



Westlake



Westlake Chemical Corporation

Sustainability Highlights

Westlake Chemical Corporation

A Leading Integrated Materials Company



Net Sales

\$7,504 Million

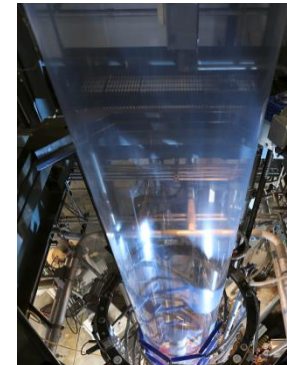
EBITDA ^(1,2)

\$1,246 Million

Net Income ⁽³⁾

\$323 Million

(2020)



Our mission is to create long term value with a risk adjusted return approach.

Vinyls (2020)

\$963 million EBITDA⁽¹⁾

76% of total EBITDA⁽⁴⁾

Olefins (2020)

\$298 million EBITDA⁽¹⁾

24% of total EBITDA⁽⁴⁾

Our Mission:

- Profitable bottom line growth.
- In businesses we understand.
- Globally in areas we can gain an edge.
- In a disciplined and opportunistic manner.

Strategic Action Update:

- Disciplined, financially conservative strategy with integrated operations:
 - Increased Ethylene JV ownership to expand integrated vinyls margins.
 - Recent global PVC, VCM & Chlor Alkali expansions increase integration.
- Strong balance sheet and liquidity with focus on costs and cash generation.



Notes: (1) See page 20, (2) Includes WLK Corporate EBITDA, (3) Net Income attributable to WLK, (4) Excludes WLK corporate EBITDA

Westlake, A Global Diversified Product Mix

A Global Leading Producer:

Chlor Alkali

2nd largest Chlor Alkali producer in the world, capitalizes on globally low cost natural gas for power in North America.

PVC

2nd largest producer of PVC in the world leveraging the high level of product integration and long-term low cost feedstocks.

Low Density Polyethylene

- Largest specialty autoclave LDPE producer globally.
- 2nd largest producer of Low Density Polyethylene in the Americas.

World Wide Presence:

North America

Highly integrated, low cost production of PE, PVC & Caustic Soda:

- 11 Chemical sites.
- 20+ Polymer product sites.

Europe

Global leader in Specialty PVC, Leading global PVC compounder:

- 5 Chemical sites.
- Downstream value added polymer compound products.

Asia

High quality PVC resin and film products in a growth region:

- 2 Chemical sites.
- 3 Polymer product sites.

Westlake Makes Essential Products To Protect and Enhance Our Daily Lives

Westlake's products support over half of the 17 Sustainable Development Goals adopted by the United Nations:



Westlake's products are used for many essential goods that are particularly important in today's environment:

Chlor Alkali

Used in water treatment, disinfectants, paper, tissues and cardboard packaging.

PVC

Used in medical equipment and supplies as well as a variety of construction and infrastructure uses, such as fresh and waste water piping.

Low Density Polyethylene

Used for medical applications and food packaging.

Commitment to Corporate Social Responsibility is Formed by Five Longstanding Core Values



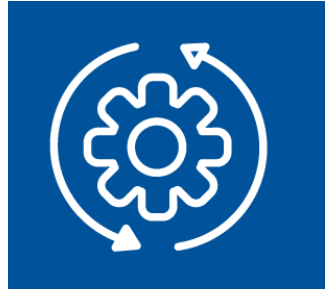
HEALTH, SAFETY & ENVIRONMENT ("HSE")

The health and safety of our employees and communities, and the vigilant stewardship of the environment and sustainability are of utmost importance and at the forefront of everything we do.



OUR PEOPLE

The integrity, creativity, dedication, diversity and drive of our employees allow us to excel. We support, develop and inspire our people to achieve their personal best and treat them with dignity and respect.



QUALITY & CONTINUOUS IMPROVEMENT

Our commitment to quality products and service is so strong that both are symbolized as the two check marks that form the Westlake "W" in our logo. We seek to maintain this commitment through an intensive practice of "never-ending process of improvement."



COMPETITIVENESS

We are committed to enhancing the lives of people in the global marketplace every day. We do this by providing innovative and useful products, maintaining high standards of customer service and operational excellence with a constant focus on managing costs.



