

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

Trade associations

C12.3a

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

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Cap and trade	Support with minor exceptions	LyondellBasell has directly engaged in dialogue with national governments and legislators to explain the impact of legislation on its operations and competitiveness, regarding e.g., the future of the EU Emissions Trading System.	As a company operating more than 100 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. 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
Energy efficiency	Support with minor exceptions	LyondellBasell 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.	Reducing the use of feedstocks and resources, in particular energy, is 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
Clean energy generation	Support with minor exceptions	LyondellBasell is the 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 both 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.	LyondellBasell advocates a technology-neutral approach to developing motor fuel specifications, at each part of the automotive value chain, that allows each potential solution to compete on its own merits with regards to the cost, technical and environmental effectiveness of reducing greenhouse gases emissions in transport. Similarly, whilst generally favourable in principle to the development of renewable energy – enabled for instance by our wire and cable products used in solar energy and wind generation cable systems – the prime preoccupation of LyondellBasell is to be able to access competitively priced and secure energy. Policies or schemes that support renewable energy generation should be limited in time, focus on innovations that contribute to effective greenhouse gases emission reductions, and take into account the cost impact on downstream industrial consumers such as LyondellBasell.

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emissions		of its operations through a variety of initiatives. These initiatives include efforts to reduce emissions, energy and exploring 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.	benefits that exceed their cost.
Carbon tax	Support with minor exceptions	Given the pivotal role of the chemical industry in addressing the challenge of reducing greenhouse gases emissions, LyondellBasell is very involved at regional (EU, U.S.) levels, both directly and through key trade associations.	As explained above, LyondellBasell and the chemical industry manufacture 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. 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.
Other, please specify (Climate neutrality)	Undecided	LyondellBasell is engaging with policy makers, directly and through its EU trade associations, regarding the impacts of possibly increasing the 2030 climate targets and preparing the EU for the transition towards climate neutrality by 2050	Regarding the trajectory towards 2050, for industry an indicative target for 2040 could stimulate investments. It might also be a more relevant timeframe than 2030, as we expect that disruptive technologies will be deployed on an industrial scale at the earliest at the beginning of the next decade.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

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

ACC does have a formal internal position on climate change which has not been made public. In general ACC opposes government legislation and regulation that influences energy markets, results in high costs to businesses and consumers and does not produce a commensurate environmental benefit. ACC does support

LyondellBasell employees actively participate on many AFPM committees. Our Executive Vice President Global Intermediates and Derivatives is a member of AFPM’s Executive Committee.

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

AFPM has developed an internal policy on climate change Which has not been made public. The Association encourages energy efficiency and GHG emissions reduction so long as any policy is not detrimental to the U.S. economy or to U.S. energy security.

How have you influenced, or are you attempting to influence their position?

LyondellBasell employees actively participate on many AFPM committees. Our Executive Vice President Global Intermediates and Derivatives is a member of AFPM’s Executive Committee.

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. The law, once finalised, intends to enshrine the EU objective of climate neutrality by 2050 in legislation. 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, Asia and International 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.

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 developed a global sustainability strategy for the company. This strategy was reviewed and approved by the sustainability steering committee, consisting of high-level 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 reviewed and