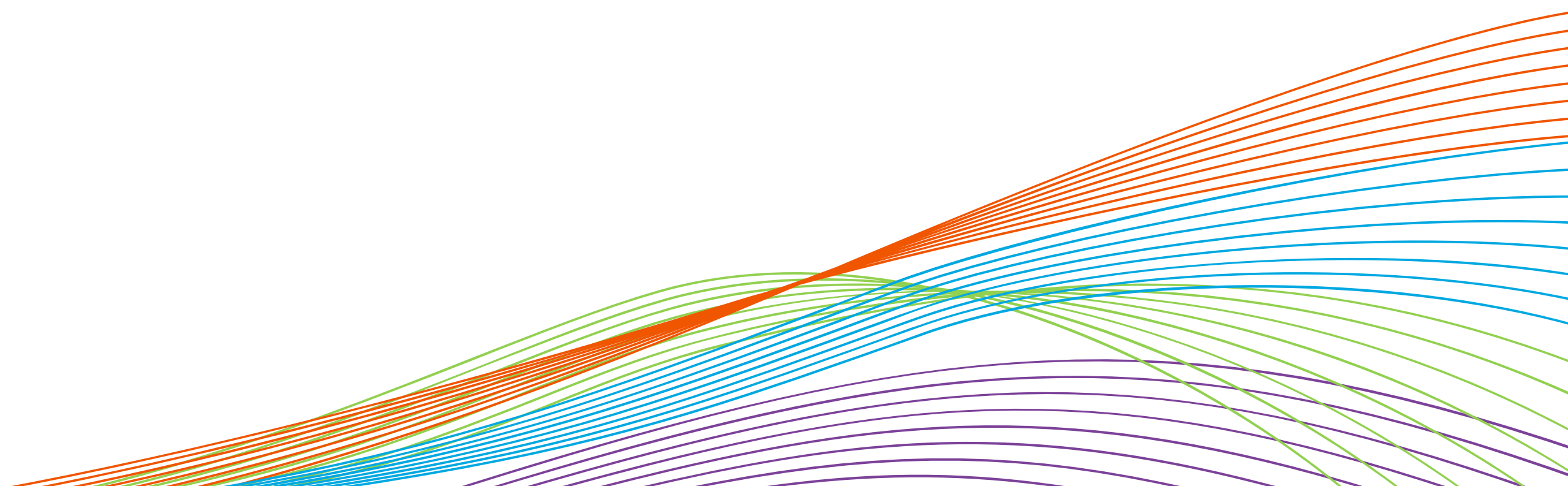


# EM Sustainability and Circular Economy

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October 2021



# Sustainability Drivers: Regulations and Self-Commitments

## AMERICAS

### Canada



- Reduce total greenhouse gas emissions reduction by 30% in 2030 vs 2005 emission levels,
- Increase recycled content by at least 50% in plastic products where applicable by 2030

### US



- Net zero carbon emissions for the power sector by 2035, and economy-wide by 2050
- Lately rejoined the Paris Climate agreement to foster climate resilience and low greenhouse gas emissions

## EMEA



- 55% reduction in CO<sub>2</sub> by 2030 vs 1990 and CO<sub>2</sub> neutral by 2050
- Mandatory recycled content targets in Automotive on the way\*
- CO<sub>2</sub> footprint required, appr. starting 2023



Keep global temp. increase well below 2°C compared to pre-industrial level

## ASIA

### China



Climate Neutrality by 2060 with peak carbon in 2030

### Japan



- Reduce CO<sub>2</sub> emissions by 26% in 2030 (compared to 2013 levels)
- Carbon neutral by 2050

