

PROGRESS THROUGH TRANSFORMATION

2020 Sustainability Report



Performance by design.
Caring by choice.™



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	110,6	109	16,7	1,7
22	120,5	120	13,7	0,4
125	143,6	107	15,1	0,7
45	439,8	103	16,3	1,8
128	284,7	106	14,5	1,2
908	340,5	119	14,3	0,4
	567,8	104	11,8	0,1
			10,3	0,3

- Social Performance
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Letter from the CEO

Through more than 20 years of progress and innovation, Chevron Phillips Chemical (CPCChem) has operated as a premier chemical company. Our dedication to safety and advancing CPCChem's social, environmental and financial performance remain key contributors to our success, made possible by the people, customers and communities to which we are connected.

I stepped into the role of CEO in early 2021 after serving as both a CPCChem Board member and President of Chevron Chemicals. I have always been impressed by the dedication and skill of this company's workforce. Those qualities keep CPCChem well-positioned to meet the increased demand for our products from the world's growing middle class and address significant societal issues like plastic waste and a changing climate.

In 2020, the company reached its 20th anniversary during a turbulent year of unprecedented challenges. A worldwide pandemic, unstable global economy and social unrest forced us to focus even more intently on our vision, mission and values, and honed this focus on cultivating a more equitable and sustainable future. Additionally, we continued to advance our corporate sustainability strategy, which guides actions designed to mitigate climate change, drives enhancements in the circularity and footprint of our products, and promotes proactive engagement and communication on issues facing our industry and society.

Within this report, we communicate our progress in areas important to our stakeholders and address how we are empowering people, protecting our planet and transforming our performance.

Empowering People

People are the core of our business and the focal point of our corporate strategy. Throughout 2020, CPCChem maintained its commitment to the safety and empowerment of people, just as we have done for more than two decades. I am particularly proud of the support CPCChem offers local communities, including relief efforts we undertook in 2020 to address food insecurity during the COVID-19 pandemic and support offered to those recovering from Hurricane Laura. A spotlight on racism and social injustice in 2020 served as a catalyst for change, presenting opportunities to evaluate our business practices, encourage a dialogue on racial inequity, and develop resources that build awareness and empathy across CPCChem and in our communities.

Protecting Our Planet

At CPCChem, we care deeply about the environment and the impacts generated from our operations and products. We have arrived at a decisive moment unlike any other in the company's 20-year history.

Climate change is one of society's most pressing concerns, presenting unique risks and opportunities to the chemical industry. CPCChem products can help achieve global carbon reductions, and we are energetically pursuing innovative approaches to a lower-carbon economy. We are purposeful in our work to responsibly use natural resources, lower the carbon footprint of our facilities and minimize impacts to the local environment. I am encouraged by the recent formation of our executive-led governance model, working to optimize our operations and design new technological solutions to climate-related issues and enhance the sustainability and circularity of our products.

Transforming Our Performance

In 2020, CPCChem's economic performance endured a struggling economy, but I believe our efforts to help communities mitigate financial, food and medical needs presented by the pandemic truly represent how we embody our tagline: **Performance by design. Caring by choice.**[™]

To maintain CPCChem's reputation as a premier chemical company and grow sustainably, we must continue to innovate and transform our performance. Launching a new circular polymer product line, Marlex® Anew™ Circular Polyethylene, is a great example of how this transformation has already begun. Leveraging lower carbon feedstocks and enhancing the circularity of our existing portfolio while simultaneously designing new circular products will forge our path ahead. Through new digital tools that boost the quality and speed of our work and continuous improvements generated from the creativity and experience of our employees, we are transforming how we do business, one day at a time. CPCChem's workforce is eager to rethink how we operate and embrace mindsets needed to become more sustainable and ultimately more competitive.

I hope you enjoy our 2020 sustainability report, **Progress Through Transformation**, and that you continue to follow the company's evolution through sustainable innovation.



Bruce Chinn
Chief Executive Officer



About This Report

Our 2020 Sustainability Report, *Progress Through Transformation*, aims to communicate a transparent account of Chevron Phillips Chemical's (CPCChem) sustainable growth business strategy, operations and progress in areas deemed significant by our stakeholders.

Reporting Information

This is the tenth publication of CPCChem's sustainability report. CPCChem's reporting has aligned with the guidelines of the Global Reporting Initiative (GRI) since its first report in 2011. Information in this report has been prepared in accordance with the GRI Standards: Core option. Performance Data Tables can be found at the end of this report which detail our social, economic and environmental performance of the last five years.

[Jump to Performance Data Tables >](#)

New disclosures have been included in this report to continue to improve the quality and transparency of the reported information. This report does not include all required GRI disclosures. A full GRI Content Index is available on our website. Performance data provided in the report are contextualized in this index.

[Full GRI Content Index >](#)

This report includes information on wholly owned operations as well as joint venture operations. Where indicated, some data or management approaches for specific topics may only be provided for wholly owned operations.

Data Collection

Data used in this report and in the Performance Data Tables were collected through multiple processes, including, but not limited to, information management systems, direct monitoring and sampling, engineering estimates, and material balances.

Starting in 2020, additional greenhouse gas (GHG) emissions and energy consumption data have been included due to changes in reporting practices to align with international standards. A full GRI Content Index is available on our website which covers all required disclosures, including those not contained in this report. Any restatements of data from prior years have been detailed in the GRI Content Index. Data that is reported on an equity basis represents wholly owned operations and the equity stake for plants where Chevron Phillips Chemical has only partial equity ownership and CPCChem employees participate in the operations and/or management of the facilities.

This report, additional information and previous reports can be found at www.cpchem.com/sustainability. This report does not include all required GRI disclosures. A full GRI Content Index is available on our website. We would love to hear your questions and comments at Sustainability@cpchem.com.

CPChem at a Glance

We work to make life better for billions of people every day by serving as one of the world's top producers of olefins and polyolefins, and a leading supplier of aromatics, alpha olefins, styrenics, specialty chemicals and polyethylene piping.

Our products are building blocks for materials that reduce the spread of infections by keeping medical supplies sterile and medications secure. They also preserve the food we eat, increase the safety and efficiency of our vehicles, and offer many more significant benefits to society.

Industries We Serve



Automotive



Energy & Chemical



Food & Agriculture



Home & Electronics



Industrial



Medical & Pharmaceutical



Personal Care



Recreational

A joint venture between Chevron U.S.A. Inc. and Phillips 66 Company, CPChem celebrated its 20th anniversary in 2020. The milestones reached in our first 20 years provide a strong foundation as we continue along our path of sustainable growth.

20 Years of Growth

2000



Growth from \$6 billion to **\$17 billion** in assets



Strong workforce of **4,715** global employees (as of 12/31/2020)



31 global manufacturing and research facilities



Expanded production from 19 billion in 2000 to **36 billion** pounds in 2020



More than **2,400** active patents



Forbes

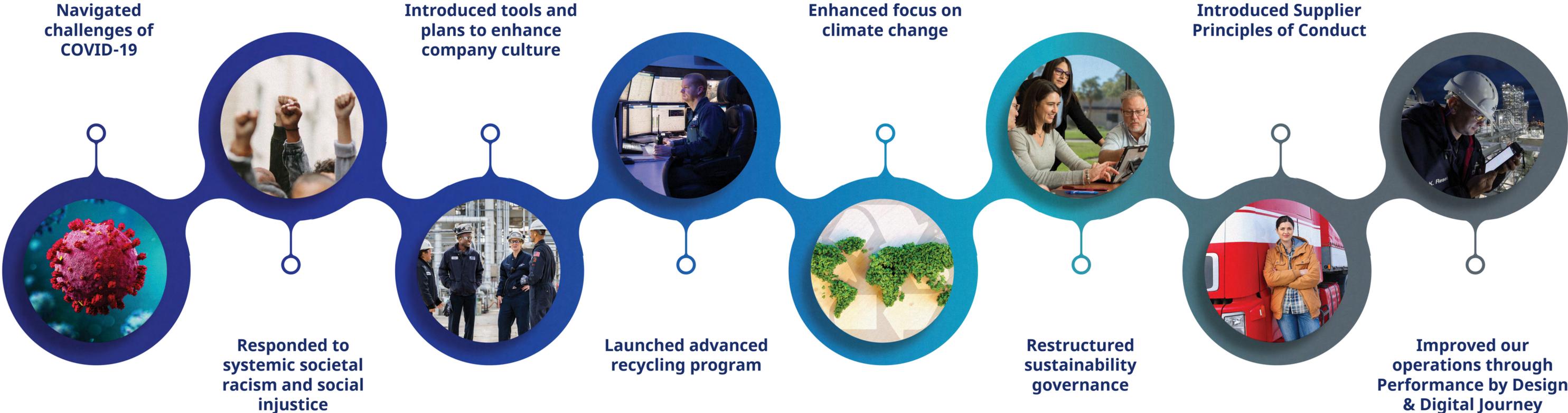
Ranked number **32** among America's Best Large Employers by Forbes

2020



Milestones in Our Transformation

Through 2020's historic events and unprecedented hardships, CPChem maintained diligence in propelling the company's sustainability programs and achieved a number of significant successes as a result of its caring and compassionate attention to its people and operations.





Our Strategy for a Sustainable Future

Benny Mermans

Vice President, Sustainability

As populations grow, demand for materials is expected to place heavy pressure on our most valuable natural resources and exacerbate issues like climate change, plastic waste and social inequity. Through these challenges, our task is clear — to proactively help the world find sustainable solutions.

Sustainability is integral to our corporate strategy, which ensures we are prepared to act on environmental, social and governance issues that impact our business and uncover opportunities where our strengths can be leveraged to generate the greatest positive effect.

Our sustainability strategy prioritizes three critical focus areas to propel CPChem toward a more sustainable future: addressing climate change, providing sustainable, circular products, and proactively engaging in issues facing our industry and society.

CPChem has long held a focus on sustainability, and I am encouraged by our mounting progress. Creating a new sustainability governance structure, increasing our reporting transparency and launching our first circular product line are a handful of recent achievements the company has made on its sustainable journey, and many more lie on our horizon.

CPChem is determined to help the world tackle global issues as we work toward a more equitable, lower carbon future. By employing our strategy and continuing to transform our performance, I am confident CPChem will be a leader in sustainability within our industry and beyond.

