

## Risk Factors Comparison 2025-02-27 to 2024-02-22 Form: 10-K

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You should carefully consider the following risk factors in addition to the other information included in this Annual Report on Form 10-K. Each of these risk factors could adversely affect our business, operating results and financial condition, as well as adversely affect the value of an investment in our common stock.

**Risks Related to our Business and Industry** The cyclical and volatility of the industries in which we participate may cause significant fluctuations in our operating results. Our business operations are subject to the cyclical and volatile nature of the supply- demand balance in the chemical ~~and refining industries~~ **industry**. Our future operating results are expected to continue to be affected by this cyclical and volatility. The chemical ~~and refining industries~~ **industry** historically ~~have~~ **has** experienced alternating periods of capacity shortages, causing prices and profit margins to increase, followed by periods of excess capacity, resulting in oversupply, declining capacity utilization rates and declining prices and profit margins. **While we are exiting the refining business in the first quarter of 2025, we expect to experience similar volatility in that industry until closure of our Houston refinery.** In addition to changes in the supply and demand for products, changes in energy prices and other worldwide economic conditions can cause volatility. These factors result in significant fluctuations in profits and cash flow from period to period and over business cycles. New capacity additions around the world may lead to periods of oversupply and lower profitability. The timing and extent of any changes to currently prevailing market conditions are uncertain and supply and demand may be unbalanced at any time. As a consequence, we are unable to accurately predict the extent or duration of future industry cycles or their effect on our business, financial condition or results of operations. A sustained decrease in the price of crude oil may adversely impact the results of our operations, primarily in North America. Energy costs generally follow price trends of crude oil and natural gas. These price trends may be highly volatile and cyclical. In the past, raw material and energy costs have experienced significant fluctuations that adversely affected our business segments' results of operations. For example, we have benefited from the favorable ratio of U. S. crude oil prices to natural gas prices in the past. If the price of crude oil remains lower relative to U. S. natural gas prices or if the demand for natural gas and NGLs increases, this may have a negative impact on our results of operations. Costs and limitations on supply of raw materials and energy may result in increased operating expenses. The costs of raw materials and energy represent a substantial portion of our operating expenses. Due to the significant competition we face and the commodity nature of many of our products, we are not always able to pass on raw material and energy cost increases to our customers. When we do have the ability to pass on the cost increases, we are not always able to do so quickly enough to avoid adverse impacts on our results of operations. ~~For example, during 2022, increases in costs for energy and raw materials, and the related decline in demand for our products, resulted in the reduction of operating rates or delayed restart of operations at several of our sites in Europe.~~ Cost increases for raw materials, energy, or broad- based price inflation also increase working capital needs, which could reduce our liquidity and cash flow. Even if we are able to increase our sales prices to reflect these increases, demand for products may decrease as consumers and customers reduce their consumption or use substitute products, which may have an adverse impact on our results of operations. In addition, producers in natural gas cost- advantaged regions, such as the Middle East and North America, benefit from the lower prices of natural gas and NGLs. Competition from producers in these regions may cause us to reduce exports from Europe and elsewhere. Any such reductions may increase competition for product sales within Europe and other markets, which can result in lower margins in those regions. For some of our raw materials and utilities there are a limited number of suppliers ~~and~~ **and** in some cases, the supplies are specific to the particular geographic region in which a facility is located. It is also common in the chemical ~~and refining industries~~ **industry** for a facility to have a sole, dedicated source for its utilities, such as steam, electricity and gas. Having a sole or limited number of suppliers may limit our negotiating power, particularly in the case of rising raw material costs. Any new supply agreements we enter into may not have terms as favorable as those contained in our current supply agreements. **The reliance on single or limited suppliers heightens our vulnerability to supply chain interruptions, and the closure of such a supplier could cause us to be unable to profitably operate our assets. For example, our ability to operate our site in Brindisi, Italy, may be negatively impacted by the potential shutdown of its propylene supplier.** Additionally, there is concern over the reliability of water sources, including around the U. S. Gulf Coast where several of our facilities are located. The decreased availability or less favorable pricing for water as a result of population growth, drought or regulation could negatively impact our operations, including by impacting our ability to produce or transport our products. If our raw material or utility supplies were disrupted, our businesses would likely incur increased costs to procure alternative supplies or incur excessive downtime, which would have a negative impact on plant operations. Disruptions of supplies may occur as a result of transportation issues resulting from natural disasters, water levels, and interruptions in marine water routes, among other causes, ~~that~~ **which** can affect the operations of vessels, barges, rails, trucks and pipeline traffic. These risks are particularly prevalent in the U. S. Gulf Coast area. Additionally, increasing exports of NGLs and crude oil from the U. S. or greater restrictions on hydraulic fracturing could restrict the availability of our raw materials, thereby increasing our costs. With increased volatility in raw material costs, our suppliers could impose more onerous terms on us, resulting in shorter payment cycles and increasing our working capital requirements. Our ability to source raw materials or deliver products may be adversely affected by political instability, civil disturbances or other governmental actions. We obtain a portion of our principal raw materials from sources in the Middle East and Central and South America that may be less politically stable than other areas in which we conduct business. Political instability, civil disturbances and actions by governments in these areas are more likely to substantially increase the price and decrease the supply of raw materials necessary for our operations or impair our ability to deliver products to customers, which could have a material adverse effect on our

results of operations. Incidents of civil unrest, including terrorist attacks and demonstrations that have been marked by violence, have occurred in a number of countries, including in the Middle East and South America. Some political regimes in these countries are threatened or have changed as a result of such unrest. Political instability and civil unrest could continue to spread in the region and involve other areas. Such unrest, if it continues to spread or grow in intensity, could