



*Performance by design.
Caring by choice.™*

An aerial photograph of a large industrial refinery complex, showing numerous tall distillation columns, piping, and storage tanks. A large, semi-transparent green circular arrow graphic is overlaid on the image, pointing clockwise. The background shows a clear blue sky and a green landscape.

CHALLENGE ACCEPTED

2017 **SUSTAINABILITY** SUMMARY

Our Sustainability Journey

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A Message from Our CEO

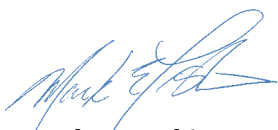
Sustainability is at the heart of our business. We have created sustainable value through our business practices for our customers, workforce and stakeholders, and we will remain focused on enhancing the performance of our operations while delivering sustainable growth. This is so core to our vision and mission, that we recently elevated a sustainable mindset as one of our four primary strategic areas and created a new officer-level position accountable for championing sustainability efforts. As part of our longstanding commitment to sustainability, we are dedicated to protecting the health and safety of our workforce, the communities where we operate and the environment. We are conscious about our impact on the environment and are determined to find long-term solutions for plastics in the environment including marine debris and other environmental concerns. We also remain steadfast in our commitment to respect human rights. Each day we strive to be a good corporate neighbor and exhibit our core value to operate with integrity.

For Chevron Phillips Chemical, 2017 was a pivotal year of transformation but also one faced with enormous challenges stemming from the catastrophic flooding caused by Hurricane Harvey. We reached major milestones in our U.S. Gulf Coast Petrochemicals Project (USGC PP) following the successful startup of two 500,000 metric ton polyethylene units in Old Ocean, Texas, and mechanical completion of the ethane cracker at our Cedar Bayou facility in Baytown, Texas, with a capacity of at least 1.5 million metric tons of product annually. USGC PP represents the future of our company because it greatly expands our global reach.

Safety is an integral part of our company's culture, and our risk reduction efforts have helped us make strides in Our Journey to Zero – our strategy for eliminating high-severity, high-potential process and personal safety incidents. In 2017, our employees and contractors collectively delivered our best-ever recordable injury rates. Unfortunately, we didn't achieve zero injuries or accidents, and this serves as a reminder to us that we must always remain focused on an uncompromising commitment to safety.

In the company's 18-year history, we have never seen an event like Hurricane Harvey. Forty-two percent of our employees in the region were directly impacted when Harvey devastated greater Houston as well as Brazoria, Orange, Jefferson and Chamber counties – home to multiple company facilities and many of our employees. The cities of Baytown, Pasadena, Port Arthur, Orange and Sweeny were all impacted. During that time of great need, our employees answered the call to help our communities while working tirelessly to bring our facilities back online. In response to the storm, we immediately established a \$1 million-dollar emergency fund in excess of our normal charitable contributions to help the United Way and other worthy organizations offering assistance to those in need following Harvey's devastation. We have a company full of incredible people. It is a tremendous honor to lead and work with such selfless professionals who put the needs of others ahead of their own. You can read more about these acts of courage in this report and on our website.

Throughout the year, our business faced many obstacles, but we overcame those challenges head on. We remain steadfast in our vision to be the premier chemical company, known as a great place to work, a reliable supplier and a neighbor our communities welcome.



Mark E. Lashier
President and CEO
Chevron Phillips Chemical

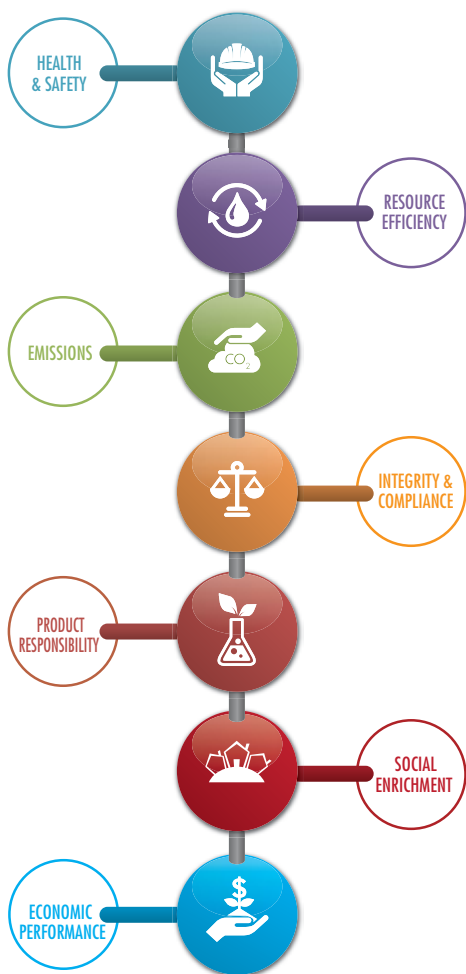
“As part of our longstanding commitment to sustainability, we are dedicated to protecting the health and safety of our workforce, the communities where we operate and the environment.”