Sustainability Focus Areas



To equip our company with the appropriate internal tools and guide CPChem’s sustainability strategy, we have established several governance bodies under executive oversight.

Corporate Governance and Senior Leadership

CPChem is governed by a Board of Directors, composed of nine representatives under the terms of a limited liability company agreement. Representatives from the Board serve on committees, providing strategic direction and input on policies covering a range of topics like Enterprise Risk Management (ERM), compensation, and Environmental, Health, Safety and Security (EHSS).

Our company is led by accomplished individuals with extensive experience and proven talents, working together to guide the company toward a successful and sustainable future. The Leadership Team directs company strategy, risk management and CPChem’s response to critical sustainability topics.



View CPChem’s current leadership team >

Sustainability Governance

In early 2021, CPChem established its first Vice President role devoted solely to sustainability and formed an Executive Steering Team (EST) focused on ensuring the success of the company’s sustainability objectives.

Reporting to the EST, two new executive-led Guidance Review Teams (GRTs) provide direction and recommendations on a variety of strategically important sustainability issues, specifically addressing climate change and increasing product sustainability and circularity. Our EHSS Policy Committee, consisting of core Leadership Team members, provides oversight and governance for CPChem’s EHSS activities and Operational Excellence System, which is our management system for many key sustainability issues. Additionally, our Executive Diversity Council provides direction and oversight for our actions related to societal issues, including diversity, equity and inclusion.

EST Members

- B.J. Hebert**
President and Chief Operating Officer
- Justine Smith**
Senior Vice President, Petrochemicals
- Scott Sharp**
Executive Vice President, Projects and EHS&S
- Tim Hill**
Senior Vice President, Legal and Public Affairs
- Mitch Eichelberger**
Executive Vice President, Polymers and Specialties
- Steven Prusak**
Senior Vice President, Corporate Planning and Technology
- Bryan Canfield**
Senior Vice President, Manufacturing



We don't want to merely participate in sustainability initiatives, we want to be a leader. CPChem aims to be at the forefront by enhancing our programs, surpassing our goals, and leveraging the diversity, expertise and creativity of the exceptional employees at this company.

B.J. Hebert
President and Chief Operating Officer



Our Growing Sustainability Group

Growing from a single position in 2015, CPChem’s sustainability team now spans three continents and manages innovative programs that improve operations and widen our scope of sustainability.



Measuring and Achieving Progress

Transparency is critical to the success of our business. We regularly measure our impacts through performance metrics and progress against internal goals. We have included these performance indicators in this year's report, which can be seen in our Performance Data Tables. The regular enhancement of our measurement ability and commitment to ambitious yet achievable goals will help CPChem achieve long-term, sustainable growth.

CPChem employee and executive compensation are directly tied to meeting the company's safety, environmental and performance targets.

Managing Risks

To us, paths leading to a more sustainable future are built not only by responding to risks to our business, but also by addressing the concerns of our stakeholders and safeguarding our ability to operate responsibly. CPChem utilizes a robust Enterprise Risk Management (ERM) process to identify risks, allowing us to proactively recognize and mitigate potential hazards to our business and assets. Our ERM process evaluates a wide range of potential risk areas, including sustainability, access to capital, antitrust, product liability, loss of primary containment, margin, hurricane, geopolitical risk, major projects and systemic trade issues.

Our regulatory risk assessment process is managed by our Ethics and Compliance Office. Risk assessments are completed every two years at our facilities worldwide, spanning 15 potential risk areas to determine factors that could impact compliance with relevant regulations and laws.

[Learn how we are managing climate risks](#) >

Achieving Gold

CPChem's European operations were awarded the EcoVadis Gold Medal rating. This award program assesses seven management indicators across 21 sustainability criteria.



Analyzing Our Key Issues

Key sustainability issues are determined through a materiality process. Potential key environment, social and governance issues are identified through a rigorous process of benchmarking industry members, sustainability frameworks, and standards like the United Nations Sustainable Development Goals, Global Reporting Initiative (GRI) Standards, Sustainability Accounting Standards Board (SASB) and Task Force on Climate-Related Financial Disclosures (TCFD). We approach stakeholders with these potential issues through a Key Issue Assessment process to assess stakeholder expectations and the perceived impacts these issues may have on our business.

The Key Issue Assessment process uncovers risks and opportunities related to sustainability and validates their significance to our strategy and other business processes in addition to informing our reporting.

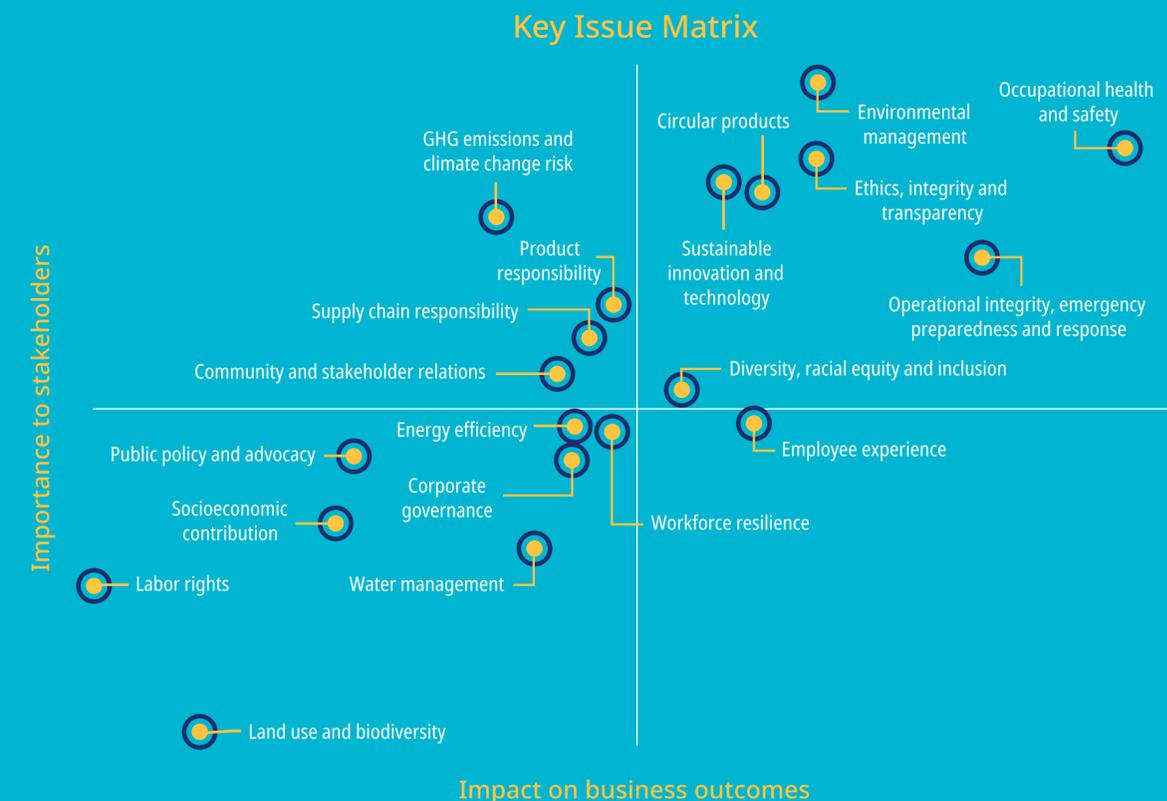
Our first Key Issue Assessment was conducted in 2014, which led to the development of our seven sustainability focal points that have served as the structure for our first nine sustainability reports. To ensure continued alignment with our stakeholders, we initiated a new Key Issue Assessment in 2020, in which we engaged more than 300 stakeholders. Compared to previous assessments, many issues gained importance to our stakeholders, including diversity, racial equity and inclusion, and sustainable innovation and technology. Key issues identified through this assessment span our impacts on **People**, the **Planet** and the company's **Performance**, which serve as the structure of our 2020 Sustainability Report.

Key Issue Matrix

This matrix signifies the results of our 2020 Key Issue Assessment. The results will be leveraged to inform our sustainability strategy and planning processes. This report aims to provide additional insight into how we are managing and performing on the issues.

All assessed issues are important to CPChem. This matrix reflects only those topics deemed most significant to our stakeholders and our business. The arrangement of issues within the matrix is the result of a detailed scoring exercise based on raw stakeholder rankings.

Learn more about our Key Issue Assessment Process and Stakeholder Engagement



Stakeholder Engagement

Collaborating with and gaining insights from our stakeholders is important to the success of our business. We identify our stakeholders as employees, communities, NGOs, governments, financial institutions, suppliers, customers and the industry trade sector. In addition to targeted engagement efforts, such as interviews, surveys and focus groups leveraged through our Key Issue Assessment process, we hold ongoing dialogues with our stakeholders through various platforms to gain insights into environmental, social and governance issues that impact our business. We leverage this feedback to assess how our company allocates resources to ensure our programs are addressing stakeholder needs.

Empowering People



We aim to empower people, the most significant contributors to the sustainability and success of our company. We believe that maintaining trusting relationships with our communities makes us a better organization. As a company, CPChem builds community relationships through transparency, respect and responsibility. As people, our employees reinforce these relationships by volunteering their time and talents to make positive changes everywhere we live and work.

Maricela Caballero
Senior Vice President, Human Resources

In this section:

1 Employee metrics and tracking our social progress

2 Diversity and inclusion and addressing racism and social injustice

3 Culture Evolution and empowering employees

4 Health, safety and responding to COVID-19

5 Engaging our communities

Our Employees

CPChem’s continued growth and success are attributable to our 4,715 employees working across 21 countries. Approximately 70% of our employees hold positions at manufacturing sites producing chemicals, plastics and polyethylene pipe. Our organization also utilizes many contractors, who bring additional experience and expertise to our operations and help achieve our ambitious safety and performance goals.



Metrics That Matter

We have significantly expanded our disclosures on employee and leader diversity throughout the organization in this year’s report. We firmly believe that transparent reporting on key diversity metrics is essential to achieving equity for all. In addition to enhanced external disclosures, CPChem introduced the Metrics That Matter dashboard in 2020 that serves as a central hub for employees and provides Key Performance Indicators. Employee diversity metrics will be a central part of this new tool that has expanded CPChem’s ability to measure progress and identify opportunities for improvement.