lead to civil wars, regional conflicts or regime changes resulting in governments that are hostile to countries in which we conduct substantial business, such as in the U. S., Europe or their respective trading partners. Our business is capital intensive and we rely on cash generated from operations and external financing to fund our growth and ongoing capital needs. Limitations on access to external financing could adversely affect our operating results. We require significant capital to operate our current business and fund our growth strategy. Moreover, interest payments, dividends, capital requirements of our joint ventures, the expansion of our current business or other business opportunities may require significant amounts of capital. If we need external financing, our access to credit markets and pricing of our capital is dependent upon maintaining sufficient credit ratings from credit rating agencies and the state of the capital markets generally. There can be no assurances that we would be able to incur indebtedness on terms we deem acceptable, and it is possible that the cost of any financings could increase significantly, thereby increasing our expenses and decreasing our net income. If we are unable to generate sufficient cash flow or raise adequate external financing, including as a result of significant disruptions in the global credit markets, we could be forced to restrict our operations and growth opportunities, which could adversely affect our operating results. We may use our \$ 3, 250-750 million revolving credit facility, which backs our commercial paper program, to meet our cash needs, to the extent available. As of December 31, 2023-2024, we had no borrowings or letters of credit outstanding under the facility and no borrowings outstanding under our commercial paper program, leaving an unused and available credit capacity of \$ 3, 250-750 million. We may also meet our cash needs by selling receivables under our \$ 900 million U. S. Receivables Facility. As of December 31, 2023-2024, we had no borrowing or letters of credit outstanding and availability of \$ 900 million under this facility. In the event of a default under our credit facilities or any of our senior notes, we could be required to immediately repay all outstanding borrowings and make cash deposits as collateral for all obligations the facility supports, which we may not be able to do. Any default under any of our credit arrangements could cause a default under many of our other credit agreements and debt instruments. Without waivers from lenders party to those agreements, any such default could have a material adverse effect on our ability to continue to operate.

**Risks Related to our Operations** Our operations are subject to risks inherent in **the chemical industry and refining businesses**, and we could be subject to liabilities for which we are not fully insured or that are not otherwise mitigated. We maintain property, business interruption, product, general liability, casualty and other types of insurance that we believe are appropriate for our business and operations as well as in line with industry practices. However, we are not fully insured against all potential hazards incident to our business, including losses resulting from natural disasters or climate-related exposures, wars ~~or~~, terrorist acts, **or cybersecurity incidents**. Changes in insurance market conditions have caused, and may in the future cause, premiums and deductibles for certain insurance policies to increase substantially and, in some instances, for certain insurance to become unavailable or available only for reduced amounts of coverage. If we were to incur a significant liability for which we were not fully insured, we might not be able to finance the amount of the uninsured liability on terms acceptable to us, or at all, and might be obligated to divert a significant portion of our cash flow from normal business operations. Our business, including our results of operations and reputation, could be adversely affected by safety or product liability issues. Failure to appropriately manage occupational safety, process safety, product safety, human health, product liability and environmental risks inherent in the chemical and refining businesses and associated with our products, product life cycles and production processes could result in unexpected incidents including releases, fires, or explosions resulting in personal injury, loss of life, environmental damage, loss of revenue, legal liability, and / or operational disruption. Public perception of the risks associated with our products and production processes could impact product acceptance and influence the regulatory environment in which we operate. While we have management systems, procedures and controls to manage these risks, issues could be created by events outside of our control, including natural disasters, severe weather events and acts of sabotage. Further, because a part of our business involves licensing polyolefin process technology, our licensees are exposed to similar risks involved in the manufacture and marketing of polyolefins. Hazardous incidents involving our licensees, if they do result or are perceived to result from use of our technologies, may harm our reputation, threaten our relationships with other licensees and / or lead to customer attrition and financial losses. Our policy of covering these risks through contractual limitations of liability and indemnities and through insurance may not always be effective. As a result, our financial condition and results of operation would be adversely affected, and other companies with competing technologies may have the opportunity to secure a competitive advantage. Interruptions of operations at our facilities may result in increased liabilities or lower operating results. We own and operate large-scale facilities. Our operating results are dependent on the continued operation of our various production facilities and the ability to complete construction and maintenance projects on schedule. Interruptions at our facilities may materially reduce the productivity and profitability of a particular manufacturing facility, or our business as a whole, during and after the period of such operational difficulties. In recent years, we have had to shut down plants on the U. S. Gulf Coast, ~~including the temporary shutdown of a portion of our Houston refinery,~~ as a result of various hurricanes and cold weather events striking Texas and Louisiana. ~~In addition, because the Houston refinery is our only refining operation, an outage at the refinery could have a particularly negative impact on our operating results as we do not have the ability to increase refining production elsewhere.~~

Our operations are subject to hazards inherent in chemical manufacturing and refining and the related storage and transportation of raw materials, products and wastes. These potential hazards include:

- pipeline leaks and ruptures;
- explosions;
- fires;
- severe weather and natural disasters;
- mechanical failure;
- unscheduled downtimes;
- supplier disruptions;
- labor shortages or other labor difficulties;
- transportation interruptions;
- remediation complications;
- increased restrictions on, or the unavailability of, water for use at our manufacturing sites or for the transport of our products or raw materials;
- chemical and oil spills;
- discharges or releases of toxic or hazardous substances or gases;
- shipment of incorrect or off-specification product