– **Mark E. Lashier**
President and CEO
Chevron Phillips Chemical



The report and additional information can be found at www.cpchem.com/sustainability.

Perspectives from Our Vice President



Chevron Phillips Chemical's commitment to sustainability is a continuous journey of learning and improvement. The goal of our sustainability report is to communicate our business strategy of sustainable growth and the continuous improvements we have made since our formation in 2000.

In my newly created role as Vice President, Polymers and Sustainability, I am excited to help shape the company's sustainability strategy and help foster a culture of sustainability with our own employees, while seeking to join with organizations around the world devoted to developing sustainability solutions. From new product development, to sustainable practices within our facilities, we want to be actively engaged and on the forefront of advances that enrich lives and protect our environment. Chevron Phillips Chemical is in growth mode and with growth comes the responsibility to do everything we can to foster a culture of sustainability both inside our company and out.

The future of our industry is linked with finding sustainable solutions for global concerns, including plastics in the environment. As part of our ongoing commitment to address those concerns, we have created partnerships and assumed leadership roles with industry organizations such as the World Plastics Council, the American Chemistry Council (ACC), and the American Fuel and Petrochemical Manufacturers (AFPM). Additionally, this year, we added our name to a growing list of companies working with Materials Recovery for the Future (MRFF) to pilot improved single-stream curbside recycling of flexible plastic packaging. We are also actively engaged with customers to help them find sustainable solutions. And we are boosting our efforts to use our world-class research and technology resources to actively find solutions as well.

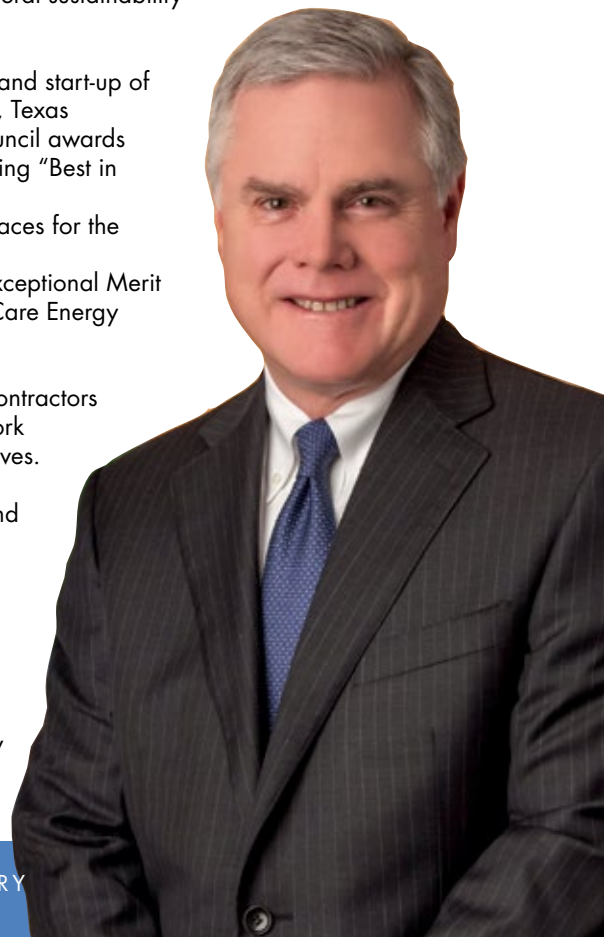
The 2017 Annual Sustainability Summary highlights seven sustainability focal points that our stakeholders have identified as areas that are critical to our success: Health & Safety, Resource Efficiency, Emissions, Integrity & Compliance, Product Responsibility, Social Enrichment and Economic Performance.

Since our first report in 2011, we have made real and measurable progress in those areas, but we know we have a long way to go. In fact, despite some of the challenges we faced from Hurricane Harvey, we celebrated several sustainability accomplishments in 2017.