CITIZENSHIP

We recognize the importance of supporting the communities in which we work and live and make it a priority to take an active role in making these communities better.

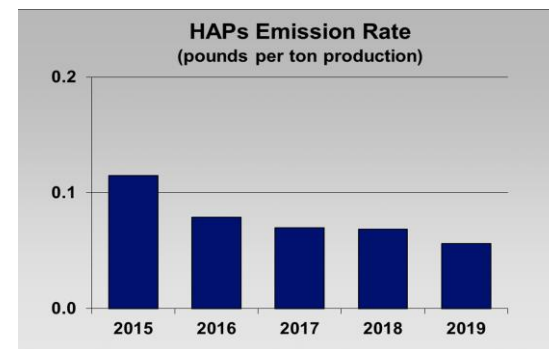
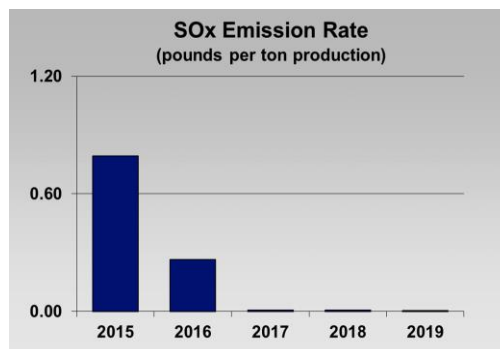
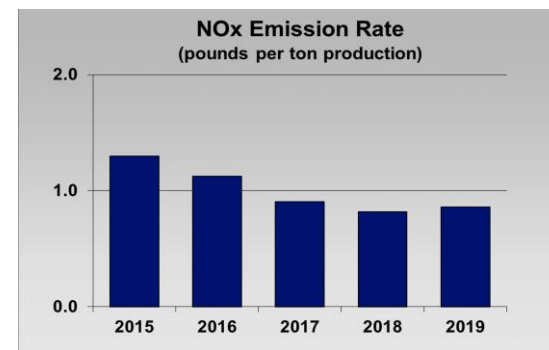
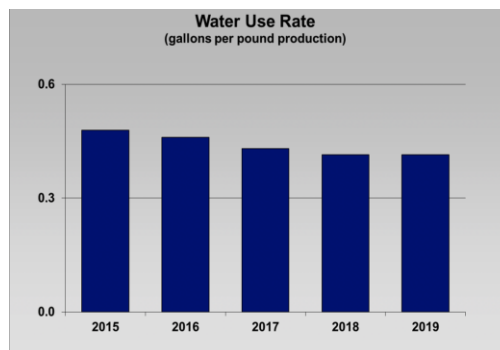
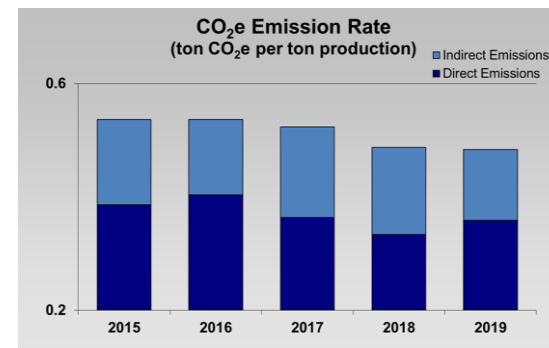
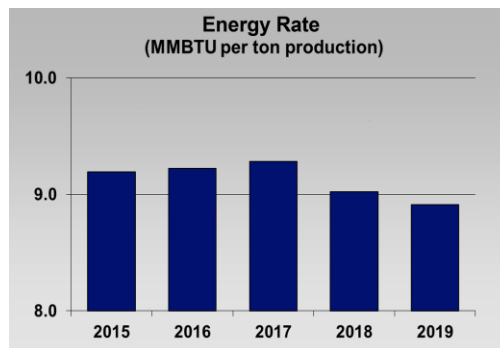
Westlake's Environmental Responsibility

At Westlake, we strive to protect the world around us and preserve our natural resources.

We have made meaningful reductions in our emissions and the natural resources that we use.