to customers; • storage tank leaks; • other environmental risks; and • cyber- attack or other terrorist acts. Some of these hazards may cause severe damage to or destruction of property and equipment, personal injury, loss of life, environmental damage, legal liability resulting from government action or litigation, loss of revenue, suspension of operations or the shutdown of affected facilities. Large capital projects can take many years to complete, and market conditions could deteriorate significantly between the project approval date and the project startup date, negatively impacting project returns. If we are unable to complete capital projects at their expected costs and in a timely manner, or if the market conditions assumed in our project economics deteriorate, our business, financial condition, results of operations and cash flows could be materially and adversely affected. Delays or cost increases related to capital spending programs involving engineering, procurement and construction of facilities could materially adversely affect our ability to achieve forecasted internal rates of return and operating results, or impair our ability to meet our sustainability or other targets or goals. For example, higher costs arising from delaying construction of our ~~world-scale~~ PO / TBA plant in Houston ~~including more extensive civil construction and unexpected tariffs on materials~~, increased our costs and impacted our projected rate of return on the project. Delays in making required changes or upgrades to our facilities could subject us to fines or penalties as well as affect our ability to contract with our customers and supply certain products we produce. Such delays or cost increases may arise as a result of unpredictable factors, many of which are beyond our control, including: • denial of or delay in receiving requisite regulatory approvals and / or permits; • unplanned increases in the cost of construction materials ~~or~~, **including due to tariffs; • unplanned increases in labor costs**; • disruptions in transportation of components or construction materials; • adverse weather conditions, natural disasters or other events (such as equipment malfunctions, explosions, fires or spills) affecting our facilities, or those of vendors or suppliers; • shortages of sufficiently skilled labor, or labor disagreements resulting in unplanned work stoppages; and • nonperformance by, or disputes with, vendors, suppliers, contractors or subcontractors. Any one or more of these factors could have a significant impact on our ongoing capital projects. If we were unable to make up the delays associated with such factors or to recover the related costs, or if market conditions change, it could materially and adversely affect our business, financial condition, results of operations and cash flows. Shared control or lack of control of joint ventures or equity investments may delay decisions or actions regarding our joint ventures, or adversely affect our financial results. A portion of our operations are conducted through joint ventures or equity investments, where control may be exercised by or shared with unaffiliated third parties. We cannot control the actions or ownership of these partners, including any nonperformance, default or bankruptcy of the joint venture or its partners. The joint ventures that we do not control may also lack financial reporting systems to provide adequate and timely information for our reporting purposes. **In addition, a joint venture may lack adequate cybersecurity protections or other controls that could impact its ability to reliably conduct operations.** Our joint venture partners may have different interests or goals than we do and may take actions contrary to our requests, policies or objectives. Differences in views among the joint venture participants also may result in delayed decisions or in failures to agree on major matters, potentially adversely affecting the business and operations of the joint ventures and in turn our business and operations. We may develop a dispute with any of our partners over decisions affecting the venture that may result in litigation, arbitration or some other form of dispute resolution. If a joint venture participant acts contrary to our interest, or is unsuccessful in conducting its business, it could harm our brand, business, results of operations and financial condition. We may be required to record material charges against our earnings due to any number of events including impairments of our assets. **We review our assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. We test goodwill for impairment at least annually. The need to test for impairment can be based on several indicators, including a significant reduction in prices of or demand for products produced, a weakened outlook for profitability, a significant reduction in margins, an expectation that a long-lived asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life, other changes to contracts or changes in the regulatory environment.** We may be required to reduce production or idle facilities for extended periods of time or exit certain businesses as a result of the cyclical nature of our industry. Specifically, oversupplies of or lack of demand for particular products or high raw material prices may cause us to reduce production. We may choose to reduce production at certain facilities because we have off- take arrangements at other facilities, which make any reductions or idling unavailable at those facilities. ~~For example, during the fourth quarter..... in 2023 and 2022, respectively.~~ Temporary outages at our facilities can last for several quarters and sometimes longer. These outages could cause us to incur significant costs, including the expenses of maintaining and restarting these facilities. In addition, we have significant obligations under take- or- pay agreements. Even though we may reduce production at facilities, we may be required to continue to purchase or pay for utilities or raw materials under these arrangements. ~~For example, in~~ **during the fourth quarter of 2024 2023**, ~~challenging market conditions in~~ **we identified an impairment trigger related to the adverse financial performance of our Europe-European PO joint venture which** resulted in a \$ 837 million non- cash impairment **charge of \$ 192 million** ~~property, plant and equipment in our O & P- EAI segment~~. Any decision to permanently close facilities or exit a business may result in impairment and other charges to earnings. For example, in April 2022, the Finance Committee of the Board of Directors of the Company approved a plan to exit the refining business, resulting in the recognition of \$ 179 million, \$ 334 million and \$ 187 million of expense in ~~2024, 2023 and 2022,~~ **respectively**. Acquisitions or dispositions of assets or businesses could disrupt our business and harm our financial condition and stock price. We continually evaluate the performance and strategic fit of all of our businesses and evaluate whether our businesses would benefit from acquisitions to enhance growth or dispositions that would align our footprint with our overall business strategy. These transactions pose risks and challenges that could negatively impact our business and financial statements. **In 2024, we launched a strategic review of certain assets in Europe to align our asset base with our strategy.** Acquisitions involve numerous risks, including meeting our standards for compliance, problems combining the purchased operations, technologies or products, unanticipated costs and liabilities, diversion of management' s attention from our core businesses, and potential loss of key employees. There can be no assurance that we will be able to integrate successfully any businesses, products, technologies, or personnel that we might acquire. The integration of