- Completed successful commissioning and start-up of new polyethylene units in Old Ocean, Texas
- Honored with 18 Texas Chemical Council awards for exemplary safety programs including "Best in Texas"
- Named one of Houston's Top Workplaces for the 4th year in a row
- The Borger, Texas, facility received Exceptional Merit recognition from ACC's Responsible Care Energy Efficiency Awards program

I would like to thank our employees and contractors for their ongoing commitment and their work toward achieving our sustainability objectives. As always, we will strive to communicate clearly and transparently our objectives and sustainability approach.

Jim Becker
Vice President, Polymers and Sustainability
Chevron Phillips Chemical Company





The health and safety of our employees, contractors, neighbors, customers and the environment is of paramount importance to us. Chevron Phillips Chemical believes safety is a shared responsibility and it is central to everything we do.

HEALTH & SAFETY HIGHLIGHTS

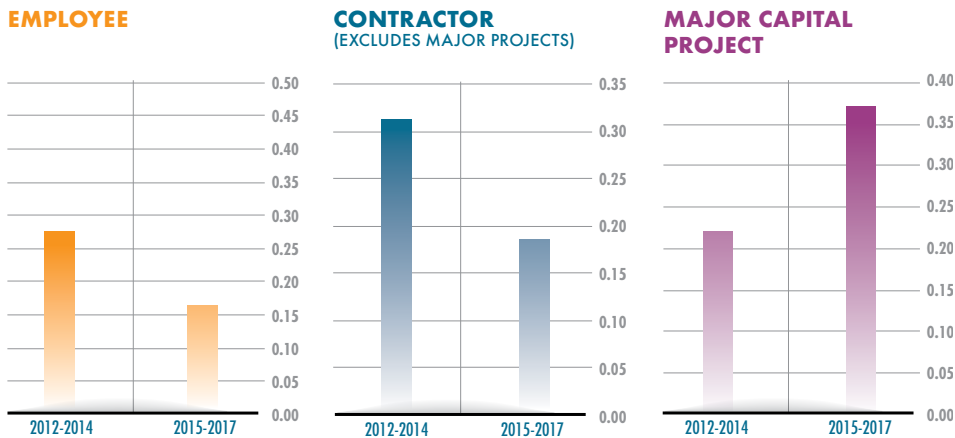
<h3>83%</h3> <p>REDUCTION</p> <p>Since 2002, achieved an 83% reduction in combined employee and contractor Recordable Incidence Rate (excluding Major Capital Projects)</p>	<h3>BEST-EVER RIR</h3> <p>Delivered best-ever performance in our combined employee and contractor Recordable Incidence Rate in 2017 (excluding Major Capital Projects)</p>	<h3>8</h3> <p>TOP SAFETY AWARDS</p> <p>8 top safety awards at the Region VI Voluntary Protection Program Participants' Association 29th Annual Safety and Health Conference</p>	<h3>18</h3> <p>SAFETY AWARDS</p> <p>18 Texas Chemical Council awards for exemplary safety programs including "Best in Texas"</p>	<h3>Elite</h3> <p>SAFETY</p> <p>Port Arthur and Conroe facilities awarded American Fuel Petrochemical Manufacturer Elite Safety Award</p>
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"Safety is one of our core values because we care about each other, our work, our customers and our communities. We are deeply committed to Our Journey to Zero, including being a responsible citizen and a good neighbor to our communities."

- Kate Holzhauser
Vice President, Environment, Health, Safety & Security

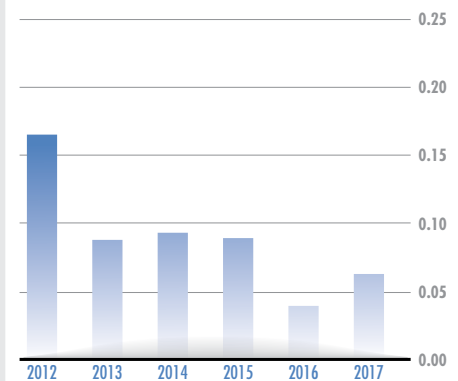
OUR JOURNEY TO ZERO

Our Journey to Zero, our EHS strategy for eliminating high-potential/high-consequence process and personnel safety incidents, has been a major factor in helping Chevron Phillips Chemical shape the safety and operating culture of the company. Since 2002, we have achieved an 83 percent reduction in the combined employee and contractor Total Recordable Incidence Rate (TRIR) (excluding Major Capital Projects). 2015-2017 represents peak construction activity on our USGC PP. In 2017, we are proud to achieved an RIR of 0.14 for the project. Despite challenges created by Hurricane Harvey in 2017, our company still delivered our best-ever performance in our combined employee and contractor (TRIR).