Among these reductions described in our Sustainability Report, we have:

- Reduced Sulphur Dioxide emissions to almost zero, reduced energy usage per ton of global production, and achieved a nearly 30% reduction on CO₂ emissions.
- Reduced greenhouse gas intensities by 10% in the last 4 years alone through the efficient use of cogeneration facilities and boiler fuel conversions.
- Reduced water usage by more than 13% in 4 years.
- Reduced hazardous air pollutants (HAPs) by over 15% in 4 years.



Westlake's World Wide Recycling Initiatives

Westlake is committed to responsible production and consumption. As examples:

- Our DaVinci roofscapes subsidiary recycles 1 million pounds of waste per year. Westlake's environmental initiatives have enabled DaVinci to recapture almost all of its scrap waste and reprocess it, resulting in a net zero landfill scrap from our facility.
- Our Vinnolit subsidiary is part of the EU Circular Flooring Project to enable environmentally friendly recycling of post-consumer PVC floor coverings.
- Westlake is implementing initiatives to increase the recyclability of its polyethylene products through the use of compatibilizers.
- In 2018 Westlake joined the Materials Recovery for the Future Initiative. The goal is to help advance waste separation methods and promote advancements focused on the recyclability of flexible packaging.

Circular Flooring Project Kick-Off in Brussels June 2019:



Scrap reground to be used in DaVinci composite roofing tiles:



Commitment to the Environment Through Both Company Action and Dedicated Industry Organizations

Participating in Multi-Industry Associations for Environmental Protection

Westlake is a proud partner with the following organizations to drive sustainable action to eliminate plastic waste, capture more flexible food packaging waste for recycling and support vinyls' sustainable impact in the world, along with many other initiatives.

Westlake Associations and Alliances:



Westlake Sustainability Report:



<https://www.westlake.com/sustainability>

Alliance to End Plastic Waste

Westlake is part of the Alliance to End Plastic Waste, an organization of plastic and consumer goods companies aligned to eliminate plastic waste in the environment, especially in the oceans.

The alliance is focused in these four areas:



Infrastructure

Over three billion people worldwide do not have access to waste collection and no access to proper waste disposal facilities. Managing waste through improved collection, sortation, treatment and recycling, especially in parts of the world where waste management systems are lacking, is our greatest challenge.*



Education and Engagement

Education is powerful because it brings lasting change. Projects must not only trigger business or technical evolution, but they must inspire people to learn and participate in what it takes to end plastic waste in the environment.



Innovation

Para-phrasing Albert Einstein, 'You can't solve a problem on the same level that it was created.' Our role is to support ideas that will take us to the next level of technologies and solutions that support a circular economy.



Clean Up

Universal access to an environment free of plastic waste starts at its source. In particular, we look for our clean-up activities to be enduring. We seek to identify the source so we can work to stop the flow of vast amounts of land-based plastic waste from entering our rivers and ocean in the first place.

Operation Clean Sweep

- Westlake Partnered with Operation Clean Sweep, an international program designed to prevent resin pellet, flake, and powder loss, and help keep plastic resin out of the marine environment.
- Westlake has been working with Operation Clean Sweep as far back as 2013 for our North American assets. Our European assets were also working with Operation Clean Sweep dating back to 2013.
- We will continue working “to prevent the entry of plastic granulates such as pellets of powders into the environment, and ultimately into bodies of water by observing good housekeeping practices.

*Pledge to Prevent Resin Pellet,
Flake, and Powder Loss*



PVC: A Sustainable Solution

PVC's durability, light weight, low carbon content, and recyclability make it a sustainable solution to improve the living standards of global society.