businesses that we may acquire is likely to be a complex, time-consuming, and expensive process and we may not realize the anticipated revenues, synergies, or other benefits associated with our acquisitions if we do not manage and operate the acquired business up to our expectations. If we are unable to efficiently operate as a combined organization utilizing common information and communication systems, operating procedures, financial controls, and human resources practices, our business, financial condition, and results of operations may be adversely affected. Dispositions of assets or businesses involve risks, including difficulties in the separation of operations, services, products and personnel, the diversion of management's attention from other business concerns, the disruption of our business, the potential loss of key employees and the retention of uncertain environmental or other contingent liabilities related to the divested business. In addition, they may result in significant asset impairment charges, including those related to goodwill and other intangible assets, which could have a material adverse effect on our financial condition and results of operations. In the event we are unable to successfully divest a business or product line, we may be forced to wind down such business or product line, which could materially and adversely affect our results of operations and financial condition. We cannot assure you that we will be successful in managing these or any other significant risks that we encounter in acquiring or divesting a business or product line, and any transaction we undertake could materially and adversely affect our business, financial condition, results of operations and cash flows, and may also result in a diversion of management attention, operational difficulties and losses. Risks related to the Global Economy and Multinational Operations Economic disruptions and downturns in general, and particularly continued global economic uncertainty or economic turmoil in emerging markets, could have a material adverse effect on our business, prospects, operating results, financial condition and cash flows. Our results of operations can be materially affected by adverse conditions in the financial markets and depressed economic conditions generally. Economic downturns in the businesses and geographic areas in which we sell our products could substantially reduce demand for our products and result in decreased sales volumes and increased credit risk. Recessionary environments adversely affect our business because demand for our products is reduced, particularly from our customers in industrial markets generally and the automotive and housing industries specifically, and may result in higher costs of capital. A significant portion of our revenues and earnings are derived from our business in Europe. In addition, most of our European transactions and assets, including cash and receivables, are denominated in euros. We also derive significant revenues from our business in emerging markets, particularly the emerging markets in Asia and South America. Any broad-based downturn in these emerging markets, or in a key market such as China, could require us to reduce export volumes into these markets and could also require us to divert product sales to less profitable markets. Any of these conditions could ultimately harm our overall business, prospects, operating results, financial condition and cash flows. We sell products in highly competitive global markets and face significant price pressures. We sell our products in highly competitive global markets. Due to the commodity nature of many of our products, competition in these markets is based primarily on price and, to a lesser extent, on product performance, product quality, product deliverability, reliability of supply and customer service. Often, we are not able to protect our market position for these products by product differentiation and may not be able to pass on cost increases to our customers due to the significant competition in our **business industry**. In addition, we face increased competition from companies that may have greater financial resources and different cost structures or strategic goals than us. These include large integrated oil companies (some of which also have chemical businesses), government-owned businesses, and companies that receive subsidies or other government incentives to produce certain products in a specified geographic region. Continuing competition from these companies, especially in our olefin ~~and refining businesses~~ **business**, could limit our ability to increase product sales prices in response to raw material and other cost increases, or could cause us to reduce product sales prices to compete effectively, which would reduce our profitability. Competitors with different cost structures or strategic goals than we have may be able to invest significant capital into their businesses, including expenditures for research and development. In addition, specialty products we produce may become commoditized over time. Increased competition could result in lower prices or lower sales volumes, which would have a negative impact on our results of operations. We operate internationally and are subject to exchange rate fluctuations, exchange controls, political risks and other risks relating to international operations. We operate internationally and are subject to the risks of doing business on a global level. These risks include fluctuations in currency exchange rates, economic instability and disruptions, restrictions on the transfer of funds and the imposition of trade restrictions or duties and tariffs, and complex regulations concerning privacy and data security. Additional risks from our multinational business include transportation delays and interruptions, war, terrorist activities, epidemics, pandemics, political instability, import and export controls, **access to infrastructure**, sanctions, changes in governmental policies, labor unrest and current and changing regulatory environments. We generate revenues from export sales and operations that may be denominated in currencies other than the relevant functional currency. Exchange rates between these currencies and functional currencies in recent years have fluctuated significantly and may do so in the future. It is possible that fluctuations in exchange rates will result in reduced operating results. Additionally, we operate with the objective of having our worldwide cash available in the locations where it is needed, including the United Kingdom for our parent company's significant cash obligations as a result of dividend payments. It is possible that we may not always be able to provide cash to other jurisdictions when needed or that such transfers of cash could be subject to additional taxes, including withholding taxes. Our operating results could be negatively affected by the laws, rules and regulations, as well as political environments, in the jurisdictions in which we operate. There could be reduced demand for our products, decreases in the prices at which we can sell our products and disruptions of production or other operations. Trade protection measures such as quotas, duties, tariffs, safeguard measures or anti-dumping duties imposed in the countries in which we operate could negatively impact our business. Additionally, there may be substantial capital and other costs to comply with regulations and / or increased security costs or insurance premiums, any of which could reduce our operating results. We obtain a portion of our principal raw materials from international sources that are subject to these same risks. Our compliance with applicable customs, currency exchange control regulations, transfer pricing regulations or any other laws or regulations to which we may be subject could be challenged. Furthermore, these laws may be modified, the result of which may be to prevent