During 2017, we implemented our High Consequence Reporting Process with the goal of helping employees and contractors realize the potential of all incidents, regardless of the outcome. This is critical to identifying and addressing risks in the workplace, which will help us become a safer company.

TIER 1 AND TIER 2 PROCESS SAFETY EVENT RATE



Due in part to shut down and recovery efforts from Hurricane Harvey, we experienced an increase in Tier 1 and Tier 2 Process Safety Events in the second half of 2017. We recognize this is an area for improvement and are focused on deepening our competencies in process safety.

Additional information about the Health and Safety section can be found at www.cpchem.com/sustainability.



“Our Operational Excellence system is the backbone that encourages the responsible use of resources required to manufacture our products. The Responsible Care® awards are a perfect example of how we successfully use energy best practices to reduce energy consumption and greenhouse gas emissions while improving reliability at our facilities.”

– **John Kmetz,**
General Manager, Central Engineering,
Manufacturing

We aim to reduce usage of all resources required to manufacture our products. This commitment includes implementing corporate practices to more efficiently use energy, water, and raw materials, which affect the company’s environmental footprint, social contributions and profitability.

RESOURCE EFFICIENCY HIGHLIGHTS



Recognized at the American Chemistry Council’s (ACC) Responsible Care Conference and Expo for implementing energy efficient improvements in 2017.

EXCEPTIONAL MERIT

Borger facility received Exceptional Merit recognition at ACC’s Responsible Care Energy Efficiency Awards program.



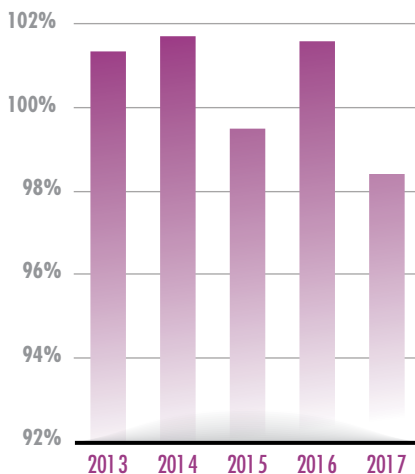
Increased energy efficiency efforts including installing LED lighting at our facilities.

ENERGY EFFICIENCY AND CONSERVATION

The company’s U.S. annual energy consumption in 2017 was 120 trillion Btu compared to 125 trillion Btu in 2016. The decrease was due to lower production attributed to Hurricanes Harvey and Nate, but otherwise there was improved reliability and implementation of new energy projects.

Chevron Phillips Chemical’s U.S. energy index decreased in 2017. In the long term, our expansions will incorporate new process technology to continuously improve the company’s energy efficiency, including the completion of more efficient polyethylene and olefins facilities at Old Ocean and Baytown, Texas, as part of our U.S. Gulf Coast Petrochemicals Project.

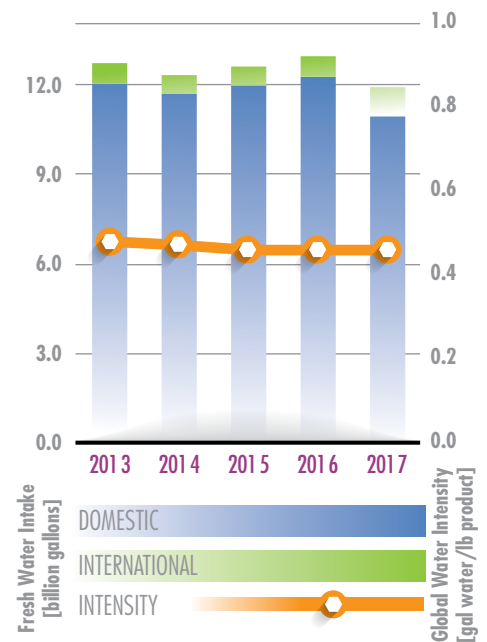
Energy Index



GLOBAL WATER CONSUMPTION

The management and conservation of fresh water resources is critical to the sustainability of our business, our communities and our future. We are committed to the ongoing development of management practices, that conserve and protect fresh water resources, as well as enhancing water efficiency at our facilities.