[View employee diversity metrics in the Performance Data Tables](#) >

Women at CPChem

Increasing resources, creating opportunities and empowering women throughout all levels of our organization remain priorities and areas of progress at CPChem. The number of women holding senior leadership roles has doubled over the last five years, and women currently represent 21% of our global employees. We are actively working to improve our practices to attract more women into the organization through targeted recruitment efforts.

In 2020, CPChem employees launched the company’s first employee-led resource group, STRIVE, which offers resources focused on attracting, retaining and supporting women at CPChem.

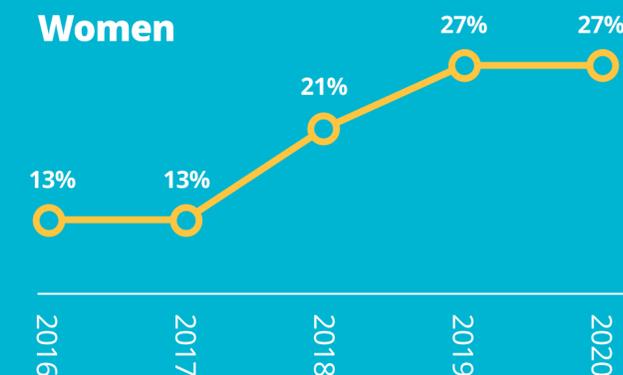
Employees of Color at CPChem

Employees of color make up 32% of our U.S. Dollar workforce and 13% of CPChem’s senior leadership. We have improvements to make in this area, and we are committed to increasing diversity throughout the company. We will achieve this by assessing our practices and making sure all employees have access to opportunities for growth and career advancement.

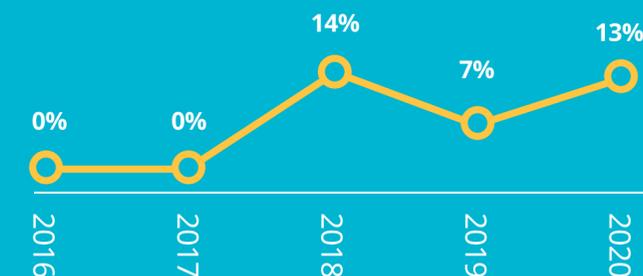
Last year, CPChem examined and rebuilt its recruitment strategy for upcoming graduates. As a result, our new graduate recruitment program is more inclusive of people of color and better designed to attract candidates with diverse backgrounds and experiences.



Diversity of Senior Leadership



People of Color



Diversity and Inclusion

Our employees and business thrive on a collection of experiences, cultures, talents, perspectives and styles of leadership.

We recognize, encourage and celebrate diversity by creating and refining comprehensive Diversity and Inclusion (D&I) programs, and by addressing and continuing the conversation about social issues that influence the lives of our people and the communities where we work.

Executive Diversity Council

The Executive Diversity Council (EDC) provides leadership, guidance and direction for CPChem's Diversity, Equity and Inclusion journey. The EDC is instrumental in our current work bolstering our strategy to ensure gender and racial equity. This specialized council comprises members from senior leadership and other leaders from across the company.

Employees Driving Change

All leaders and employees in the organization receive D&I training. Additionally, Employee Resource Groups (ERGs) at CPChem are voluntary, employee-led groups that foster a diverse and inclusive workplace aligned with the organization's mission, values, goals, business practices and objectives. ERGs provide support through personal and career development and create a safe space where employees can bring their authentic selves to work. In 2020, employees launched CPChem's first ERG, STRIVE. Open to all employees, this group drives collaborative conversation on career fulfillment, with a targeted focus on the challenges women face in the workplace. STRIVE was a catalyst for CPChem, and its formation was leveraged during 2020 to begin work in establishing formal pathways for employees to share their interests and form new ERGs.

ICARE Ambassadors and ICARE Councils

ICARE Ambassadors and ICARE Council Members form the core of organized grassroots support for our D&I efforts. Ambassadors are selected by local management and approved by the EDC and work to:

Build

awareness and understanding among employees regarding ICARE principles and supportive workplace behaviors.

Assist

local leaders in addressing issues impacting diversity and inclusion.

Model

appropriate behaviors and act as change agents for diversity and inclusion.



Diversity and Inclusion

ICARE 2.0 – Moving from Principle to Practice

Our ICARE principles — Inclusion, Cooperation, Accountability, Respect, Everyday — speak to who we are at CPChem and help foster a culture that enriches our high-performing workforce. Since ICARE was launched, we have continued to educate our workforce about what each principle means and how to put them into practice.

In 2020, CPChem launched ICARE 2.0 *for Impact*, which is moving from what ICARE is to focus on how ICARE is practiced. The ICARE 2.0 Roadmap shows our strategy to continuously improve our culture at CPChem.

ICARE 2.0 – Roadmap

ICARE has helped to lay the foundation for a **diversity-friendly and welcoming culture** that allows us to continue to:

- Attract, develop and retain a high-performing workforce
- Enhance employee engagement
- Leverage the diversity of employee ideas to drive creativity and innovation



What ICARE stands for:

- INCLUSION**
How we make decisions
- COOPERATION**
How we work together
- ACCOUNTABILITY**
How we manage our work environment
- RESPECT**
How we treat each other
- EVERYDAY**
Consistent and persistent



Speaking Out Against Racism



The historic social issues and events of 2020 exposed the unacceptable and lingering presence of racism in society.

We recognize, encourage and celebrate diversity by delivering comprehensive D&I programs, addressing gender and racial equity, and continuing the conversation about social issues that influence the lives of our people and the communities where we work.

Listening to Our Employees

We wanted to hear directly from our employees of color about their CPChem experiences and where we may have opportunities to improve, specifically regarding race and ethnicity. Focus group sessions were held with employees representing various functions and U.S. site locations across the company. Feedback provided during these sessions is helping to shape specific actions that make up our D&I strategy. At the center of that strategy is a commitment to ensure equity of access to development and career opportunities for all employees.

Leveraging Input from Experts

CPChem engaged a nationally recognized D&I consultant, Denise Hamilton, founder and CEO of Watch Her Work, to assist our organization through conversations about race and injustice. Using D&I best practices and hosting an engaging live forum for employees featuring CPChem leadership has created a pathway to help us become more comfortable having uncomfortable conversations. Leveraging input from experts is one of several resources in our toolbox to empower employees to understand differences, engage in open conversations, resolve conflict and become better allies. This strategy is a commitment to ensure equity of access to development and career opportunities for all employees.

Creating a Library of Resources

We created a digital library of materials for all employees, organizing tools and resources that foster self-awareness and allow for productive conversations regarding race, both at work and at home. Employees can read articles and peer-reviewed literature, hear compelling perspectives of people like civil rights leader Congressman John Robert Lewis, and access a database of suggested documentaries that aim to build awareness of the challenges and ramifications of racism in America.

Assistance and Support

Employees are encouraged to take advantage of CPChem's Employee Assistance Program (EAP), which provides resources and extra support for balancing added stresses to work and home life caused by social unrest. The EAP is a free program for employees that provides confidential support and work/life services, including free counseling.

Culture Evolution

Performance by design. Caring by choice.™ is who we are. It represents what sets us apart from our competitors and guides our employees toward the behaviors we expect.

As a company that strives for continuous improvement, CPChem conducted a culture and rewards survey in 2019, benchmarked against 900 companies. The results placed CPChem in the top quartile and highlighted our company's cultural strengths and opportunities for growth.

Out of this study arose three elements of strength and four elements we have chosen for further focus at CPChem. Together, these seven areas now represent our Culture Evolution, which will empower employees to unleash their best and support business and digital transformations now and in the future.



What I love most about CPChem is the drive to continuously improve all areas of the company, especially our culture. We will use this drive and build upon CPChem's strong foundation to advance our culture and keep pace with a changing world.

Jacquie Perez
Culture Evolution Manager

Seven Elements of Culture Evolution

Strengths at CPChem



Execute With Excellence
safety & reliability



Honor Our Purpose
our shared vision & values



Cultivate Connection
open & trusting relationships

Focus Areas



Take Initiative
personal & leader accountability



Unlock Possibility
innovation & improvement



Maximize Potential
talent development & career opportunities



Do What Matters
performance transparency

In 2020, sub-teams from CPChem's diverse workforce developed a plan to explore our four focus areas and provide guidance to help employees cultivate meaningful work. CPChem announced its Culture Evolution plan in the fall of 2020 and will roll out the full program in 2021.

Combining our Culture Evolution efforts with the practice of high trust behaviors and constructive conflict outlined in our ICARE 2.0 training will lead our company to improve its position as a preferred partner to our customers, an investment of choice for our owners, and a more enjoyable and fulfilling place to work.

Health and Safety

Safeguarding our people, assets, environment, customers and communities is our primary objective. CPChem's Environmental, Health, Safety and Security (EHSS) strategy, *Our Journey to Zero*, is a blueprint that helps us deliver on our commitments to take time to perform jobs correctly, reduce risks, follow established procedures, continue to learn and above all else, operate safely.

Our EHSS Strategy: To eliminate events that could inflict serious — or even fatal — injuries to employees or contractors, or result in severe process safety events.

[Learn about *Our Journey to Zero*](#) >

Operational Excellence System

We will never stop our pursuit of Operational Excellence (OE), that is, to be the best company in our industry by doing the right things, the right way. Our OE System provides a framework that aims to help CPChem standardize our efforts, continuously improve and drive operational discipline. It is structured to fulfill the Responsible Care Management System® (RCMS®) requirements. This system is leveraged for managing many of the key issues that are important to our stakeholders and our business in areas of environment, health, safety, security, reliability and quality.

[Learn about our Operational Excellence System](#) >



Product Safety

As we continue to transform our operations and products to drive sustainable solutions, we remain vigilant on ensuring the health and safety of our customers and communities. We carefully test our products and communicate health, safety and environmental impact information. Read more about Product Responsibility and Customer Health and Safety in our GRI Content Index.

Health and Safety

Health and Safety in 2020

Throughout the COVID-19 pandemic, we maintained our focus on the health and safety of our employees and contractors, experiencing only 23 cases of recordable illnesses related to COVID-19 transmission in the workplace. In 2020, CPChem's Recordable Incidence Rate (RIR) (inclusive of COVID-19 recordable illnesses) for employees and contractors was 0.31 and 0.06 respectively.