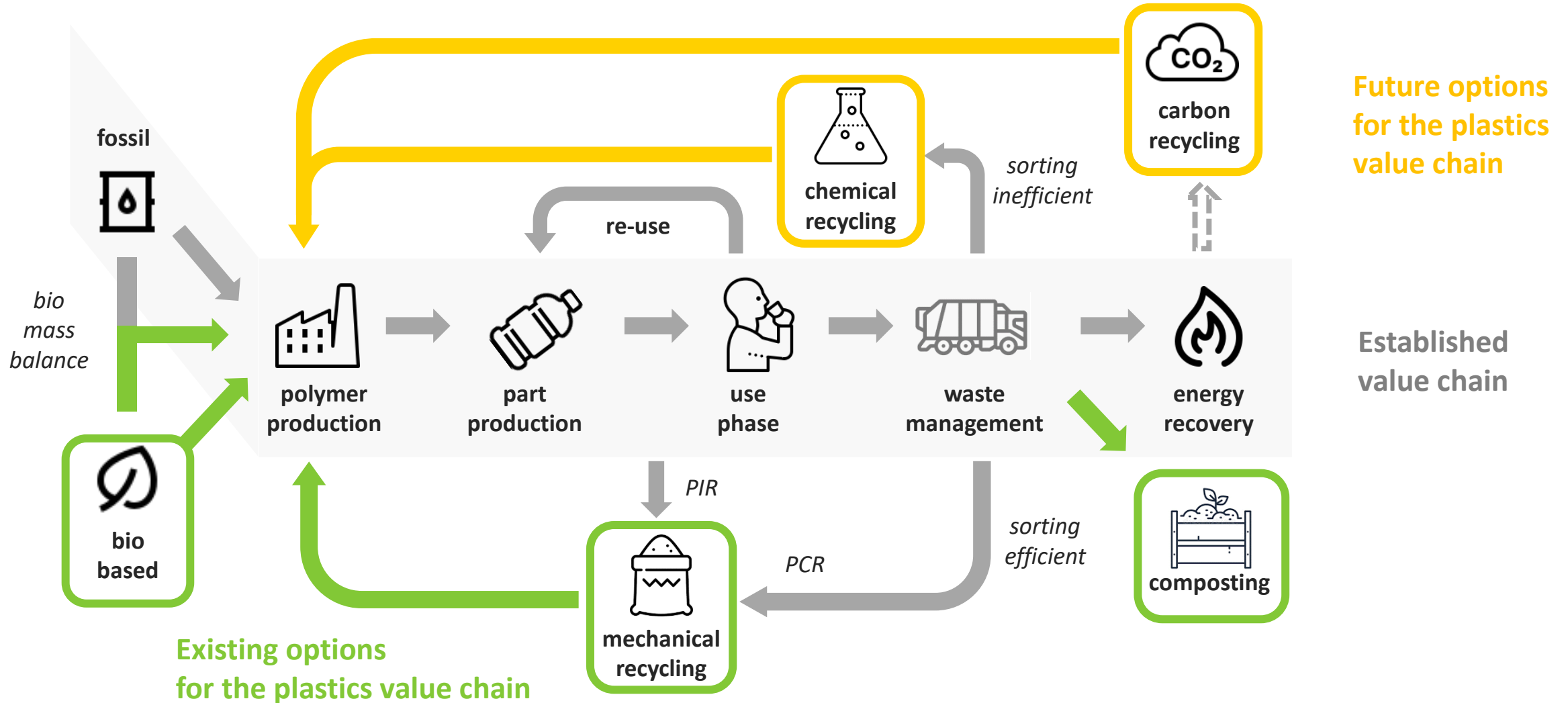
### S.Korea



- Green New Deal, carbon neutral by 2050
- Decrease plastic waste by 50% while increasing the rate of recycling from 34 to 70% by 2030

*\*Circular Economy Action Plan, **Automotive**: „considering rules on **mandatory recycled content** for certain materials of components, and improving recycling efficiency.*

# Circular economy in the plastics value chain





## Recycled content

Products that contain post-industrial or post-consumer recycled materials while still maintaining consistency, quality and performance



## Bio-based

Products derived from biological feedstock like forestry and agricultural waste materials or renewable domestic waste

*Includes ECO-B biomass balanced solutions*



## End-of-life

Products that are biodegradable and compatible with waste streams that go into composting



## Recycled content

Products that contain post-industrial or post-consumer recycled materials while still maintaining consistency, quality and performance