Fresh Water Intake



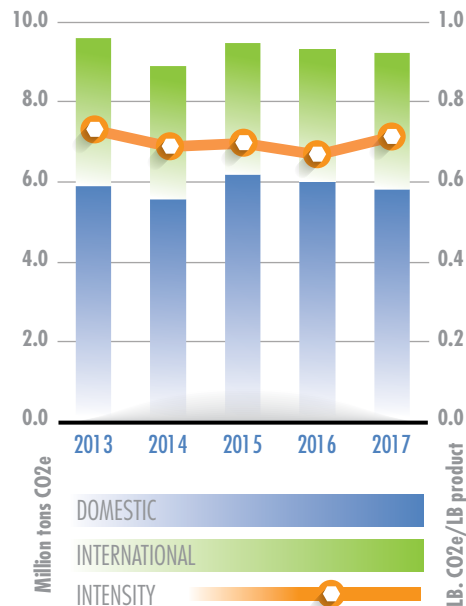
Additional information about the Resource Efficiency section can be found at www.cpchem.com/sustainability.



We track and work to reduce the emissions generated through the lifecycle of our products. This includes the sourcing and transportation of raw materials, generation during production, transportation to direct customers, and the use of the products through the end or renewal of their life.

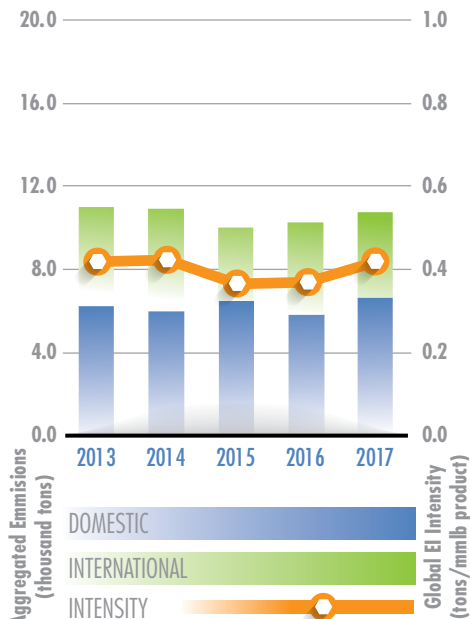
Greenhouse Gas Emissions and Intensity

(direct and indirect)

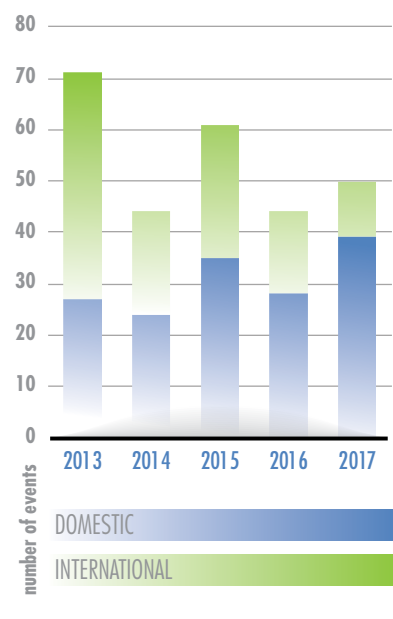


Global Emissions Inventory

(aggregated NO_x, SO₂, CO, VOC, PM10)



Reportable Emission Events



GREENHOUSE GAS AND GLOBAL EMISSIONS INVENTORY

Since our inception, Chevron Phillips Chemical's global operating capacity has grown to historically high levels of production. With this growth comes additional usage of resources and energy, which can increase emissions of greenhouse gases (GHG) and criteria pollutants such as NO_x, SO₂, CO, VOC and PM₁₀.

In our efforts to be good stewards of the environment, we continuously monitor and investigate global emissions events. In 2017, the rains from Hurricane Harvey impacted our operations including for example our Cedar Bayou facility where there was a plantwide shutdown. The decreased production dramatically impacted our company's reported intensity rate for CO₂ equivalent emissions and Reportable Emissions. As a result, there were also increased amounts of Criteria Pollutants compared to 2016.

"Industry has already made great strides in reducing air emissions over the last decade. Incorporating new technology such as high-efficiency locomotives into our daily operations is just the next step in our already robust environmental practices."