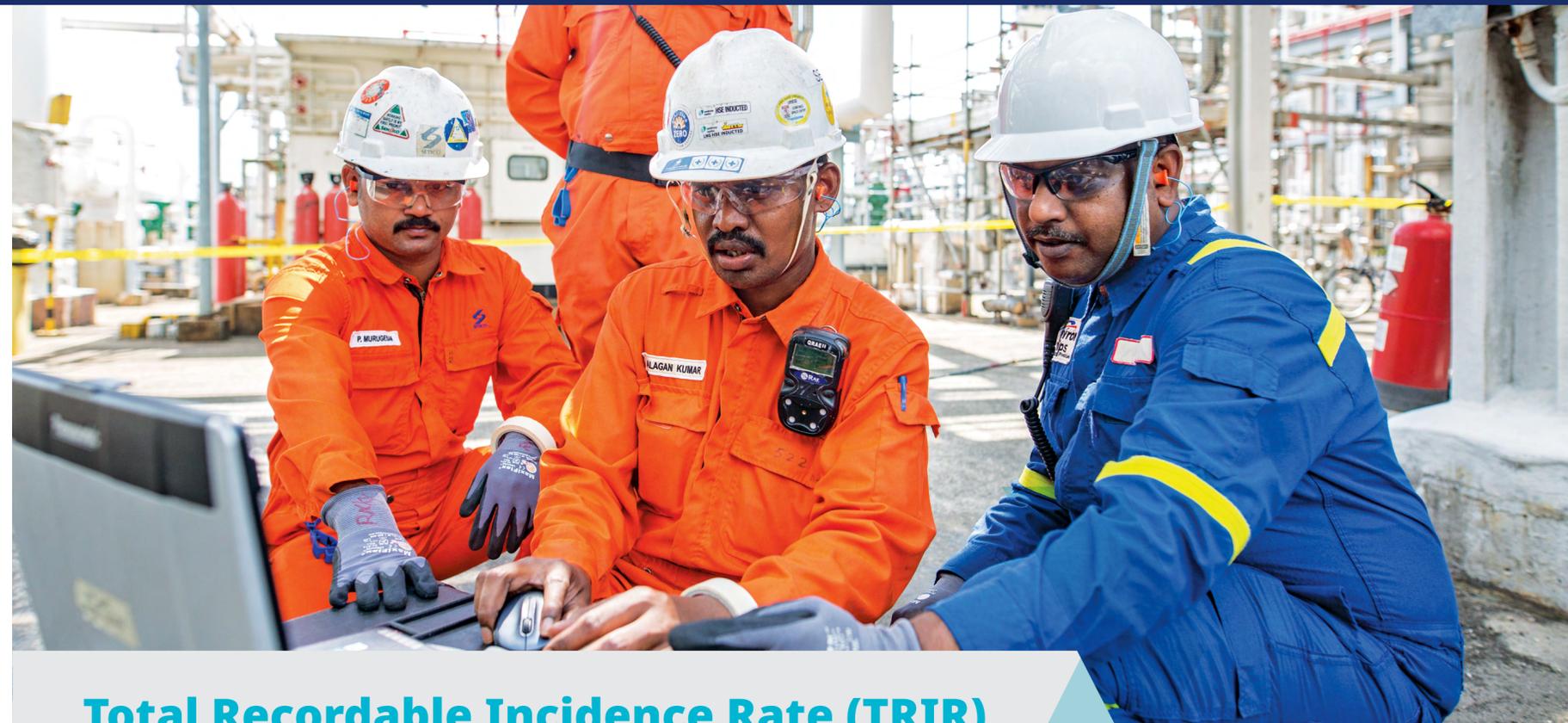
Excluding COVID-19 related illnesses, employees and contractors achieved the lowest Recordable Incidence Rates (RIR) CPChem has ever documented. This impressive accomplishment through this challenging year illustrates the success of *Our Journey to Zero* and our Operational Excellence programs and is a testament of our dedication to keep safety at the forefront of everything we do

[Read about our COVID-19 response](#) >

While our company experienced a lower number of recordable injuries and illnesses, the severity of these injuries increased in 2020. Developed in 2019, the Injury Severity Index is a metric being piloted by CPChem and aims to give us insight into better understanding and reducing the severity of our injuries while providing a deeper evaluation of progress beyond RIR metrics.

Emergency Response

All CPChem facilities have Emergency Action and Accounting Plans, which are governed by our OE Systems Manual. We pride ourselves on our engagement with our local communities on emergency preparedness. Emergency response teams, composed of CPChem personnel as well as local and regional experts, stay prepared to respond to incidents by undergoing frequent emergency response training that includes briefings and drills covering a wide array of scenarios including product spills, fires, explosions, natural disasters and security incidents.



Total Recordable Incidence Rate (TRIR)

Recordable Injuries and Illnesses x 200,000/hrs



● Employee ● Contractor

2020 TRIR including COVID-19 Recordable Incidences	
Employee: 0.31	Contractor: 0.06

Featured Stories

Five Million Hours of Safety

At Q-Chem’s Mesaieed and RLOC facilities, employees and contractors completed an equipment turnaround and worked more than 5,100,000 total hours without a single recordable injury. Added up, that’s the equivalent of 582 years!

5,100,000
total hours
without a single recordable injury

Contractor Safety

As a result of a 2019 spike in contractor injuries, CPChem developed and facilitated a Contractor Safety Leadership and Engagement Training course in 2020. CPChem contractors finished 2020 with an RIR of 0.05, a 79% reduction in the contractor RIR of 2019 (0.24), showing significant improvement in safety performance.

79% ↓
reduction
in the contractor RIR of 2019

Safely Maintaining Our Assets

During a scheduled turnaround at our Sweeny/Old Ocean plant, employees were challenged to perform their job duties while also following additional COVID-19 protocols. These employees rose to the challenge and experienced no recordable injuries through more than 439,305 total work hours.

No recordable injuries through more than
439,305
total hours

Process Safety

Striving for zero process safety events not only ensures that we keep our employees and communities safe, but that we minimize our environmental impact. We completed 2020 with a Tier 1 and 2 combined Process Safety Event (PSE) Rate of 0.039, a slight increase from our record low PSE Rate in 2019. We continue to drive toward our goal of zero by improving risk management processes and identifying opportunities to eliminate any potential loss of primary containment.

Process Safety Highlights in 2020

Completed risk assessments focused on chemicals that present Toxic Inhalation Hazards.

Enhanced requirements for externally facilitated risk workshops that engage frontline employees in risk identification and mitigation.

Developed new Process Safety Core Competency Program to ensure employees have training and experience to deliver strong process safety performance.



Process Safety Event Rate

Tier 1 and Tier 2 Process Safety Event Rate (events/hours x 200,000)



Protecting Our People Through COVID-19

The unprecedented circumstances created by COVID-19 demonstrated CPChem's operational resilience and our ability to quickly respond and adapt to protect our people as the pandemic evolved.

We prioritized direct and prompt communications, accessible support for employees, and detailed procedures for working safely in our plants and office locations.



Timely and Transparent Communication

CPChem's COVID-19 communications strategy was centered around keeping our workforce safe and informed. Intensive efforts went into authoring webpages, emails, and videos to keep employees updated as the company responded to the pandemic. Our President and CEO shared regular video messages throughout the pandemic, providing a series of updates on COVID-19 and its impacts on our workforce and business operations.

Comprehensive Support

Throughout the pandemic, CPChem offered comprehensive support for employees working on-site and at home. We instituted flexible work guidelines to help employees manage childcare, remote learning and the many unexpected challenges of working from home.

We also intensified awareness efforts behind CPChem's Employee Assistance Program and encouraged employees to take advantage of this free, easily accessible program with exhaustive resources supporting mental health through COVID-19.

CPChem adjusted the company's benefits structure to better serve the evolving needs of our workforce throughout the pandemic, through changes such as expanding 401(k) distribution options, allowing mid-year changes to Flexible Spending Account elections, and adapting our paid leave policy to ensure continuity of pay for quarantine periods.

Working Safely

CPChem operates critical infrastructure that enables the production of many products essential to everyday life around the world. Consistent with guidelines from the Centers for Disease Control and global health experts, CPChem executed a cautious and measured approach to maintain operations while keeping essential employees safe. We quickly appointed a COVID-19 response team with representation from our EHSS, Medical, Legal and Human Resources departments that worked tirelessly to establish protocols to protect essential employees and help all other employees transition back to the office after months of working remotely.

In the United States, our corporate COVID-19 team managed thorough contact tracing procedures and assessments that minimized risks and potential COVID-19 exposures. **Through the COVID-19 pandemic and beyond, we will remain vigilant in our commitment to secure the safety of our employees and contractors.**

Enriching Our Communities

Workforce Investment in Sweeny, Texas

On January 22, CPChem and the Sweeny Independent School District announced a \$1.7 million contribution to the district's new career and technology education (CTE) center. The donation reflects a shared commitment to education and workforce development, and provides high school students the industry skills needed to compete in the workplace. The Chevron Phillips Chemical CTE Center offers courses focused on science, technology, engineering and math, as well as professional communications, agriculture, architecture and construction, business and health.

\$1.7M
contribution



CTE

The district's new career and technology education (CTE) center

We aim to enrich people's lives and the communities where we live and work.

The challenges that many communities faced during the COVID-19 pandemic further emboldened our commitment to care for our neighbors and inspired us to pivot our charitable giving plans to address these issues. We are honored to donate resources like time, money and expertise to worthy causes that improve lives.

Caring for Communities During the Pandemic

In response to the unprecedented challenges of 2020, we strategically prioritized support to nonprofit organizations on the front lines of COVID-19 to strengthen: (1) immediate relief efforts, (2) food security, and (3) health and safety.

In 2020, CPChem donated more than

\$590,000

to support COVID-19 relief efforts

In 2020, we reevaluated our giving strategy to make certain our approach leads to meaningful development within our communities. CPChem continues to cultivate strong relationships with communities and will never stop working to improve our position as a neighbor of choice.



Immediate Relief

We supported several nonprofits focused on providing immediate relief in forms of rent and utilities assistance, outreach to seniors, clothing and household items for the displaced, and job readiness services.

Food Security

Establishing food security was a top priority in 2020 as unemployment rose across the United States. A loss of household income magnified the hardships of many in our community already struggling to afford basic needs, and CPChem supported efforts to feed those in need.

Health and Safety

We have a vested interest in the health and safety of our communities, just as we do for our employees and contractors. In 2020, CPChem supplied much-needed personal protective equipment for healthcare workers, first-responders and educators. We also provided sanitation equipment and created opportunities for COVID-19 testing in underserved communities.