or limit subsidiaries from transferring cash to us. Furthermore, we are subject to certain existing, and may be subject to possible future, laws that limit or may limit our activities while some of our competitors may not be subject to such laws, which may adversely affect our competitiveness. Changes in tax laws and regulations could affect our tax rate, **financial condition** and ~~our~~ results of operations. The Company operates in multiple jurisdictions with complex legal and tax regulatory environments and is subject to taxes in the U. S. and non- U. S. jurisdictions. Significant changes to tax laws and regulations in these jurisdictions or their interpretation could have a material impact on our effective income tax rate. Our future effective income tax rates could also fluctuate based on, among other factors, changes in pre- tax income in countries with varying statutory tax rates, changes in valuation allowances, changes in foreign exchange gains / losses, the amount of exempt income, and changes in unrecognized tax benefits associated with uncertain tax positions. Our tax returns are periodically audited or subjected to review by tax authorities, and **we regularly evaluate the likelihood of an adverse result of an examination, however** any adverse result of these examinations could also have ~~an a material~~ impact on our effective income tax rate, **financial condition** and ~~our~~ results of operations. ~~We regularly evaluate the likelihood of an adverse result of an examination, however, there is no assurance as to the ultimate outcome and impact.~~ Risks Related to Health, Safety, and the Environment We cannot predict with certainty the extent of future costs under environmental, health and safety and other laws and regulations, and cannot guarantee they will not be material. We may face liability arising out of the normal course of business, including alleged personal injury or property damage due to exposure to chemicals or other hazardous substances at our current or former facilities, or exposure to products or chemicals that we manufacture, handle or own. In addition, because our products are components of a variety of other end- use products, we, along with other members of the chemical industry, are subject to potential claims related to those end- use products. Any substantial increase in the success of these types of claims could negatively affect our operating results. We are subject to extensive national, regional, state and local environmental laws, regulations, directives, rules and ordinances concerning pollution, protection of the environment, hazardous materials, health and safety, the security of our facilities, and the safety of our products. We generally expect that these requirements are likely to become more stringent over time. Changes to such laws could result in restrictions on our operations, denial of permits, loss of business opportunities, increased operating costs or additional capital expenditures. We could incur significant costs or operational restrictions due to violations of or liabilities under such laws and regulations in the form of fines, penalties, and injunctive relief. Any substantial liability under such laws could have a material adverse effect on our financial condition, results of operations and cash flows. Additionally, we are required to have permits for our businesses and are subject to licensing regulations. These permits and licenses are subject to renewal, modification and in some circumstances, revocation. Further, the permits and licenses are often difficult, time consuming and costly to obtain and could contain conditions that limit our operations. We may incur substantial costs to comply with climate change legislation and related regulatory initiatives. There has been a broad range of proposed or promulgated international, national and state laws focusing on greenhouse gas (“ GHG ”) emission reduction and global climate change. These proposed or promulgated laws apply or could apply in countries where we have interests or may have interests in the future. Laws and regulations in this field continue to evolve and, while they are likely to be increasingly widespread and stringent, at this stage it is not possible to accurately estimate either a timetable for implementation or our future compliance costs relating to implementation. Under the 2015 Paris Agreement, parties to the United Nations Framework Convention on Climate Change agreed to undertake ambitious efforts to reduce GHG emissions and strengthen adaptation to the effects of climate change. Jurisdictions in which we operate, including, in particular, the European Union (EU), **are preparing have prepared** national legislation and protection plans to implement their emission reduction commitments under the Paris Agreement. **Our operations in** In June 2021, the European ~~–~~ **Europe participate** Climate Law set legally binding targets of net zero GHG emissions by 2050, and a 55 % reduction in GHG emissions by 2030. Throughout 2023, a series of legislative reforms arising out of the EU’ s ‘ Fit for 55’ package of proposals have been adopted and are in the process of being implemented, including reforms to the EU Emissions Trading System (ETS) , and the introduction of a Carbon Border Adjustment Mechanism. Our operations in Europe participate in the ETS and we meet our obligations through a combination of free and purchased emission allowances. We anticipate that these climate regulations ~~–~~ **regulation in the EU** will result in an accelerated reduction of our free allowances , and higher market prices for purchased allowances. These and other future regulations could result in increased costs, additional capital expenditures, and /or restrictions on operations. **In Although** the U. S. **announced** , addressing climate change is **its intent** a stated priority of President Biden, and in February 2021, the U. S. ~~recommitted to~~ **withdraw from** the Paris Agreement after having withdrawn **and roll back climate regulations** in **January 2025**, August 2017. The U. S. Environmental Protection Agency as well as several state governments have promulgated regulations directed at GHG emissions reductions from certain types of facilities ~~–~~ , and **Additional additional** regulations could be forthcoming , **at the U. S. federal or state level** that could result in increased operating costs for compliance, required acquisition or trading of emission allowances, or **compliance other** costs associated with additional regulatory frameworks. **For example, the states of Vermont and New York have enacted ‘ climate superfund’ laws that attempt to impose strict liability on companies that have extracted for – or a range refined hydrocarbons that led to emissions of GHG over certain thresholds** potential carbon reduction projects, including carbon capture, use, and sequestration projects. Additionally, demand for the products we produce may be reduced. Non- Governmental Organizations have been active in filing lawsuits against governments and private parties in various jurisdictions around the world seeking enforcement of existing laws and new requirements to reduce GHG emissions. In one case decided in **the The** Netherlands in **May November 2021 2024** , plaintiffs ~~obtained~~ **the court held that, although there was no basis to support an order for** a ruling ordering **specific emission reduction target** , Royal Dutch Shell **had to reduce its Scope 1, 2 and – an 3 carbon emissions by 45 % by 2030 obligation to take measures to combat climate change** . These types of laws, regulations, and litigation results could increase the cost of purchased energy and increase costs of compliance in various locations. Compliance with climate regulations may result in increased permitting necessary for the operation of our business or for any of our growth plans. Difficulties in obtaining such

