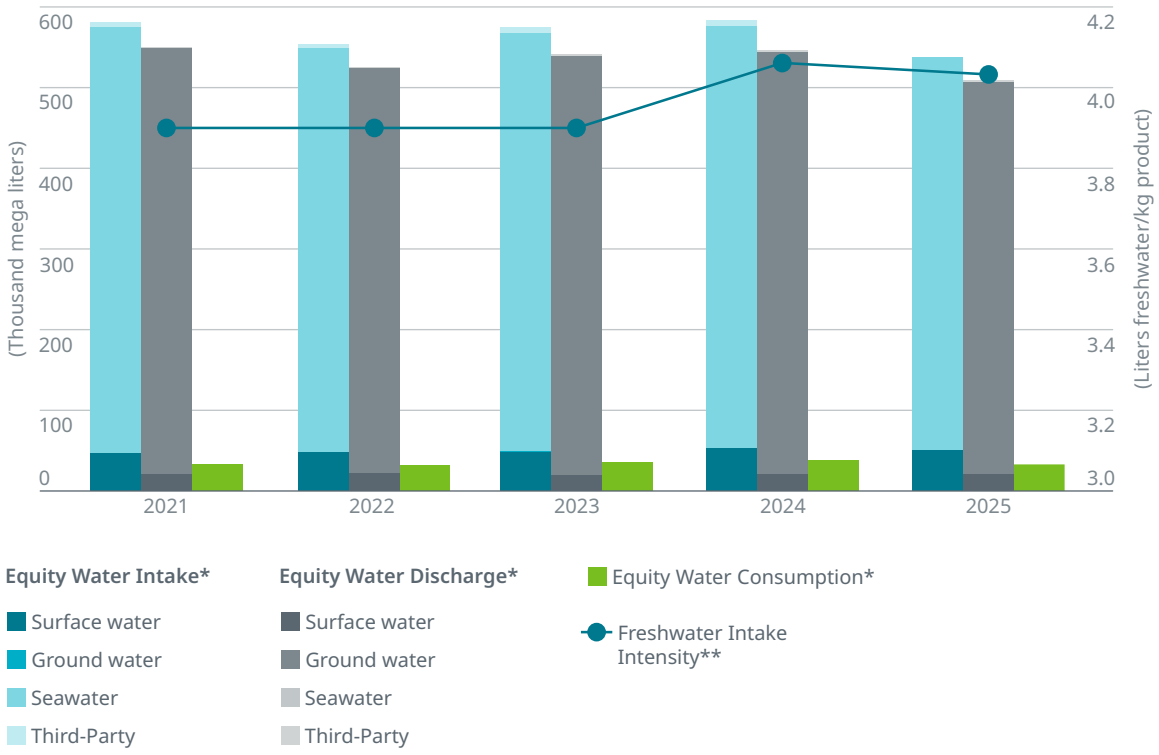
Water

At CPChem, we use surface water, groundwater, seawater, and water supplied by third parties to support a range of operational needs, including cooling, quenching, steam generation, material conveyance, and the treatment of potential contaminants. Where feasible, seawater is utilized in cooling applications to reduce reliance on freshwater resources.

As part of our Operational Excellence program, we monitor the quality and potential impacts of water use across our operations. Our Water Reliability Teams apply industry recognized best practices in water management, with a focus on efforts to protect local water resources and enhance water quality. Through these efforts, we seek to support safe, reliable, and resilient operations while contributing to the long-term sustainability of the water resources on which our facilities and communities depend.

CPChem decreased water use in 2025 after an increase in 2024 attributed to expansion projects and increased production. Consumption data includes water lost due to evaporation. A breakdown of water intake and discharge by destination is provided in the → Performance Data.

Water Consumption



* Water intake, discharge and consumption totals reported on an equity basis represents wholly owned operations and the equity stake for facilities where CPChem has only partial equity ownership, excluding Amsty and owner operations in Pascagoula, Mississippi and Borger, Texas. Total Water Consumption represents the difference between water intake and water discharge and includes water lost due to evaporation. Totals are rounded to the nearest hundred thousand mega liters. Reporting includes January 1–July 31, 2025, operated and equity energy consumption from the Jurong Island, Singapore HDPE facility (formerly owned by CPChem affiliate CPSC), divested to Aster Chemicals and Energy effective August 1, 2025.

** Freshwater intake intensity is reported on an operated basis and represents 100% stake for wholly owned operations.

Water Stress

Water stress is a global challenge and has implications across our operations and value chain. Increasing competition for water, changing climate conditions, and water quality reinforce the importance of protecting freshwater resources and advancing water-efficient practices. CPChem works to better understand and address water stress by identifying water-related risks through assessments that inform long-term planning and resiliency strategies. These assessments support facility-level decision-making and help guide collaboration with other water users and stakeholders within shared watersheds to adapt to local water challenges.