Protecting Our Planet



Climate change, plastic waste and increasing competition for resources are key challenges for our industry. CPChem is determined to be part of the solution to these issues, and we're building a more sustainable future by reducing our environmental impact, responsibly consuming resources and continuously improving our operations.

Bryan Canfield

Senior Vice President, Manufacturing

In this section:

- 1** Minimizing our environmental impact
- 3** Limiting energy use and emissions
- 5** Preventing plastics from entering the environment

- 2** Mitigating climate change and responding to risks
- 4** Using water responsibly
- 6** Reducing waste footprint



Protecting Our Planet

Refreshing Our Strategy

2020 marked a year of business transformation that fueled preparations to refresh CPChem’s Environmental, Health, Safety and Security (EHSS) strategy, *Our Journey to Zero*. Experts and leaders across the company are expanding the strategy and improving our performance approach to minimize impacts to the environment. The updated EHSS strategy is expected to launch in August 2021.

[Learn about *Our Journey to Zero*](#) >

Increasing Our Transparency

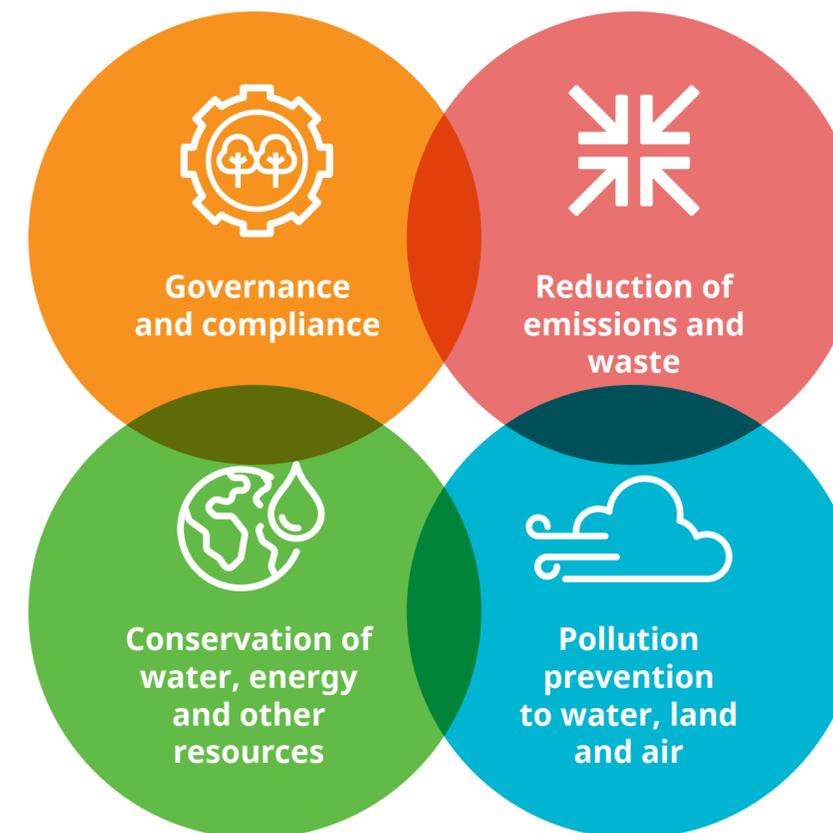
In 2019, we increased our transparency by offering an expanded view of CPChem’s environmental performance metrics. These disclosures document the company’s impacts and progress in our sustainability journey. In this report of 2020 performance data, we have further expanded our disclosures on emissions, energy, waste and water.

Our valuable products are made through the responsible use of energy and natural resources. CPChem is committed to conducting business in a safe, secure and environmentally conscious manner, while working to minimize our impacts on natural capital.



Certifying Our Systems

We believe that external verification and reporting are essential to exceeding expectations of our stakeholders, improving our performance and meeting regulatory requirements. All CPChem facilities in the United States have received third-party verification for our compliance with Responsible Care, excluding our Performance Pipe division. CPChem facilities in Qatar and Belgium have received third-party verification for compliance with ISO 14001.



Managing Our Environmental Impact

CPChem’s Operational Excellence (OE) system directs how we manage and address our impact. An OE Manual guides this system and outlines procedures aimed at ensuring compliance and reducing our environmental footprint. This manual also dictates expectations for improvement via company-wide metrics, goals and milestones in focus areas like pollution prevention, resource conservation and productivity.

[Learn about our Operational Excellence System](#) >



Mitigating Climate Change



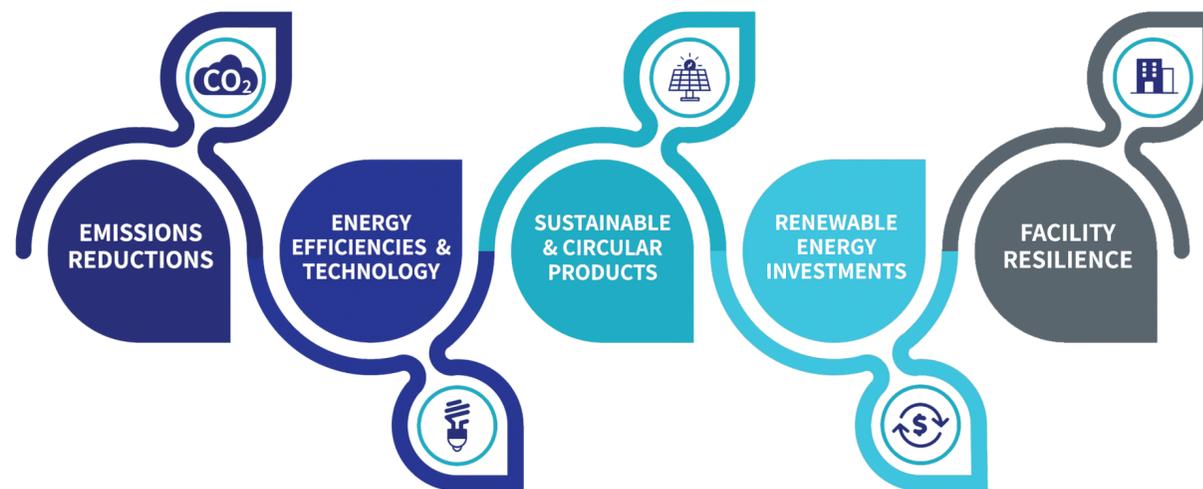
I am encouraged by the emphasis CPChem places on addressing climate change, and I look forward to leveraging the expertise of our employees to develop realistic solutions that help CPChem contribute to a more sustainable future. We will work with state-of-the-art objective tools and techniques to analyze and evaluate a course of sustainable actions for CPChem.

Venki Chandrashekar
GM Corporate Planning and Development

CPChem recognizes the challenges associated with climate change. Instead of only viewing climate change as a threat, we believe there are potentially great opportunities for our business as our company responds to this global concern. Transformative changes underway throughout our company will allow our organization to better respond to climate change risks and transition to a lower-carbon economy. These changes are being distilled into a climate action plan that will ensure climate change considerations are embedded into business practices, including strategic planning.

Climate Focus Areas

CPChem takes commitments seriously. That is why our five key focus areas will enable our business to respond to risks posed by climate change and thrive in a lower-carbon future. At the core of our focus is reducing emissions, and work has already begun to develop and deploy cost-efficient solutions to achieve reductions in total emissions, emissions intensity and severity of emissions.





Taking Action

In 2020, CPChem produced a report detailing our climate risk management practices, leveraging the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). We continue to embed climate risk and opportunity management into our business practices.



Read Managing Climate Change Risks >

Managing Climate Change Risks
 Safety and Planning for the Physical Risks of Climate Change

We are building momentum and developing innovative solutions to mitigate climate change.



Governance

Recent changes to our governance now provide more clarity into oversight and management of climate risks and opportunities. Reporting to our Executive Steering Team, CPChem’s Climate Guidance Review Team will work to implement the company’s vision on climate matters, assess and design technological solutions for CPChem’s approach to climate-related issues, and provide recommendations for optimizing operations to further support the company’s sustainable growth.

Strategy

We will leverage scenario analysis to test our portfolio, assess our strategy, and evaluate potential impacts of physical and transitional climate risks under various potential futures. We are also assessing how to best leverage internal carbon pricing to drive business decisions that support emissions reductions.

Risk Management

Building on 2020 planning exercises, we will leverage a robust Enterprise Risk Management System to identify many climate-related risks. Results of scenario analyses will be leveraged to inform and improve our existing processes.

Metrics and Targets

We currently track and disclose Scope 1 and 2 emissions, energy usage and efficiency, and freshwater intake and discharge data. We are actively working to establish informed targets to reduce our greenhouse gas emissions, emissions intensity and resource consumption.

Visit our Performance Data Tables >

Emissions and Energy

Sources of Scope 1 and 2 GHG Emissions



Most emissions from our operations are generated from the onsite combustion of fuels in the production of ethylene. Our OE System addresses pollution prevention and establishes expectations for monitoring and minimizing greenhouse gas (GHG) and other air emissions from our facilities. We continuously work to improve energy efficiency and our emissions performance, and we have internal goals to reduce our environmental reportable events.

GHG and Air Emissions

In 2020, our total direct and indirect GHG emissions from our operations was 9.75 million tonnes of CO₂ equivalents (CO₂e) compared to 10.34 million tonnes CO₂e in 2019. The decrease in emissions is due primarily to updates made to our emissions reporting process in 2020 to align with the World Business Council for Sustainable Development and World Resources Institute’s GHG Protocol. Improvements to our reporting process also revealed a decrease in our Global GHG Emissions Intensity from 0.57 to 0.53 tonnes of CO₂e per tonnes product.

CPChem’s Total Aggregated Air Emissions increased slightly compared to 2019 resulting in 9.74 thousand tonnes. However, our Global Air Emissions Intensity remained constant. In 2020, we had 51 reportable emissions events, an increase from 47 in 2019.

For more details on our emissions performance, visit the Performance Data Tables



GHG Emissions and Intensity (equity share)



Air Emissions and Intensity

Aggregated NO_x, SO₂, CO, VOC, PM



Improving Energy Efficiency

Our facilities monitor energy efficiency and energy use, including electricity, steam and fuels. Facilities leverage local Energy Best Practice Teams to improve energy performance and initiate energy reduction projects. CPChem’s corporate energy team is composed of a representative from each facility’s local team, with a corporate team lead. This team shares best practices and successes while also establishing companywide energy goals.