permits could have an adverse effect on our future growth. In addition, any future potential climate regulations, legislation, or litigation results could impose additional operating restrictions or delays in implementing growth projects or other capital investments, require us to incur increased costs, and could have a material adverse effect on our business and results of operations. Legislation and regulatory initiatives could lead to a decrease in demand for our products or reputational harm. New or revised governmental regulations and independent studies relating to the effect of our products on health, safety and the environment may affect demand for our products and the cost of producing our products. Initiatives by governments and private interest groups will potentially result in increased toxicological testing and risk assessments of a wide variety of chemicals, including chemicals used or produced by us. New or revised legislation or regulations could result in additional use restrictions and / or bans of certain chemicals. For example, in the EU, the European Commission ~~as part of its~~ **is expected to continue to develop and implement legislative** ~~Green Deal published the Chemicals Strategy for Sustainability Towards a Toxic-Free Environment (“CSS”). The CSS sets forth far-reaching plans for introducing significant~~ **Green Deal published the Chemicals Strategy for Sustainability Towards a Toxic-Free Environment (“CSS”). The CSS sets forth far-reaching plans for introducing significant** changes to the EU regulatory frameworks for chemicals including the Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (“REACH”), and the Classification, Labelling and Packaging Regulation (“CLP”) that could result in increased compliance costs, additional restrictions, and / or bans of chemicals used or produced by us. In the U. S., changes to the U. S. Environmental Protection Agency’s risk evaluation process under the Toxic Substances Control Act (“TSCA”) could also result in additional restrictions and / or bans of chemicals used or produced by us. Assessments under TSCA, REACH or similar programs or regulations in other state or national jurisdictions may result in heightened concerns about the chemicals we use or produce and may result in additional requirements or bans being placed on the production, handling, labeling or use of those chemicals. Such concerns and additional requirements could also increase the cost incurred by our customers to use our chemical products and otherwise limit the use of these products, which could lead to a decrease in demand for these products. Such a decrease in demand could have an adverse impact on our business and results of operations. ~~U. S. state and federal regulators, international~~ **U. S. state and federal regulators, international** ~~regulators, investors, consumers and other stakeholders are focused on environmental, social, and governance (“ESG”) considerations. ESG disclosure obligations have required and may continue to require us to implement new practices and reporting processes~~ **regulators, investors, consumers and other stakeholders are focused on environmental, social, and governance (“ESG”) considerations. ESG disclosure obligations have required and may continue to require us to implement new practices and reporting processes** ~~and have created and will continue to create additional compliance risk. If we are unable to meet our circularity, greenhouse gas reduction, diversity~~ **and have created and will continue to create additional compliance risk. If we are unable to meet our circularity, greenhouse gas reduction, diversity** ~~, equity and inclusion,~~ **, equity and inclusion,** or other goals, or if we are perceived by regulators, customers, stockholders or employees to have not responded appropriately to the growing concern for these issues, our reputation, and therefore our ability to sell our products, could be negatively impacted. If, as a result of their assessment of our ESG performance, certain investors are unsatisfied with our actions or progress, they may reconsider their investment in our shares or debt securities. ~~Alternatively, as “anti-ESG” sentiment exists among some individuals and government~~ **Alternatively, as “anti-ESG” sentiment exists among some individuals and government** ~~institutions, we may also face scrutiny, reputational risk, lawsuits or market access restrictions from these parties regarding our ESG initiatives~~ **institutions, we may also face scrutiny, reputational risk, lawsuits or market access restrictions from these parties regarding our ESG initiatives**. Providers of debt and equity financing may also consider our sustainability performance and external ESG ratings, which we have limited ability to influence, which could impact our cost of capital and adversely affect our business. The physical impacts of climate change can negatively impact our facilities and operations. Potential physical impacts of climate change include increased frequency and severity of hurricanes and floods as well as freezing conditions, tornadoes, and global sea level rise. Although we have preparedness plans in place designed to minimize impacts and enhance safety, should an event occur, it could have the potential to disrupt our supply chain and operations. A number of our facilities are located on the U. S. Gulf Coast, which has been impacted by hurricanes that have required us to temporarily shut down operations at those sites. Our sites rely on rivers and other waterways for transportation that may experience restrictions in times of drought or other unseasonal weather variation. In addition, scarcity of water and drought conditions due to climate change could reduce the availability of fresh water needed to produce our products which could increase our costs of operations. Increased regulation or deselection of plastic could lead to a decrease in demand growth for some of our products. There is a growing concern with the accumulation of plastic, plastic additives, and microplastics in the environment, particularly in waterways and oceans. Additionally, plastics ~~are facing~~ **are facing** ~~have recently faced~~ **have recently faced** increased public backlash and scrutiny, as well as governmental investigations and enforcement, and private litigation. Policy measures to address ~~this these concern concerns~~ **this these concern concerns** are being discussed or implemented by governments at all levels. For example, ~~over the past two years~~ **over the past two years** ~~on March 2, 2022, the~~ **on March 2, 2022, the** ~~United Nations Environment Assembly adopted a resolution to~~ **United Nations Environment Assembly adopted a resolution to** ~~Program has been overseeing the develop~~ **Program has been overseeing the develop** ~~development of~~ **development of** a new international legally binding instrument on plastic pollution. ~~While these international negotiations have been~~ **While these international negotiations have been** ~~challenging, significant progress has been made~~ **challenging, significant progress has been made** ~~with the ambition to complete the negotiations~~ **with the ambition to complete the negotiations** ~~a goal of finalizing this~~ **a goal of finalizing this** ~~treaty~~ **treaty** by the end of ~~2024-2025~~ **2024-2025**. The European Union has been undertaking a series of actions under its Circular Economy Action Plan, including adoption of the Single Use Plastics Directive in 2019, which introduced policy measures for single use plastics including bans, product design requirements, extended producer responsibility obligations, and labeling requirements, and ~~adoption of the a proposal for a~~ **adoption of the a proposal for a** ~~Packaging and Packaging Waste Regulation to replace the Packaging and Packaging Waste~~ **Packaging and Packaging Waste Regulation to replace the Packaging and Packaging Waste** ~~Directive. In addition, a host of single-use plastic bans and,~~ **Directive. In addition, a host of