Aligned with United Nations Sustainable Development Goal 6 (Clean Water and Sanitation) and *Our Journey to Zero* commitment, CPChem facilities continue to implement water management practices focused on efforts to reduce impacts to water systems and optimize water use. Through planning, collaboration, and responsible stewardship, we aim to support healthier watersheds and more resilient water systems for the future.

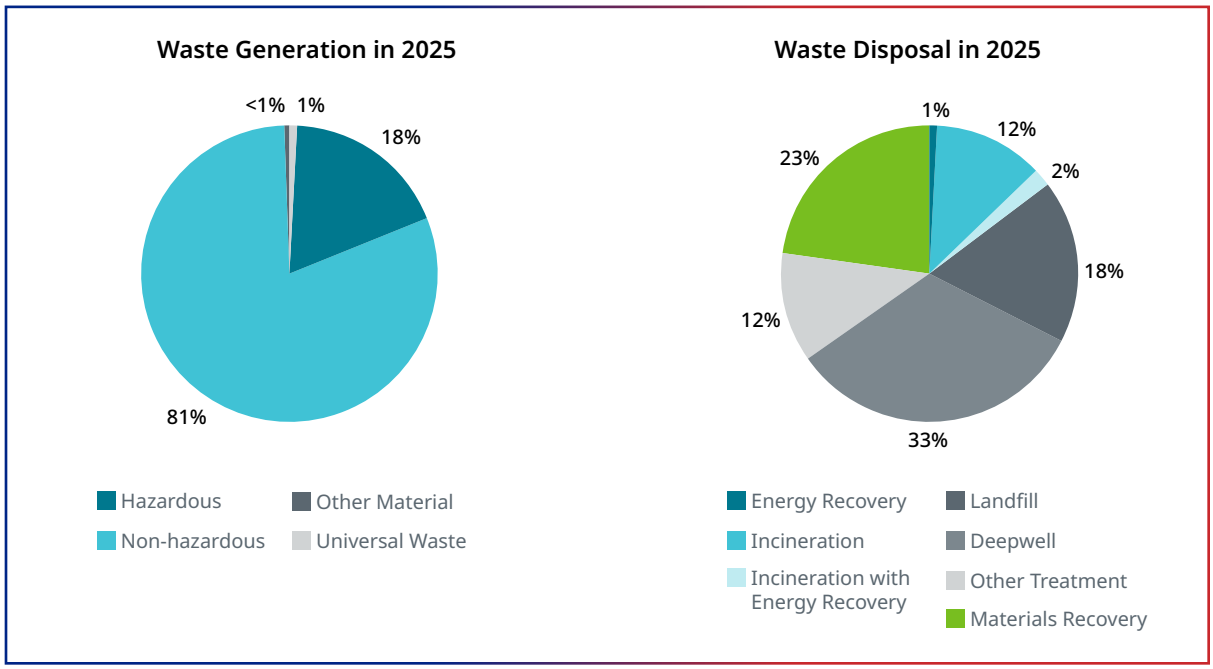
Walk for Water

In Knoxville, Tennessee, employees from CPChem's Performance Pipe division volunteered at the city's third annual Walk for Water, raising more than $26,000 to help provide safe water access to 500 people. Over the past three years, the team has raised more than $100,000 in support of Water Mission's global efforts.

Volunteers Making an Impact: Knoxville Team Leads Third Walk for Water | Water Mission

Waste

CPChem is committed to optimizing resource use and minimizing waste generation to help mitigate associated impacts. The company employs waste diversion strategies to reduce landfill disposal, lower material consumption where feasible, and advance reuse, recycling and recovery across its operations and industry. At each manufacturing site, dedicated waste specialist teams develop and implement practices focused on waste reduction, pollution prevention, and the consistent application of a "reduce, reuse, recycle" approach.
SDG #12, Responsible Consumption and Production

In 2025, CPChem's global operations generated 118 thousand metric tons (TMT) of non-hazardous waste and 30 TMT of hazardous waste on an equity basis. We continue to enhance our waste inventory through expanded analysis of waste streams to better identify and prioritize areas for improvement. Additionally, we employ reviews of materials that may move into beneficial use streams, and specialized disposal techniques such as biotreatment, energy recovery, incineration, and materials recovery.

CPChem advocates for the responsible disposal of waste generated through its operations. By reviewing disposal practices and standardizing waste management processes, the company enhances communication with third party facilities and ensures materials are managed appropriately and in compliance with applicable requirements. In addition, CPChem facilities maintain dedicated procedures for spill prevention, control, and response, including countermeasures and contingency planning to address hazardous waste and prevent plastic loss.