— Jerry Jarboe, Sr.
Environmental Engineer



HIGH-EFFICIENCY LOCOMOTIVES AIM TO REDUCE AIR EMISSIONS

As part of Chevron Phillips Chemical's ongoing efforts to reduce emissions, we are using high-efficiency switching locomotives that reduce emissions from rail operations by 90 percent. These locomotives are also much more fuel efficient and reduce fuel consumption by 50 percent compared to older models.

Additional information about the Resource Efficiency section can be found at www.cpchem.com/sustainability.



“When each of us follows The Code of Conduct we show our commitment to the ethical standards that make Chevron Phillips Chemical an admired business partner and a valued citizen of the global business community.”

– **Chevron Phillips Chemical Code of Conduct**

Compliance with financial, environmental and societal laws and regulations is a foundation of our identity. The integrity with which we meet our compliance obligations and the level of ethics we require of our employees, suppliers and customers ensure we maintain our license to operate.

INTEGRITY & COMPLIANCE HIGHLIGHTS



Maintain 24/7 ethics and compliance hotline

COMPLIANCE GDPR

Implemented General Data Protection Regulation (GDPR) compliance measures



Revised Fraud and Financial Misconduct training course content

CORE VALUES

Our core values – safety, respect, integrity and drive – are embodied in our Code of Conduct, which establishes the standards for ethical conduct and compliance with laws that apply to all of our employees. The Code of Conduct includes, but is not limited to, the following topics:

- Employment practices
- Privacy of information
- Anti-boycott
- Global trade
- Environmental health, safety, & security, including information regarding our Operational Excellence system
- Internal controls and fraud
- Intellectual property
- Anti-corruption
- Fair competition



CONTINUOUS IMPROVEMENT

As the global business landscape constantly evolves, our Ethics & Compliance Office seeks to continuously improve our policies, practices and training to adapt to the ever-changing regulatory and compliance environment.

GOVERNANCE

Conducting our business with integrity requires an organizational structure that encourages ethical behavior and helps detect and prevent criminal conduct. That’s why our Ethics & Compliance Program includes roles for a cross-section of our stakeholders, from our Board of Directors to front-line supervisors and employees.

SUPPLY CHAIN

We conduct all business activities in accordance with the highest ethical standards and we expect the same of our supplier base. We are committed to integrating sustainable procurement criteria and our values and respect for human rights into our supply chain practices. We support the protection of the environment and society by seeking goods and services that are resource-efficient, while also balancing quality, availability and cost considerations.

Additional information about the Integrity and Compliance section can be found at www.cpcchem.com/sustainability.



We consider and communicate the health, safety and environmental impacts of our products, including factors such as intended use, expected product lifetime, durability, reuse, recyclability and beneficial disposition.

PRODUCT RESPONSIBILITY HIGHLIGHTS



Marlex® products used to aid Hurricane Harvey recovery efforts



Chevron Phillips Chemical partners with American Chemistry Council to help reduce plastics in the environment including marine debris

SUPPLIER OF THE
YEAR

Polyethylene Business Unit recognized as Supplier of the Year



Improving Life Following Hurricane Harvey

The polymers and petrochemicals we produce are essential to the manufacture of more than 70,000 consumer and industrial products including several items that were instrumental in helping communities on the road to recovery following Hurricane Harvey. Our Marlex® high density polyethylene (HDPE) was used in packaging for recycled and new items that were widely distributed to families and individuals impacted by the storm.

Our **Marlex® polyethylene** which is also used in flexible packaging that reduces food waste was instrumental in extending the shelf-life of pre-packaged fresh produce, meats, cheeses and bakery items that were also distributed to storm victims, emergency crews, and rescue teams after Harvey made landfall. To learn more about how our products reduce environmental impacts, and improve safety and health, visit our 2017 Sustainability website.

Chevron Phillips Chemical Company Recognized as the Supplier of the Year

The Mastio Customer Value and Loyalty Study, which gives our customers the opportunity to rank their suppliers recognized Chevron Phillips Chemical as the top North American supplier of high density polyethylene (HDPE) and linear low-density polyethylene (LLDPE) and low-density polyethylene (LDPE). Since 2006, Chevron Phillips Chemical has come out on top in the customer survey.

