Direct engagement with policy makers
Trade associations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

<table>
<thead>
<tr>
<th>Focus of legislation</th>
<th>Corporate position</th>
<th>Details of engagement</th>
<th>Proposed legislative solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cap and trade</td>
<td>Support with minor exceptions</td>
<td>LyondellBasell has directly engaged in dialogue with national governments, legislators and trade associations to explain the impact of legislation on its operations and competitiveness, regarding e.g., the future of the EU Emissions Trading System or the introduction of carbon border adjustment measures</td>
<td>As a company operating more than 90 manufacturing sites around the world, LyondellBasell is well placed to evaluate the impact of widely-differing laws and regulations. In Europe, for instance, LyondellBasell is subject to the EU Emissions Trading System, while such a cap and trade system does not exist in the United States. If applied universally and consistently a single, global, market-based cap and trade system could provide the necessary price signal to reduce greenhouse gases emissions at minimum cost, but we recognise this is unlikely to occur in the short to medium term. In the meantime, fair compensation mechanisms should be considered so that producers subject to carbon tax or cap and trade schemes not be penalised against imports from countries where such constraints do not exist. LyondellBasell is therefore watching carefully, and broadly favourable to, the EU proposal to introduce a carbon border adjustment mechanism (CBAM) as part of its July 2021 “Fit for 55” package, designed to accelerate the reduction of GHG emissions by 2030 and place Europe in the trajectory to achieve climate neutrality in 2050. Although by nature some of its manufacturing processes tend to be energy intensive, LyondellBasell manufactures chemicals and materials that significantly contribute to increasing energy efficiency and reducing carbon emissions over the lifecycle of the products and applications in which they are used. This is why LyondellBasell advocates that legislation must, foremost, recognise the contribution of the chemical industry by not selectively subjecting it to obligations or costs that would put it at a competitive disadvantage and, secondly, respect the principles of sound science and technology neutrality, to ensure that the most efficient and innovative solutions prevail</td>
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<td>Energy efficiency</td>
<td>is actively innovating and applying new energy efficient technologies and products both at our manufacturing facilities and for use by our customers, and we take all opportunities to explain these activities to regulators or legislators, for instance by inviting them to visit our sites.</td>
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<td>inherent to the chemical industry as it intrinsically improves its competitiveness. Energy efficiency targets driven by legislation can provide additional incentives to continuously improve and reduce the impact on the environment, if they do not overlap with other regulations or impose caps on production or growth. LyondellBasell also supports policies or schemes that promote the development of co-generation facilities, which improve energy efficiency.</td>
</tr>
</tbody>
</table>

<p>| Regulation of methane emissions | Support with minor exceptions | LyondellBasell is working to reduce the environmental impact of its operations through a variety of initiatives. These initiatives include efforts to reduce emissions, reduce energy and explore how we can reduce emissions in our supply chain by switching to lower carbon transportation solutions. We engage directly and through our trade associations with legislators and regulators at the state and federal level. | LyondellBasell supports regulations that improve the safety of chemical and manufacturing facilities and provide long-term certainty for investment decisions. New regulations or changes to existing regulation must be based on science, balanced, non-repetitive and have benefits that exceed their cost. |</p>
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<tr>
<td>Carbon tax</td>
<td>Support with minor exceptions</td>
<td>LyondellBasell is very involved at regional (EU, U.S.) levels, both directly and through key trade associations.</td>
<td>LyondellBasell would therefore consider supporting carbon tax legislation that fully recognises these contributions by not selectively subjecting our industry to overly burdensome or duplicative obligations and costs that would put it at a competitive disadvantage or inhibit innovation. Carbon legislation should also reflect the principles of sound science, should be both technology and material neutral and should be designed to mitigate carbon leakage between geographic regions as described above in the Cap and Trade entry.</td>
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Other, please specify (Clean Fuels)

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<td>LyondellBasell is a world leader in the production of fuel ethers and in particular of bio-ETBE, a biofuel used as a blending component in gasoline. As a result of their unique properties, fuel ethers reduce the emissions of CO2 and other air pollutants. LyondellBasell is engaged in direct and indirect advocacy with policy makers in major areas of the world including Europe, Asia and Latin America.</td>
<td>Thanks to our fuel blending components LyondellBasell continues to be committed to improving fuel quality and fuel efficiency, and reduce greenhouse gas emissions associated with transport in our day-to-day life. Over many years our products have successfully contributed to meeting ambitious air quality and emission reduction targets in many cities around the world. Today, these products still offer an immediate and more cost-effective way to reduce emissions globally next to alternative fuel vehicles, such as hydrogen, or electric cars. We are blending first generation biofuels and have also started selling advanced biofuels meeting the latest stringent requirements of the EU Renewable Energy Directive.</td>
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C12.3b
C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

**Trade association**
American Chemistry Council (ACC)

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association’s position**
The American Chemistry Council (ACC) has adopted a set of Climate Policy Principles. A combination of technology, market-based, and policy solutions will be necessary to reduce GHG emissions and achieve climate goals, such as those of the Paris Agreement. To support climate progress, the ACC calls on the US Congress to enact legislation to:

1. Increase government investment and scientific resources to develop and deploy low emissions technologies in the manufacturing sector;
2. Adopt transparent, predictable, technology- and revenue-neutral, market-based, economy-wide carbon price signals; and
3. Encourage adoption of emissions-avoiding solutions and technologies throughout the economy to achieve significant emissions savings.