### **Mechanical Recycling** - Polymer chain remains untouched

- Source: separated post industrial (PIR) or post consumer (PCR)
- Performance loss with every thermal/mechanical step
- Properties can be tuned to match prime reference by adjusting %
- ... but product close but not identical to prime => re-approvals needed
- Limited options for stringent requirements (food contact, drinking water, colors)



### **Carbon Recycling** - Reclaimed fossil CO<sub>2</sub>

- Source: CO<sub>2</sub> waste stream converted back into polymer
- Ideally suited for POM due to versatile Methanol precursor
- Product identical to prime



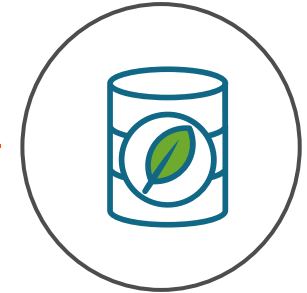
### **Chemical Recycling** - Polymer chain partially split

- Source: pre-separated post consumer (PCR) waste
- Potential routes solvolysis – pyrolysis – gasification
- Most promising solvolysis yields oil as feedstock for steam cracker
- Product identical to prime quality with mass balance approach
- Still in industrial scale up stage

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# Bio-Based Solutions

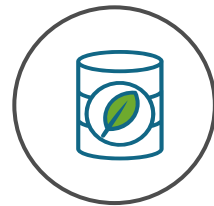




## Bio-based

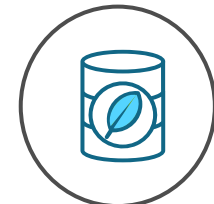
Products derived from biological feedstock like forestry and agricultural materials or renewable domestic waste

- Source: naturally occurring materials (wood, agricultural waste)
- CE ambition is to use feedstock not in conflict with food chain where possible



### Conventional polymer – bio-mass balance feedstock

- Polymer chain identical to fossil based equivalent
- Precursor for key feedstock bio-based instead of fossil
- Example POM ECO-B: same POM polymer made of bio-origin Methanol



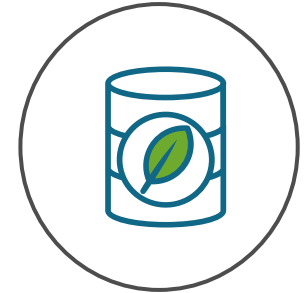
### Distinct class of polymer – bio-based feedstock

- Polymer backbone of natural origin => often compostable
- Feedstock directly bio-based without mass balance + chemical modification
- Example BlueRidge™ Cellulosic Pellets & Clarifoil® Cellulose Acetate: cellulose from wood pulp modified with acetic acid

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### Bio-Based Solutions



Conventional polymer – bio-mass balance feedstock



## POM ECO-B



- ▶ POM ECO-B grades use bio-based methanol as feedstock with a bio-mass balance approach
- ▶ POM ECO-B follows the ISCC+ mass balance certification, independently audited by external 3<sup>rd</sup> parties
- ▶ Bio-mass balance provides end products in identical quality and properties vs prime avoiding requalification in specified applications

## PBT ECO-B



- ▶ PBT polymer contains min. 40% bio-mass balance coming from the aliphatic portion can be used to produce Celanese PBT compounds
- ▶ Products will be available in 1Q22 with RedCert<sup>2</sup> certification
- ▶ Will be meeting requirements of upcoming EU supply chain act