Leading by Example to Eliminate Plastics in the Environment including Marine Debris

Chevron Phillips Chemical strives to be a good neighbor in the communities where we operate. In 2017, our pellet-producing facilities in Pasadena, Baytown, Sweeny, and Orange, Texas participated in Operation Clean Sweep® which promotes voluntary best management practices to help prevent the accidental release of plastic pellets into the environment. In another effort, more than 80 volunteers including students and employees at S-Chem, our joint venture in Saudi Arabia, spent a day cleaning up a beach in Jubail, Saudi Arabia. The event which also featured several fun and educational activities dedicated to the importance of plastics recycling was part of the Waste Free Environment initiative launched by the Gulf Petrochemicals and Chemicals Association.



Working with Organizations to Reduce Plastics in the Environment including Marine Debris

Chevron Phillips Chemical is regularly involved with several organizations such as the American Chemistry Council (ACC), the World Plastics Council (WPC), Plastics Europe, American Fuel & Petrochemicals Manufacturers (AFPM) and joins in efforts to help reduce plastics in the environment including marine debris in our world's oceans and waterways. We are contributing to solutions through our leadership roles within the WPC to bring together strong, committed plastics industry leaders from around the world to address global issues impacting our industry including marine debris. Our executives also serve in leadership positions within European Chemical Industry Council (CEFIC), ACC's Plastics Division, Plastics Energy Recovery Team and Flexible Film Recycling Group, of which we are a founding member.

Additional information about the Product Responsibility section can be found at www.cpchem.com/sustainability.



“Giving back to the community is very important. Chevron Phillips Chemical recognizes the importance of being a good corporate citizen and it’s a responsibility we take very seriously.”

– **Reuben McDonald**,
Global Diversity and
Inclusion Specialist

We value our employees and communities by promoting local volunteerism and investments as well as emphasizing open communication and trusting relationships. Building a diverse workforce and inclusive company culture enables us to attract and retain highly qualified, diverse employees to fuel innovation and creativity for a sustainable competitive advantage.

SOCIAL ENRICHMENT HIGHLIGHTS

\$1.5m
IN DONATIONS

Donated \$1.5M to local charities and organizations

TOP
WORK
PLACES
4
YEARS

Named one of Houston’s Top Workplaces for the 4th year in a row

87%
RESPONSE

87% of employees responded to a Global Employee Survey

1st
PDN

Launched company’s 1st Professional Development Network

20k
VOLUNTEER HRS

More than 20,000 volunteer hours performed

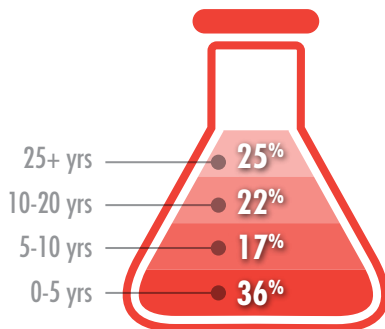
INVESTING IN OUR EMPLOYEES

Chevron Phillips Chemical wants to become an employer of choice in the communities we serve. We invest in our employees, so they can grow as leaders in both the company and their communities. In 2017, we expanded programs that give employees an opportunity to develop professionally including launching the company’s first Professional Development Network. Our third Global Employee Survey recorded the highest level of participation since we began conducting the survey with 87 percent of employees responding. Our actions based on the feedback will be used to improve communications about our company’s strategic direction, ensure that all employees know how their work impacts our mission and build momentum on talent development programs and simplified work processes.

BUILDING A STRONG TALENT PIPELINE FOR THE FUTURE

There are five generations in today’s workplace. Based on our employee demographic data, 25 percent of our workforce has more than 20 years of service, many of whom are nearing eligibility for retirement. In contrast, 36 percent of our workforce has 5 or less years of service with 62 percent of that group considered as a Generation Y/Millennial.

We are committed to building a strong talent pipeline for the future by training and preparing employees with programs that are relevant for all generations and functions.



COMMUNITY OUTREACH

In 2017, our employees brought positive, measurable change around the globe by volunteering more than 20,000 hours for community outreach programs, non-profit partnerships and educational opportunities for students. Chevron Phillips Chemical faced an unprecedented obstacle following catastrophic flooding because of Hurricane Harvey. But as a company, we faced this challenge together, showing resilience and enormous spirit. From rescuing stranded neighbors to donating money, food and clothes or joining in clean-up and rebuilding efforts, our employees demonstrated why they are the best in the industry and in their communities. In addition to the \$1.5 million Chevron Phillips Chemical donated to local organizations and charities, the company pledged \$1 million to the United Way to support Hurricane Harvey relief efforts across greater Houston, Brazoria, Orange and Jefferson counties, which are home to multiple company facilities and many of our employees including the cities of Baytown, Pasadena, Port Arthur, Orange and Sweeny.