**How have you influenced, or are you attempting to influence their position?**
LyondellBasell employees actively participate on many ACC committees including the Energy Committee. LyondellBasell serves on the boards of ACC and ACC Plastics Division.

**Trade association**
American Fuel and Petrochemical Manufacturers (AFPM)

**Is your position on climate change consistent with theirs?**
Mixed

**Please explain the trade association’s position**
The American Fuel and Petrochemical Manufacturers (AFPM) acknowledges climate change is real and is committed to the development of sound policies that enable their members to supply the fuel and petrochemicals that growing global populations and economies need to thrive, and to do so in an environmentally sustainable way. Policies addressing climate change must be:

1. Balanced and measured to improve quality of life, ensuring the long-term economic, energy, and environmental needs of humanity are met;
2. Protective of U.S. competitiveness and prevent the shifting of production, jobs, and emissions from the United States to other countries;
3. Harmonized, preemptive, and economy-wide;
4. Simple and transparent; and
5. Achievable and flexible to adjust as necessary.
Trade association
European Chemical Industry Council (Cefic)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
In March 2020, the European Commission presented its proposal for the first EU-wide climate law, which after consultation of the European Parliament and the Council has been finally adopted in June 2021. It enshrines in a binding legislation the EU objective of achieving climate neutrality by 2050. Cefic supports the European Green Deal and Europe's ambition to become climate neutral by 2050. As recognised in the European Green Deal Communication, energy-intensive industries, such as chemicals, are indispensable to Europe's economy, as they supply key value chains. Cefic considers the following conditions essential for the chemical industry's profound transformation: • A sound and detailed definition of climate neutrality which provides a signal for long-term investments. • All sectors of the economy need to be on board to reach climate neutrality. • An enabling framework will be the key to success Energy-intensive industries have called for a Clean Industry Package with concrete actions based on three pillars: the creation of markets for climate-neutral, circular economy products; developing climate-neutral solutions and financing their uptake; and the deployment of the necessary resources. To achieve the transition, our industry will need abundant supplies of low-carbon energy and much more energy than today. The EU Industrial Strategy package should lay the foundations to deploy radical industrial policies to accelerate Europe's industrial transformation. Moreover, while preserving intra-EU competition, EU policies should also equip European industry to compete on a global scale.

How have you influenced, or are you attempting to influence their position?
LyondellBasell is actively participating in Cefic work and involved in numerous committees. Our Senior Vice President, Olefins & Polyolefins, Europe is a member of the Board and of the Executive Committee of Cefic, and chairs its Programme Council Climate Change and Energy, which oversees the development of Cefic positions.

Trade association
National Association of Manufacturers (NAM)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The NAM agrees with the conclusion of the most recent National Climate Assessment by the U.S. Global Change Research Program that the earth is warming and human activities are causing it. Further, our rapidly changing climate poses significant threats to human health, natural resources, biodiversity, infrastructure, food supply, economic growth and many other necessities. The NAM supports the Paris Climate Agreement but believes that...
the U.S. should also invest heavily in energy and water efficiency solutions, clean energy R&D, modernization of the electric grid and carbon reduction technologies such as carbon capture, utilization and storage. Finally, NAM believes U.S. domestic policy must work in lockstep with a global framework to avoid carbon leakage.

**How have you influenced, or are you attempting to influence their position?**
LyondellBasell influences the NAM’s climate policies through its participation on their Energy and Environment Committee.

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**Trade association**
Plastics Europe

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association’s position**
Plastics improve the quality of life for millions of people across the globe, and are key to accelerating the European transition to a low-carbon circular economy where resources and energy are utilised in the most effective way – but we will not be able to achieve the full potential of these materials if the global challenges linked to their impact when they end-up in the environment are not tackled. Most plastic materials are currently fossil based and are produced from oil or gas. PlasticsEurope, and its members including LyondellBasell, believe that in the long-term, plastics production should be decoupled from fossil feedstock, and that, in the future, the vast majority of plastics will be produced from alternative feedstocks, such as recycled oils or secondary plastics, responsibly sourced biomass, or even CO2.

**How have you influenced, or are you attempting to influence their position?**
LyondellBasell is actively participating in PlasticsEurope work and involved in many committees. Our Senior Vice President, Olefins & Polyolefins, Europe is a member of the Steering Board, and chairs its Strategic Council Climate change and production, which oversees the development of PlasticsEurope positions.

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**C12.3f**

**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

LyondellBasell established a multi-disciplinary work group to develop a global sustainability strategy for the company. This strategy was reviewed and approved by the sustainability steering committee, consisting of senior executives representing all business areas and geographic regions for the company. Imbedded in the global sustainability strategy are five core sustainability focus areas, one of which is climate change. The working group developed policy principles for each of these core sustainability focus areas which were also re-