Energy Consumption and Intensity

Our previous sustainability reports only disclosed energy consumption from wholly owned assets. To increase transparency, we have expanded this metric to include our equity share of joint venture assets where CPChem participates in the asset’s operation or management. Our 2020 global energy consumption increased compared to 2019 by more than 4 billion MMBtu. Increased energy consumption is primarily attributed to higher production volumes at one of our ethylene facilities compared to previous years. Our Energy Intensity Index for U.S. and European Operations also increased compared to our record performance in 2019. We continue to strive to execute opportunities to lower our energy usage, increase energy efficiency and establish meaningful targets to measure progress.

Manufacturing Energy Consumption (MMBtu)



Manufacturing Energy Intensity



Featured Stories

Cedar Bayou Flaring Emissions Reductions

The Cedar Bayou plant in Baytown, Texas, saw a substantial reduction in reportable unauthorized air emissions events in 2020 thanks to the introduction of Cracker Operating Philosophies and modified startup procedures to minimize flaring. We continue our work to reduce flaring at all ethylene production facilities.

Electrifying Plastic Manufacturing

At our Orange, Texas facility, our polyethylene extruders were originally designed to utilize high-pressure steam to convert plastic fluff into pellets. We modernized these extruder systems to improve their ability to transfer thermal energy, which decreased energy usage and subsequent emissions. As the electric grid continues to increase in renewables, we hope to realize further emissions reductions from these upgrades.

S-Chem Reduces Energy Use

S-Chem, a CPChem joint venture operation in Al Jubail, Saudi Arabia, has made reductions in its energy intensity every year since 2014. These consistent and impressive reductions accounted for a drop of almost 10% in S-Chem’s total energy intensity in 2020 compared to 2014.

Old Ocean Reduces Energy Intensity

In 2020, our Old Ocean facility in Sweeny, Texas, reduced its energy intensity by 14%. Focusing on minimizing fuel gas usage across the site contributed to this considerable improvement, which also resulted in a significant reduction in greenhouse gas emissions.

Conserving Water

Water is a shared resource, and increasing scarcity of usable freshwater is a global concern. We manage and conserve freshwater through reuse and recycling efforts or by using alternatives like desalinated water at facilities in high water stress regions like the Middle East. According to the World Resources Institute Aqueduct Water Risk Atlas, three CPChem wholly owned facilities are in areas of high water stress risk. As part of our Operational Excellence System, CPChem facilities are required to maintain programs that promote continual improvement of water consumption. Companywide, we are working to incorporate concerns surrounding the responsible use of water in business decisions so that we may further protect this valuable resource.

In 2020, our freshwater intake totaled 53.2 thousand megaliters compared to 55.9 thousand megaliters in 2019. Our global freshwater intake intensity decreased from 3.09 in 2019 to 2.89 liters/kg product in 2020. These reductions are mostly attributed to decreased activity at facilities during the year, as well as changes in the classification of desalinated sea water compared to previous years.



Water Quality

We manage our water discharge and water quality diligently according to our permitted limits. Our facilities are reviewed regularly for the potential to adversely affect groundwater. These reviews and other provisions are incorporated into our OE System, which is utilized to ensure compliance with all water discharge requirements.

Freshwater Intake and Intensity



[Learn about our water use](#) >



Freshwater Intake

At our facilities, water is consumed in manufacturing processes and used for cooling, steam production and the disposal of effluents. We use surface, ground and seawater, sourced directly and through third parties.



Treatment

Prior to discharge back to water sources, process water is treated to meet or exceed regulatory standards at a water treatment facility.



Discharge

After treatment, water is reused or recycled in our operation, or discharged from permitted outfalls to local waterways.

Plastic Management



In 2020, there were no reported plastic losses from CPChem facilities.

Plastics are a valuable resource that offer sustainable solutions to our daily lives. However, plastic waste generated from the manufacturing and use of plastic products is a global issue. Preventing plastic pellets and flakes from entering the environment is the responsibility of all members of the plastics value chain.

Operation Clean Sweep®

CPChem is committed to Operation Clean Sweep® (OCS®) programs across the globe and has established tangible business practices to prevent plastic loss from our facilities. Our plastic manufacturing sites have OCS® teams that assess risk, perform inspections, and identify improvement opportunities to prevent plastic loss.

In 2020, we made further enhancements to our plastic management systems by publishing a corporate Operational Excellence Guidance Document to provide a framework for plastic management programs at our facilities. A formal Guidance Review Team was also chartered and consists of executive leaders across the company who guide our plastic management efforts and ensure effective implementation. As part of our OCS® communication and engagement strategy, we developed training modules for all CPChem employees regarding their responsibilities for managing plastics.

Continuous Improvement

Our target is zero plastic loss from our facilities. Assessments conducted in 2019 and 2020 identified opportunities at our facilities to further enhance and transform our plastic management efforts. For example, these assessments inspired projects that increased our ability to more sustainably remove residual plastics from railcars returned by customers. Through continuous monitoring and improvement of our plastic management programs and end-of-line controls, we are delivering on our commitment to ensure plastics are not lost to the environment.

Engaging Our Supply Chain

Preventing plastic loss during transportation is an important part of the solution to ending plastic waste. In 2020, we expanded our efforts to engage and mentor service providers, customers and peers on effective plastic management and transportation practices. We also organized webinars and presented best practices in coordination with industry associations.

Eliminating plastic waste will require collaboration, strong commitment and operational discipline throughout the plastics value chain. CPChem is dedicated to being a leader in responding to this issue.



Waste and Recycling

We aim to reduce our waste, leverage opportunities for its reuse and maximize recycling whenever possible.

Handling Waste Responsibly

At our facilities, we produce olefins, polyolefins, alpha olefins, aromatics, specialty chemicals, ethylene, polyethylene and polyethylene pipe through several processes that also generate waste streams. Beyond our strict adherence to local disposal regulations, CPChem’s OE System sets internal requirements for our facilities regarding disposal and minimization of waste. Additionally, employee-led, local Green Teams and Pollution Prevention Teams are instrumental in identifying waste reduction and recycling opportunities.

In 2020, the total waste disposed from our facilities was 33,874 metric tons, a slight increase compared to 2019. Fluctuations in waste generation from year to year are affected greatly by major project work, a prominent source of waste at our facilities.

Total Waste and Intensity



Featured Stories

Q-Chem Waste Champions

Q-Chem, CPChem’s joint venture in Qatar, achieved an 18.5% reduction in total volume of waste disposed in 2020 compared to 2019. This was accomplished through targeted recycling and reuse efforts, in addition to leveraging the innovation of our employees through monthly and annual Housekeeping and Waste Segregation Champion awards.

18.5% ↓
reduction
in our total volume of waste disposed

Expanding Recycling in Bartlesville, Oklahoma

CPChem’s Bartlesville Green Team reinvigorated an onsite recycling program by installing more prominent recycling containers in all buildings and initiating an education campaign. Post-consumer recyclables are taken to a local 501(c) nonprofit organization, which provides jobs for individuals with disabilities. Recycling in Bartlesville is a win-win for the community and environment.

NEW
recycling initiatives
in Bartlesville

Transforming Our Performance



Our longstanding focus on sustainability has built and reinforced a foundation that will support CPChem’s transformation toward a sustainable future. Using our tagline — *Performance by design. Caring by choice.*™ — as our guide, CPChem will enhance its outstanding business reputation, deliver innovative solutions to global issues, and be a leader in sustainable operations across the petrochemical industry and beyond.

Rick Wagner
Sustainability Policy and Program Manager

In this section:

1 Performance by Design

2 Product sustainability and accelerating circularity

3 Ending plastic waste

4 Upholding integrity at CPChem and across our supply chain

5 Economic performance and looking ahead



Performance by Design

CPChem launched Performance by Design (PBD) in late 2019 as the initial leg of its ongoing Business Transformation effort.

Transforming our processes



Liz Peck, Communications Advisor, displays her Performance by Design Keystone Award.

PBD seeks to find better, more effective methods to execute job processes by challenging the status quo and collaborating to develop solutions. PBD is also about leveraging new technologies or creatively using existing technologies to save time and focus on high-priority items, identifying inefficiencies or redundancies within our organization, and collaborating to streamline our work processes.

PBD saw terrific success in 2020 and paved the way for a bold agenda in 2021 after CPChem's Digital Transformation and Culture Evolution efforts joined PBD as key pillars. The year surpassed all forecasts as engagement, execution, and ideation took hold across the company. We also implemented the Keystone Awards in 2020, a program that recognizes employees who showcase the behavioral and performance characteristics of PBD.

To date, employees have generated more than 800 ideas and implemented over 400 PBD initiatives across four major regions: Asia, Europe, the Middle East and the United States. More than 2,500 employees are engaged with PBD, and 85 Keystone Awards have been presented to individuals in recognition of their contributions.

PBD's pervasiveness at all levels of CPChem has transformed our business and the way we operate. As PBD evolves, we will use it to innovate, improve our operations and increase the sustainability of our products.

In 2020, CPChem secured more than \$300MM worth of value from PBD projects. CPChem is building on this momentum and continuing its multi-year journey toward best-in-class performance.



Helping Hands: Read how one CPChem employee set a project in motion to donate more than 100,000 half-gallon HDPE bottles for COVID-19 relief.

[Read about our Helping Hands](#) >

Product Sustainability and Circularity

Transforming our products

We have begun efforts to perform Life Cycle Assessments (LCA) of our products' full life cycles to measure their impacts. CPChem is also exploring opportunities to conduct Product Sustainability Assessments through a multi-faceted approach to assess potential environmental, social and financial impacts. Comprehensive assessments like these will support our ability to optimize our product portfolio by identifying strengths, measuring product risks and uncovering opportunities for sustainable innovation.

Accelerating Circularity with Advanced Recycling

CPChem made remarkable headway toward a circular economy for plastics in 2020 by producing the company's first circular polymer through its advanced recycling program. Advanced recycling, sometimes referred to as "chemical recycling," converts plastic waste to valuable liquids that can become new petrochemicals. This approach complements traditional recycling by converting a range of materials, including many difficult-to-recycle plastics, into important building blocks for new chemicals.