Additional information about the Social Enrichment section can be found at www.cpchem.com/sustainability.



The company's driver for corporate sustainability is to provide value to our stakeholders. Overall our 2017 earnings were impacted significantly by Hurricane Harvey, however; without the impact of the storm, earnings would have been higher than the prior year.

ECONOMIC PERFORMANCE HIGHLIGHTS

\$16.8b
IN ASSETS

\$16.8 Billion in assets and
\$9.6 Billion in annual revenue

2 NEW
POLYETHYLENE UNITS

Completed successful commissioning
and start-up of new polyethylene
units in Old Ocean, TX

**ETHANE
CRACKER**

World-scale ethane cracker
at Cedar Bayou in Baytown,
TX successfully achieved
mechanical completion.

New Marlex® Polyethylene Units at Old Ocean, Texas Come Online

In September 2017, Chevron Phillips Chemical successfully completed commissioning and started up two new polyethylene units at Old Ocean, Texas. Each unit will produce up to 500,000 metric tons annually to service the ever-increasing global demand for polyethylene. These units can produce a wide variety of polyethylene resin from metallocene LLDPE film to bi-modal film and pipe products, displaying the wide capability of Chevron Phillips Chemical's proprietary MarTech® technology.



Chevron Phillips Chemical's world-recognized Marlex® polyethylene resin produced at Old Ocean is being delivered to customers in North America and to strategic transloading facilities across the United States for export to all regions of the world, supporting the dynamic growth seen around the globe by the company and its many MarTech® licensees. To view a YouTube time lapse video of construction and completion of our two polyethylene units at Old Ocean, visit www.cpchem.com/sustainability.

Strong Global Demand for Petrochemicals Fuels Optimism

We have an enthusiastic long-term view for petrochemicals, thanks to a one-two combination of strong global demand and competitive feedstocks from the U.S. shale resource boom. With the increased demand growth for our industry's products, Chevron Phillips Chemical must be ready to deliver. We are confident that we will be able to do so because we operate facilities in competitively advantaged regions. Thanks to the shale gas abundance in the U.S. we are positioned to take advantage of competitive feedstocks in North America, while serving a global customer base through additional advantaged feedstocks that support our mega petrochemical complexes in Qatar, Saudi Arabia and our other global operations in Belgium and Singapore.

"In 2011, Chevron Phillips Chemical was the first to announce a leading-edge petrochemicals project to take advantage of the newfound shale gas resources in the United States. I want to thank the thousands of employees and contractors who worked to build these incredible new assets that will allow us to continue to meet the growing demand of our loyal customer base worldwide."

– **Mark Lashier**,
President and CEO

Additional information about the Economic Performance Section can be found at www.cpchem.com/sustainability.

About this Summary

Chevron Phillips Chemical's Sustainability Summary contains information on the company's performance in the following areas: environment, social, safety, product stewardship and financial results. Our goal is to communicate our business strategy of sustainable growth and demonstrate that since our formation in 2000, we have focused on continuous improvement in all areas of our operations.



This summary reflects the company's efforts during the 2017 calendar year. The previous reports can be found online at www.cpchem.com/sustainability. Any information, including references to prior years, is provided for context only. The report includes information on wholly-owned operations as well as joint venture operations where pursuant to contract, Chevron Phillips Chemical employees participate in the operations and/or management of the facilities.

Report boundaries and measurement methods are similar in all reports. Our report follows Global Reporting Initiative (GRI) 3.1 guidelines.

We strive to be transparent and engage with our stakeholders on their issues of concern in a manner that is positive and constructive. We also respond throughout the year to direct requests from environmental, social and governance research agencies, shareholders, non-governmental organizations, academic institutions and individual students regarding the company's environment, health and safety and social responsibility policies, programs and performance.

This summary and additional notes can be found at www.cpchem.com/sustainability.

A handwritten signature of Rick Wagner.

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A detailed contact list can be found at
<http://www.cpchem.com/en-us/Pages/contactus.aspx>



*Performance by design.
Caring by choice.™*