single-use plastic bans and,** ~~taxes~~ **taxes** ~~and~~ **and** ~~Extended Producer Responsibility (EPR) bills~~ **Extended Producer Responsibility (EPR) bills** have been passed by countries around the world and states and municipalities throughout the U. S. Consumer deselection, increased regulation of, or prohibition on, the manufacturing or use of plastic or plastic products could limit the use of these products or increase the costs incurred by our customers to use such products, and could lead to a decrease in demand, ~~particularly~~ **particularly** for ~~fossil-based~~ **fossil-based** PE, PP, and other products we make. Such a decrease in demand could adversely affect our business, operating results, and financial condition. Failure to effectively and timely achieve our GHG emissions reduction goals could damage our reputation and have an adverse effect on the demand for our products. We have set GHG emissions reduction targets for 2030 ~~and~~ **and** aim to achieve net zero scope 1 and 2 GHG emissions by 2050. Our ability to achieve these goals depends on many factors, including the ~~development and~~ **development and** ~~availability of technology, our ability to secure permits and emissions credits,~~ **availability of technology, our ability to secure permits and emissions credits,** ~~project~~ **project** ~~execution risk, the availability of infrastructure, the availability of suppliers, the availability of supportive governmental~~ **execution risk, the availability of infrastructure, the availability of suppliers, the availability of supportive governmental** ~~policies and markets, to~~ **policies and markets, to** ~~evolving regulatory requirements, competitor actions,~~ **evolving regulatory requirements, competitor actions,** ~~and~~ **and** ~~customer~~ **customer** ~~and consumer~~ **and consumer** preferences ~~and~~ **and**

our ability to reduce emissions from our operations through modernization and innovation, reduce the emissions intensity of the electricity we buy, and invest in renewables and low carbon energy. We may also not timely adapt to changes or methods in carbon pricing that could increase our costs and reduce our competitiveness. The cost associated with our GHG emissions reduction goals could be significant. We also participate, along with other companies, institutes, universities, trade associations and other organizations, in various initiatives, campaigns, and other projects that express various ambitions, aspirations and goals related to climate change, emissions and energy transition. Our individual ambitions, future performance or policies may differ from the ambitions of those organizations or the individual ambitions of other participants in these various initiatives, campaigns, and other projects, and we may unilaterally change our own ambitions, aspirations and goals. Failure to achieve our emissions targets could result in reputational harm, enforcement or litigation, changing investor sentiment regarding investment in LyondellBasell or a negative impact on access to and cost of capital. In addition, if customers increasingly set their own scope 3 GHG emissions reduction targets, this could lead to a decrease in demand for our products. Failure to achieve our circularity goals could have an adverse effect on the demand for our products and damage our reputation. In September 2020, we announced a circularity goal of producing and marketing at least two million metric tons of recycled and renewable-based polymers annually by 2030. Many of our customers also have goals to increase the recycled and renewable content in their own products and packaging. Our ability to achieve this goal depends on many factors, including the availability of collection and sortation infrastructure, evolving regulations on chemical recycling and recycled content, our ability to grow our CLCS circular and low carbon solutions business, established in 2022, make investments in new technologies, expand the global footprint of our recycling facilities and joint ventures, secure access to feedstock, and manufacture recycled and low carbon products at commercial scale. In 2024, we began construction on our first industrial-scale chemical recycling plant at our site in Wesseling, Germany, which utilizes our proprietary MoReTec technology, and we may encounter difficulties in the construction or operation of the facility, or the implementation of MoReTec technology at that scale, which could negatively impact our ability to achieve our goals and damage our reputation with customers and other stakeholders. General Risk Factors Increased IT and cybersecurity threats and more sophisticated and targeted computer crime could pose a risk to our systems, networks, data, products, facilities and services, and the expansion of related regulatory requirements could increase our costs and disrupt our operations. Increased global information cybersecurity threats and more sophisticated, targeted computer crime pose a risk to the confidentiality, availability and integrity of our data, operations and infrastructure. Our While we attempt to mitigate these risks by employing a number of measures, including security cybersecurity measures and infrastructure protection technologies, disaster recovery plans and systems, employee training, comprehensive monitoring of and vendor risk management may not be sufficient to defend us against all unauthorized attempts to access our information our or networks and impact our systems. We – and our third-party vendors and service providers – have been and may in the future be subject to cybersecurity events of varying degrees. To date, the impacts of prior events have not had a material adverse effect on us, however, there is no assurance that such an maintenance of backup event has not already occurred and we are unaware of it, or that we will not suffer a cybersecurity breach and loss in the future. We devote significant resources to prevent cybersecurity events, incidents, and breaches and to protective protect our data, but our systems and procedures for identifying and protecting against such attacks and mitigating such risks may prove to be insufficient due to system vulnerabilities, human error our or employees malfeasance, or other factors. Cybersecurity events involving our information technology systems, networks, products, facilities or those of our third-party vendors and service providers can result in disclosure, unavailability, loss of integrity, theft, destruction, loss, misappropriation or release of confidential financial data, regulated personally identifying or identifiable information, intellectual property and other information; give rise to remediation or other expenses; result in litigation, claims and increased regulatory review or scrutiny; reduce our customers' willingness to do business with us; disrupt our operations and the services remain we provide to customers; and subject us to litigation and legal liability under international, U. S. federal and state laws and regulations. Any of such results could have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows. We are subject to a variety of laws and regulations in Europe, the United States and other jurisdictions regarding privacy, data protection, and data security, including those related to the collection, storage, handling, use, disclosure, transfer, and security of personal data, and impose obligations on us to ensure transparency, purpose limitation, data minimization, accuracy, storage limitation, integrity, confidentiality, and accountability. Compliance with and interpretation of various data privacy regulations continue to evolve, and any violation could subject us to legal claims, regulatory penalties, and damage to our reputation. In addition, the complex and dynamic regulatory environment surrounding artificial intelligence ("AI"), including generative AI, subjects us to a variety of risks. These risks include, but are not limited to, data privacy and security vulnerabilities, intellectual property patent, copyright, and misappropriation claims, unauthorized third-party usage of data associated with training models, and malicious use and advanced deceitful communication methods. AI may be leveraged by threat actors to enhance the volume and sophistication of their attacks, potentially vulnerable to ransomware resulting in a cybersecurity event affecting us or our suppliers sophisticated espionage. Depending on their Furthermore, we face potential missed innovation opportunities and competitive disadvantages. The evolving nature and scope of AI regulations, such threats could as the European Union Artificial Intelligence Act and other global legislative efforts, adds to the uncertainty and complexity of compliance. Changes in these regulations may require significant adjustments to our AI strategies and operations, potentially lead leading to increased costs the compromise of confidential information, improper use of our systems and networks, manipulation and destruction of data, defective products, production downtimes and operational disruptions, which in turn could adversely affect our reputation, competitiveness and results of operations. Many of our businesses depend on our intellectual property. Our future success will depend in part on our ability to develop new

technologies and protect our intellectual property rights, and our inability to do so could reduce our ability to maintain our competitiveness and margins. We have a significant worldwide patent portfolio of issued and pending patents, and our future results could be impacted by our ability to successfully develop and protect new processes and technologies. Our patents and patent applications, together with proprietary technical know-how, are significant to our competitive position, particularly with regard to PO, intermediate chemicals, polyolefins, licensing and catalysts. We rely on the patent, copyright and trade secret laws of the countries in which we operate to protect our investment in research and development, manufacturing and marketing. We operate plants, sell catalysts and products, participate in joint ventures, and license our process technology in many foreign jurisdictions, including those having heightened risks for intellectual property. In some of these instances, we must disclose at least a portion of our technology to third parties or regulatory bodies. In these cases, we rely primarily on contracts and trade secret laws to protect the associated trade secrets. However, we may be unable to prevent third parties from using our intellectual property without authorization. Proceedings to protect these rights could be costly, and we may not prevail. The failure of our patents or confidentiality agreements to protect our processes, apparatuses, technology, trade secrets or proprietary know-how could result in significantly lower revenues, reduced profit margins and cash flows and / or loss of market share. We also may be subject to claims that our technology, patents or other intellectual property infringes on a third party's intellectual property rights. Unfavorable resolution of these claims could result in restrictions on our ability to deliver the related service or in a settlement that could be material to us. Adverse results of legal proceedings could materially adversely affect us. We are subject to and may in the future be subject to a variety of legal proceedings and, claims, and controversies that arise out of the ordinary conduct of our business. Results and timing of these legal proceedings matters cannot be predicted with certainty. Irrespective of its merits, litigation and dispute resolution may be both lengthy and disruptive to our operations and may cause significant expenditure and diversion of management attention. We may be faced with significant monetary damages or injunctive relief against us that could have an adverse impact on our business and results of operations should we fail to prevail in certain matters. **For example, in 2024, we were named as one defendant in two separate proposed class action cases related to industry-wide claims about plastics recyclability. The claims made in litigation filed in Kansas are related to alleged public nuisance from plastic waste in the environment, and litigation filed in Missouri seeks damages under antitrust, unfair competition and consumer protection laws. Although the Kansas case was subsequently dismissed, the Missouri case is still pending, and it is possible that similar cases in the future could result in significant fines or damages, or injunctive action that could adversely affect our ability to conduct our business or negatively impact our financial condition or results of operations.** If we lose key employees or are unable to attract and retain the employees we need, our business and operating results could be adversely affected. Our success depends on our ability to attract and retain key personnel, and we rely heavily on our management team. The inability to recruit and retain key personnel or the unexpected loss of key personnel may adversely affect our operations. In addition, because of the reliance on our management team, our future success depends in part on our ability to identify and develop talent to succeed senior management. The retention of key personnel and appropriate senior management succession planning will continue to be critically important to the successful implementation of our strategies. There is substantial and continuous competition for ~~diverse, talented~~ engineering, manufacturing, and operations employees. We may not be successful in attracting and retaining such personnel, and we may experience increased compensation and training costs that may not be offset by either improved productivity or higher sales. We have from time to time experienced, and we may continue to experience, difficulty in hiring and retaining employees with appropriate qualifications, and may not be able to fill positions in desired geographic areas or at all. Significant changes in pension fund investment performance or assumptions relating to pension costs may adversely affect the valuation of pension obligations, the funded status of pension plans, and our pension cost. Our pension cost is materially affected by the discount rates used to measure pension obligations, the level of plan assets available to fund those obligations at the measurement date and the expected long-term rates of return on plan assets. Significant changes in investment performance or a change in the portfolio mix of invested assets may result in corresponding increases and decreases in the value of plan assets, particularly equity securities, or in a change of the expected rate of return on plan assets. Any changes in key actuarial assumptions, such as the discount rate or mortality rate, would impact the valuation of pension obligations, affecting the reported funded status of our pension plans as well as the net periodic pension cost in the following fiscal years. Many of our current pension plans have projected benefit obligations that exceed the fair value of the plan assets. As of December 31, ~~2023~~ **2024**, the aggregate deficit was \$ ~~853~~ **815** million. Any declines in the fair values of the pension plans' assets could require additional payments by us in order to maintain specified funding levels. Our pension plans are subject to legislative and regulatory requirements of applicable jurisdictions, which could include, under certain circumstances, local governmental authority to terminate the plan. See Note ~~15~~ **14** to the Consolidated Financial Statements for additional information regarding pensions and other post-retirement benefits.