## UHMW-PE ECO-B

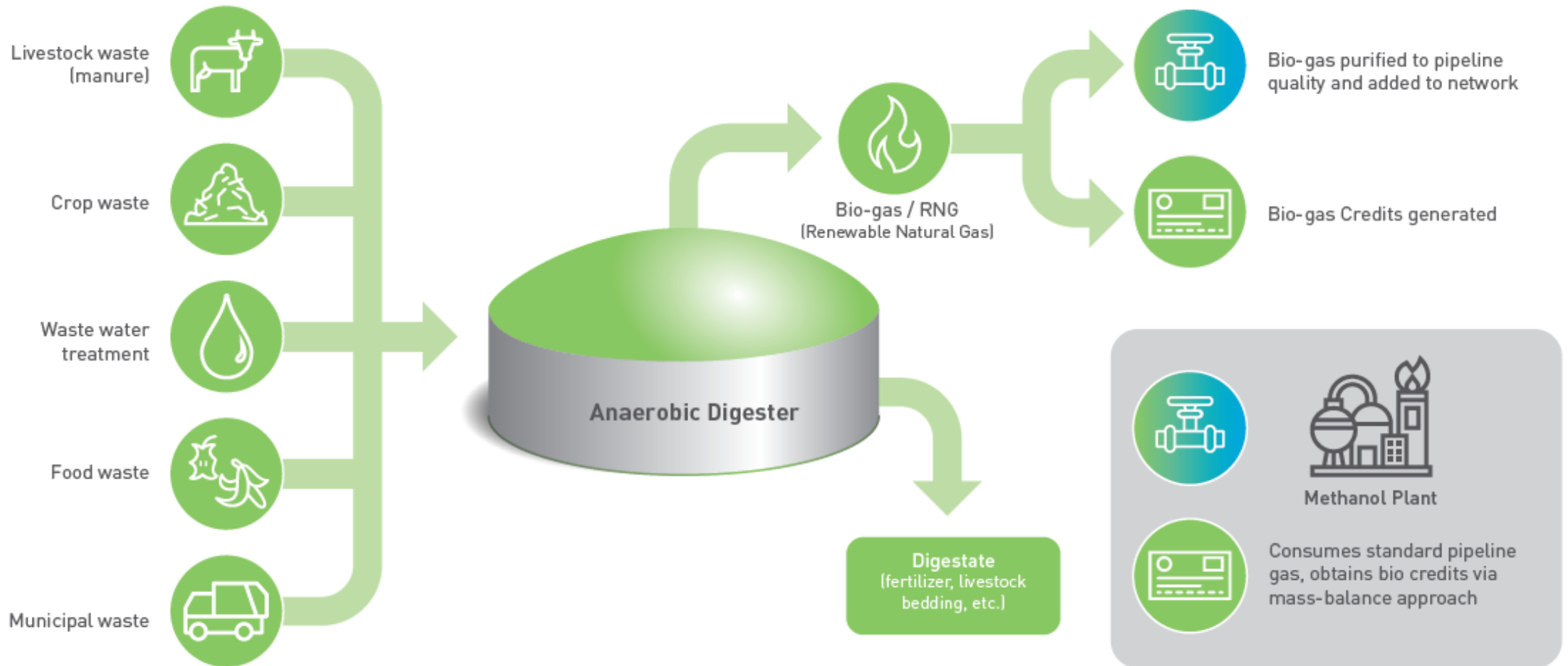
- ▶ We are evaluating bio-based ethylene sources to produce Celanese UHMW-PE products on a bio-mass balance approach

## POM ECO-B

Product	Mass-balance Bio-POM
Availability	EMEA January 2021  Any EU-manufactured grade Q1 2021  Any US-manufactured grades TBD
Renewable Content	Up to 97% certified Bio-content via ISCC Plus mass-balance
CO <sub>2</sub> Benefit	Reduction in CO <sub>2</sub> footprint (GWP – Global Warming Potential) of ~50% of CO <sub>2</sub> per KG of POM polymer*