Our products serve as foundational building blocks to support a sustainable future.

Global issues like climate change and resource scarcity have energized us to design novel solutions that improve the lifecycle of our products, minimize impacts and generate value from plastic waste.

What is advanced recycling?



Click on the video to see how advanced recycling can breathe a new life into plastic waste — again, and again, and again.

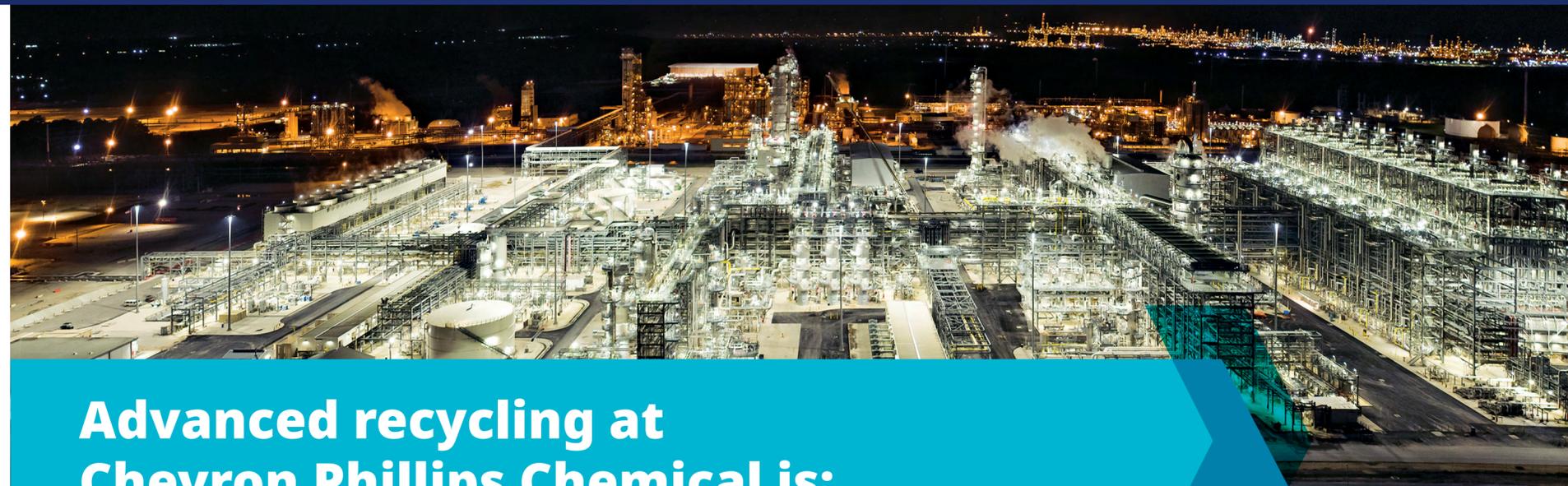
Product Sustainability and Circularity



All recycling methods have a role to play in reducing plastic waste. Advanced recycling technology allows us to recover hydrocarbons from plastic waste that have previously been difficult or even impossible to recycle, enabling us to upgrade them into clean, safe circular plastics. We are excited to be at the forefront of this technology as we seek to implement sustainable solutions that cultivate a circular economy.

Ron Abbott

Sustainability Technology Manager



Advanced recycling at Chevron Phillips Chemical is:



Sustainable

Plastic waste repeatedly becomes new materials



Versatile

Can use a variety of plastics, especially difficult-to-recycle items



Clean and Safe

Properties of our products are identical to brand-new plastic

Marlex® Anew™ Circular Polyethylene

Using our advanced recycling technology, we introduced Marlex® Anew™ Circular Polyethylene in October 2020, a cutting-edge product that embodies our commitment to helping the world find sustainable solutions and eliminate plastic waste in the environment. Marlex® Anew™ Circular Polyethylene is certified as a circular product through the International Sustainability and Carbon Certification PLUS process.

Through advanced and mechanical recycling, sustainability assessments of our product portfolio, and work to reduce the environmental impacts of our products, CPChem remains well-positioned to create innovative streams for waste plastics and deliver sustainable, circular products for years to come.

[Read about Marlex® Anew™ Circular Polyethylene](#)



Ending Plastic Waste

Plastics are a valuable resource that offer sustainable solutions to our daily lives. However, the world is facing an undeniable waste management problem. Across the globe, we are delivering on our commitments to reduce unmanaged plastic waste through financial contributions, research, leveraging the exceptional talent of the CPChem family and more. Our sustainability initiatives are quickly growing in number and influence, and we continue to develop solutions to complement our dedicated approach to eliminating plastic waste.

Vision and Solutions

Our vision is to create a fully circular economy for plastics, where every piece of post-use plastic is recycled, reused or repurposed. Developing a circular economy for plastics will involve complete value chain engagement. In addition to working directly with our customers on product-specific solutions, we are supporting initiatives across the globe to develop circular economy solutions, expand plastics recycling and identify new end-market opportunities for mechanically recycled plastics. Our advanced recycling program that produces Marlex® Anew™ Circular Polyethylene and our founding membership of the Alliance to End Plastic Waste are just two examples of how we are generating value from plastic waste and making tangible progress toward a circular economy.

Working Together

We aren't alone in our journey to eliminate plastic waste on land and in the ocean. Around the world, plastic industry associations have created nearly 400 projects dedicated to preventing marine litter since 2011. CPChem is among more than sixty companies across the plastics value chain that form the Alliance to End Plastic Waste, a global organization cultivating programs that recover and create value from plastic waste. In addition to financial support, our company welcomes opportunities to share our technical expertise and best practices to advance progress in eliminating ocean debris.

Further, we participate in several industry commitments and declarations, supporting the American Chemistry Council and PlasticsEurope pledges that 100% of plastic packaging will be reused, recycled or recovered by 2040. CPChem has also committed to the Circular Plastics Alliance goal toward the use of 10 million tons of recycled plastics to make new products in the EU by 2025.

Our goal is not only to end post-consumer plastic waste, but also to keep plastic where it belongs throughout the manufacturing process.

[Read about Plastic Management at CPChem](#) >



Circular Economy Engagement



Alliance to End Plastic Waste

Founding member of the Alliance, an organization working with companies across the plastics value chain that have pledged more than \$1.5 billion to keep plastic waste out of the environment.



Sustainably Smart Toolkit

Publishing education materials to encourage open discussions about the value of plastics and recycling.



Operation Clean Sweep® Blue

Following through with deepened commitment to plastic management practices across U.S. and similar programs in Asia and Europe.



Industry Goals

Working toward industry goals of achieving 100% reuse, recycling or recovery of plastic packaging by 2040.



Circulate Capital Ocean Fund

Contributed \$15 million to the first investment fund dedicated to eliminating plastic waste in South and Southeast Asia.



Community Enrichment

Supporting our communities through litter cleanup events, volunteerism, financial contributions and more.

Integrity and Compliance

Upholding Trust

CPChem's reputation is shaped by our actions. Our core values of safety, respect, integrity and drive are indicative of our approach to upholding the respected reputation we are proud to have earned from our stakeholders.

Our Ethics and Compliance program permeates the entire company. This program is managed by the Ethics and Compliance Office, which provides guidance on compliance, training and reviewing compliance provisions in contracts. Conducting business safely, lawfully and ethically has been, and will always be, of paramount importance to CPChem.

Code of Conduct

Our Code of Conduct (Code) highlights CPChem's ethical standards, informs employees of relevant policies and procedures, and includes detailed information on how to report a concern. This Code applies to CPChem employees and the employees of its wholly owned or controlled subsidiaries. All employees are required to complete training, review and certify compliance with the Code annually. We believe this Code reinforces the high standards to which we hold ourselves and those doing business on our behalf.

Integrity Across Our Supply Chain

CPChem works with over 7,000 suppliers and service providers to manufacture and distribute our products to more than 140 countries around the world. In 2020, CPChem produced a Supplier Principles of Conduct (SPOC) to ensure our suppliers and service providers are aligned with the company's values. These principles apply to all suppliers and business partners, and we encourage these groups to share in our commitment to sustainable operations and social responsibility. The SPOC summarizes CPChem's expectations in the areas of Labor and Human Rights; Environment, Health and Safety; Ethics and Compliance; and Management Systems.

[Read our Supplier Principles of Conduct](#) >

CPChem works with over
7,000
 suppliers and
 service providers

selling products to more than
140
 countries
 around the
 world



Business Performance and Outlook

Economic Performance

For CPChem, sustainable growth means delivering value to our stakeholders. A key element of our business strategy is to grow earnings and returns while leveraging our business to seek sustainable solutions that benefit communities worldwide. In 2020, our earnings fell below 2019 driven by the global pandemic, a worldwide recession, oil price volatility and an active hurricane season on the U.S. Gulf Coast. These challenges created uncertainty throughout the value chain and resulted in lower sales and profitability.

In the toughest environment in many years, we worked to operate safely and reliably with a focus on reducing the impact of events beyond our control. As one result of this commitment, we regained a top spot among our industry peers in one of the measures we use to assess our competitive position, EBITDA / assets, climbing three positions since 2018.

We are prepared to accelerate our major projects safely and efficiently when the economy improves. We advanced our U.S. Gulf Coast II and Ras Laffan Petrochemical Project, as well as multiple mid-cap projects, and a select C8/C6 alpha olefins pilot plant at our Bartlesville Technical Center.

Our financial contributions to, and partnerships with initiatives that share our resolve to help create a circular economy for petrochemicals — namely plastics — highlight our dedication to advance a sustainable future.

[View financial information in our Performance Data Tables](#) >



Sustainable Growth

Our sustainable growth vision is to proactively invest in profitable and sustainable solutions that support our communities at home and benefit society at large.

In 2020, CPChem navigated the COVID-19 pandemic and other challenging market conditions by operating safely and reliably. Our products provide benefits to the daily life of the consumer, and the pandemic has highlighted how integral our products are to modern living. We believe that the global demand for our products will sustainably grow as countries and societies move up the economic ladder.

Since our formation, CPChem has continued to develop and invest responsibly in strategic and value-add opportunities to meet the global growing demand. We are also investing in scalable, innovative solutions to ensure our products' long-term sustainability. CPChem investments enhance our ability to compete throughout the business cycle and ensure long-term success for our employees, customers, community and shareholders.