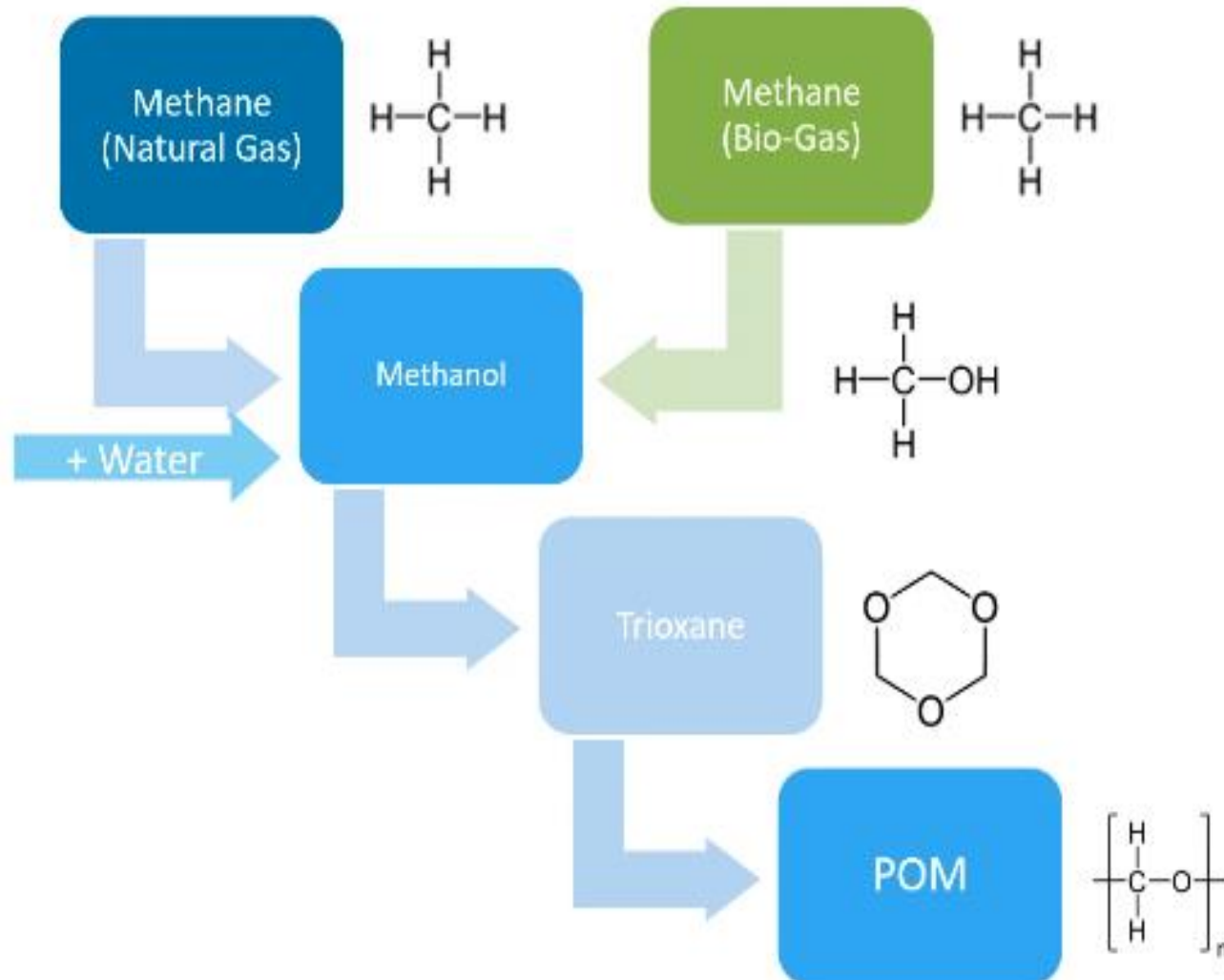
\* Polymer-only basis, compounded products may differ

- ▶ Mass-balance bio-based POM using renewable feedstocks
- ▶ Chemically identical alternative to traditional POM, ***no product requalification required***
- ▶ Option on any grade in portfolio
- ▶ Does not use or contain food or feed crops
- ▶ Celanese uniquely positioned to offer ECO-B solution given fully integrated chain



Biogas is produced from the anaerobic decaying of organic waste material

# Chemistry of POM and POM ECO-B

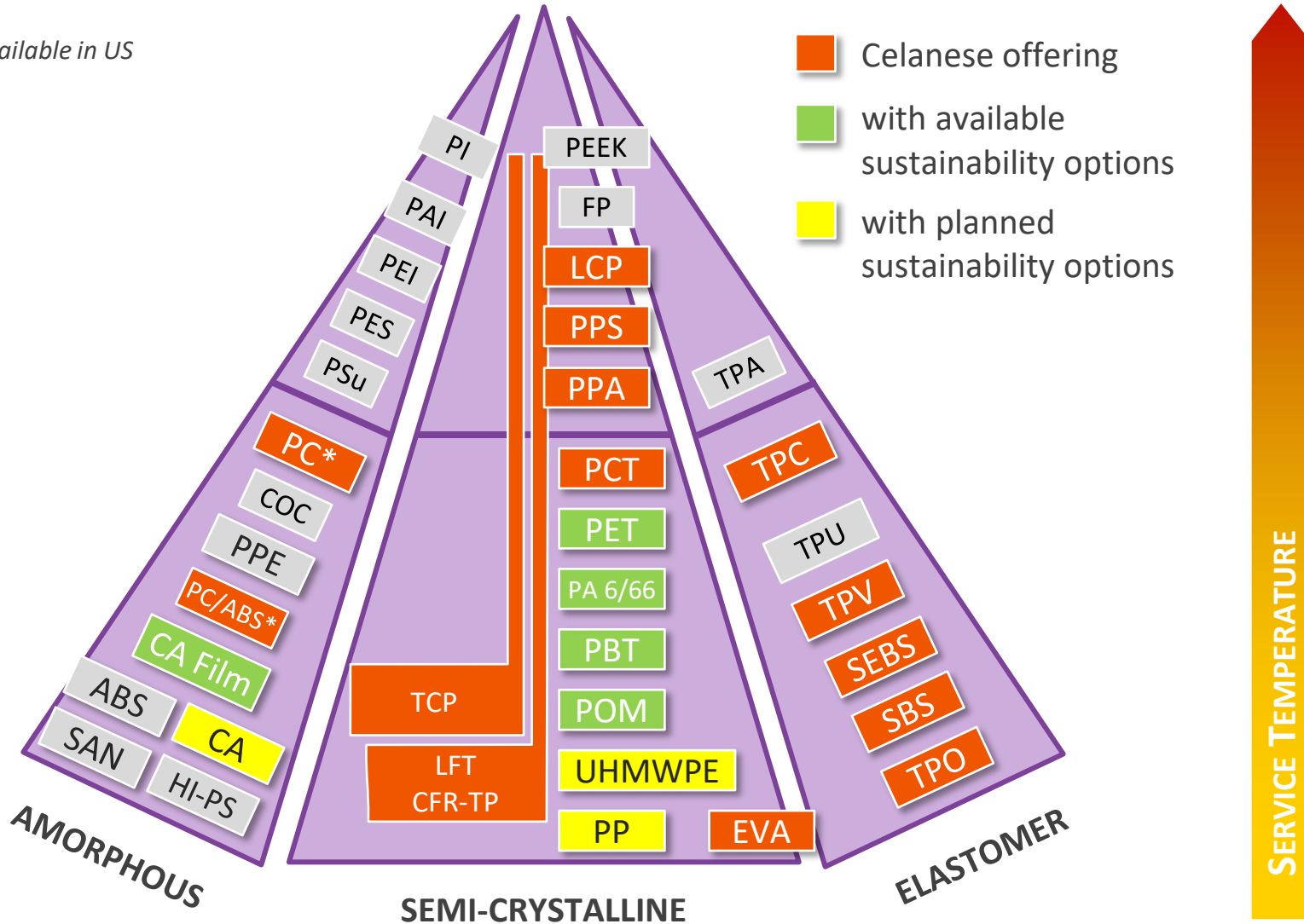


Celanese is fully integrated through entire chain

ECO-B is done via mass-balance approach

Raw materials, specifications, production process, equipment, **all unchanged**

\* available in US



- Celanese EM offers the broadest range of Engineered Thermoplastics in the market
- Key strength overall and for sustainable solutions is within the semi-crystalline part of the plastics pyramid
- A range of sustainability options are available across the portfolio

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