Supply and Demand — a Look Ahead

While the economic impact of the pandemic is substantial, our long-term view on demand for plastics and our other products remains positive. Demand for many of our products remained strong as manufacturers accelerated production of goods essential to worldwide pandemic response efforts. As global restrictions lessen, we expect forward momentum in our near-term growth, moderating to historical levels in the mid- and long-term.

The materials we produce will continue to be crucial in meeting the demands of an expanding global middle class for years to come. Plastics are a proven, safe, efficient and sustainable solution that lowers energy use and emissions, especially compared to alternatives.

Performance Data Tables



The data provided in the following tables is intended to provide a transparent account of our performance through relevant social, environmental and financial metrics.

The content for these data tables was identified through stakeholder engagement via our Key Issue Assessment process in combination with the consideration of relevant disclosures in the Global Reporting Initiative (GRI) Standards. Information on definitions, boundaries and restatements of disclosures included in these tables is provided in the GRI Content Index under the provided GRI Disclosure number.

[View the full GRI Content Index](#) >

In this section:

- 1 Social performance
- 2 Environmental performance
- 3 Financial performance

Social Performance

2016 2017 2018 2019 2020

GRI Disclosure

Information on Employees

Total employees at year end	4,882	4,815	4,733	4,793	4,715
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Headcount by Region

North America	4,267	4,250	4,196	4,237	4,207
Europe	281	285	285	306	306
Asia Pacific	177	166	161	174	150
Middle East	157	114	91	76	52

Represented Employees by Region

North America	583	593	565	585	557
Asia Pacific	141	138	129	143	141

Attraction and Attrition

Total hires into organization	251	332	356	397	243
Attrition rate	-	-	-	7%	6.90%
Voluntary attrition rate (less retirements)	-	-	-	3.75%	2.60%

Employee Diversity

U.S. Employee Diversity

Percent visible diversity* among U.S. employees	42%				45%
Percent visible diversity as U.S. managers	38%				38%
Percent employees of color	29%				32%
Percent employees of color in senior leadership	0%	0%	14%	7%	13%

Global Employee Diversity

Percent women among total employees	21%				21%
Percent women as managers	19%				21%
Percent women in senior leadership	13%	13%	21%	27%	27%

102-7

102-47

401-1

405-1

Social Performance

2016 2017 2018 2019 2020

GRI Disclosure

Percent Women by Region

North America	20%	20%	20%	20%	20%
Europe	27%	28%	27%	28%	29%
Asia Pacific	54%	55%	56%	49%	55%
Middle East	4%	5%	6%	8%	10%

Percent Headcount by Generation

Baby Boomers (1946-1963)	32%	28%	25%	22%	19%
Generation X (1964-1978)	36%	36%	37%	37%	38%
Generation Y (1979-1994)	32%	35%	36%	38%	39%
Generation Z (1995 and later)	0%	1%	2%	3%	4%

Other Social Metrics

Total employees training hours	-	-	-	236,799	265,302
Parental leave utilization (total employees)	-	-	-	-	179

Occupational Health and Safety

Total Recordable Incidence Rate (recordable injuries/ hrs x 200,000)	0.3	0.14	0.1	0.15	0.05 (0.18)**
Employee Recordable Incidence Rate	0.11	0.17	0.08	0.07	0.05 (0.31)**
Contractor Recordable Incidence Rate (excluding major capital projects)	0.21	0.11	0.13	0.24	0.05 (0.06)**
Major Capital Projects Recordable Incidence Rate	0.56	0.14	0	0	0
Fatalities	1	1***	0	0	0

Process Safety

Tier 1 and Tier 2 Process Safety Event Rate (events/hrs x 200,000)	0.04	0.06	0.05	0.03	0.04
Tier 3 >10% of Tier 2 Quantity Threshold	0.18	0.32	0.35	0.31	0.38
Tier 1 Process Safety Severity Rate	0.01	0.12	0.04	0	0.07

405-1

404-1

401-3

403-9

* Visible diversity is defined as employees who are of color and/or female for U.S. Dollar employees.

** 2020 TRIR excluding COVID-19 recordable illnesses.

*** 2017 fatality occurred at a CPChem Joint Venture facility.

Environmental Performance 2016 2017 2018 2019 2020 GRI Disclosure

GHG Emissions

	2016	2017	2018	2019	2020	
Total Direct (Scope 1) and Indirect (Scope 2) GHG emissions (equity share) (million tonnes of CO ₂ e)	8.5	8.4	10.3	10.3	9.8	
Direct GHG emissions (Scope 1) (equity share) (million tonnes of CO ₂ e)	6.4	6.4	7.9	8.0	7.4	305-1
Scope 1 emissions (wholly owned assets)	3.9	3.9	5.4	5.5	5.0	
Scope 1 emissions (Joint venture assets with some operational control - equity share)	2.1	2.0	2.4	2.3	2.4	
Indirect GHG emissions from electricity and steam (Scope 2) (equity share) (million tonnes of CO ₂ e)	2.1	2.0	2.4	2.3	2.4	
Scope 2 emissions (wholly owned assets)	1.6	1.5	1.9	1.8	1.7	305-2
Scope 2 emissions (Joint venture assets with some operational control - equity share)	0.5	0.5	0.5	0.5	0.6	
Global GHG Emissions Intensity (tonnes CO ₂ e/tonnes product)	0.57	0.60	0.57	0.57	0.53	305-4

Environmental Performance 2016 2017 2018 2019 2020 GRI Disclosure

Energy

Total energy consumption (million mmbtu)	170	163	204	206	210	302-1
Electricity	28	26	33	32	33	
Fuel (net purchased and produced)	109	105	136	137	142	
Steam (net purchased and produced)	33	32	35	36	35	
Total energy consumption (million mmbtu) (wholly owned assets)	124	117	158	159	165	
Total energy consumption (million mmbtu) (Joint venture assets with some operational control - equity share)	46	46	47	47	46	
Energy intensity (wholly owned assets)*						
Energy intensity (U.S. operations)	1.02	1.00	0.98	0.94	0.94	302-2
Energy intensity (European operations)	0.83	0.81	0.79	0.77	0.81	
Other Significant Air Emissions						
Total Aggregated Air Emissions (thousand metric tons)	9.65	9.71	11.03	9.68	9.74	305-7
PM	0.61	0.58	0.58	0.57	0.58	
VOC	2.49	2.36	2.95	2.46	2.45	
CO	2.23	2.58	3.07	2.30	2.34	
NOx	2.97	3.39	3.69	3.62	3.82	
SO2	1.34	0.81	0.74	0.73	0.55	
Global Air Emissions Intensity (tonnes/ thousand tonnes product)	0.65	0.69	0.61	0.53	0.53	305
Emissions Events**	44	50	31	47	51	
Emissions Events from Startup Operations	0	0	23	1	0	
Emissions Events Intensity (events/ thousand tonnes product)	0.0030	0.0036	0.0017	0.0026	0.0028	

*Energy Intensity Index is a ratio of the actual energy consumed over an expected baseline energy number.

**A reportable emission 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.

Environmental Performance 2016 2017 2018 2019 2020 GRI Disclosure

Water (equity share)

Total Water Consumption* (thousand mega liters)	22	15	28	34	31	303-5
Global Freshwater Intake Intensity (liters fresh water/kg product)	3.26	3.09	2.76	3.09	2.89	
Total Global Water Intake (thousand mega liters)	579	552	565	581	570	
Total Water Intake (less seawater)** (thousand mega liters)	48.4	43.5	49.6	55.9	53.2	

Total Water Intake by Source Type (thousand mega liters)

Surface water	43.3	39.1	46.5	51.6	48.1	303-3
Ground water	0.4	0.4	0.4	0.3	0.8	
Seawater	533	510	515	525	516	
Third-party	4.6	4.0	2.7	4.0	4.3	

Total Water Discharge
(thousand mega liters)

Total Water Discharge (thousand mega liters)	557.5	537.1	536.8	546.9	538.4	303-4
Total Water Discharge (less seawater) (thousand mega liters)	26.8	28.5	23.2	23.5	23.4	

Water Discharge by Disposition Type (thousand mega liters)

Surface water	25.1	27.0	21.9	22.0	22.4	303-4
Ground water	0.2	0.2	0.2	0.2	0.2	
Seawater	530.8	508.6	513.5	523.4	514.9	
Third-party	1.4	1.3	1.2	1.3	0.9	

Waste (equity share)

Total Waste Production (thousand tonnes)	27.5	46.2	47.8	30.8	39.7	306-2
Hazardous Waste***	12.6	14.6	14.4	11.3	15.2	
Non-Hazardous Waste	14.8	31.5	33.4	19.5	24.5	
Global Waste Intensity (tonnes waste/tonnes product)	0.0019	0.0033	0.0027	0.0017	0.0022	

Environmental Compliance

Total fines	-	-	-	8	9	308-1
Total amount	-	-	-	\$570,761	\$210,829	

*Total Water Consumption represents the difference between water intake and water discharge and includes water lost due to evaporation.
 **Total Water Intake (less seawater) represents total sum of measured and estimated freshwater withdrawal (<1000 mg/L Total Dissolved Solids), including purchased desalinated water.
 ***Hazardous waste data represents waste deemed hazardous by region specific definitions.

Environmental Performance 2016 2017 2018 2019 2020 GRI Disclosure

Plastic Management (U.S. only)

Reported plastic releases (pounds)	-	-	4	0.02	0
Plastic recycled from facilities (millions of pounds)	-	-	31.5	29.2	31.3

Financial Performance (in millions) 2016 2017 2018 2019 2020 GRI Disclosure

Annual Sales and Other Operating Revenues	8,455	9,064	11,310	9,333	8,439	102-7
Total Revenues and Other Income	8,769	9,378	11,696	9,443	8,266	201-1
Net Income	1,687	1,446	2,069	1,760	1,260	
Current Assets	2,695	2,944	2,820	2,554	2,816	
Total Assets	15,465	16,767	16,610	16,868	17,026	
Current Liabilities (Excluding Debt)	1,418	1,439	1,281	1,247	1,394	
Total Liabilities	3,987	4,371	4,173	4,421	4,774	102-7
Total Members' Equity	11,478	12,396	12,437	12,447	12,252	
Debt-to-Capital Ratio	15%	16%	16%	16%	16%	
Capital Spend	1,953	1,477	553	795	525	201-1
Community Investment	2.6	4.0	2.6	5.8	6.9	



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