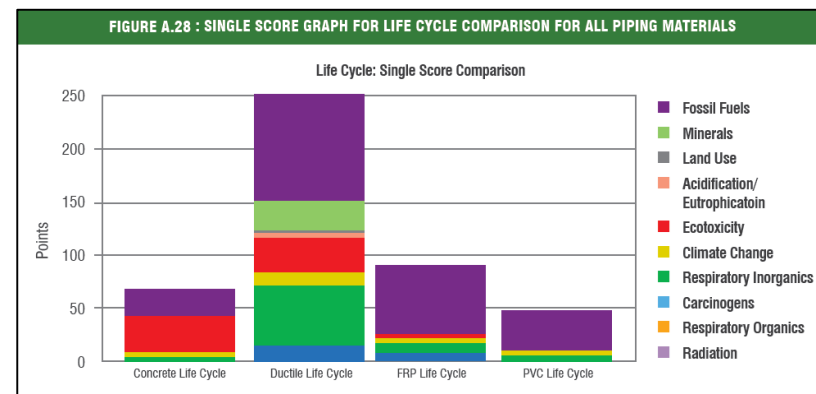
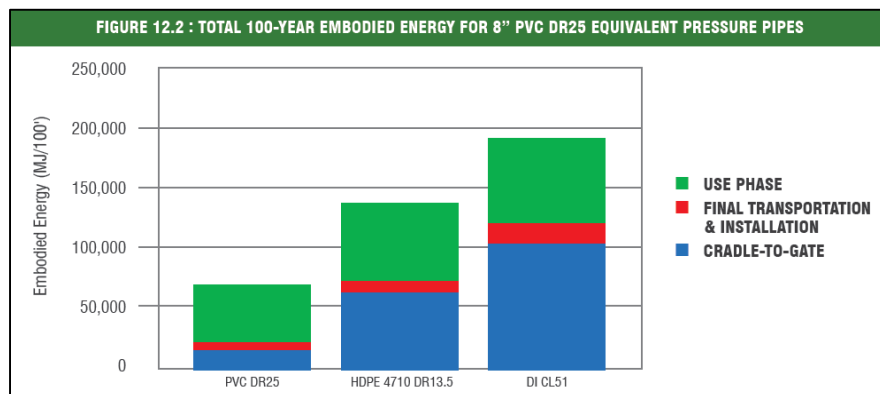
- PVC is an intrinsically low carbon plastic, 57% of its molecular weight is from chlorine derived from common salt, one of the few natural resources that is abundant on earth.
- PVC is an exceptionally durable plastic, with the majority of its applications having a service life of up to 100 years.
- PVC can be recycled multiple times without a loss in its performance.
- PVC provides the growing world population living space, infrastructure, transport, and medical products in a cost effective, low-carbon, sustainable platform.



PVC: The Sustainable Pipe Solution

PVC Pipe is the most sustainable choice based on lifecycle assessment, low carbon footprint, preserving clean water, and durability.

- Pipe is the largest end market for PVC.
- PVC has a low carbon footprint and the lowest environmental impact compared to other pipe materials.
- PVC helps save our precious resource water, as the current network of cast iron and ductile pipes are prone to pipe corrosion and breakage leading to 2.6 Trillion gallons of water lost annually -- enough drinking water for every person on earth.
- PVC pipe has a 100+ year service life and is completely recyclable.



PVC Provides Sustainable Benefit to the Quality, Comfort, Efficiency, and Safety of Modern Life

Life-Saving Medical Applications: PVC is impermeable to germs and easily cleaned providing life saving medical devices including oxygen and anesthetic masks, tubing, and IV and dialysis bags.



Recyclability:

Recyclability is increasing, with a 40% increase since 2014 in post-consumer recycling and more than 1 billion pounds of vinyl resin recycled in North America ¹.



Safe and Well Researched: PVC products can be adapted to be weather-resistant, oil-resistant, UV-resistant, flexible or impact-resistant.

According to the German parliament's commission of inquiry "Protection of human beings and the environment", PVC is now the most thoroughly investigated material there is from the point of view of its environmental relevance.

There are no health risks for employees or consumers associated with the production and processing of PVC today. PVC is therefore used for medical equipment, in food packaging and drinking water pipes, among other applications ².

Light-Weighting: Plastics, including soft PVC in particular, have played a very significant role in light-weighting and improving performance and efficiency.

The British Plastics Federation has calculated that every 100kg of plastic (including PVC) can replace between 200-300 kg of traditional materials. Over the average lifespan of a vehicle, these 100kg of plastics will reduce fuel consumption by 750 liters and consequently, the CO2 emissions ³.



Sources: (1) Vinyl Institute: www.vinylinfo.org/recycling, (2) www.vinnolit.com/en/sustainability/pvc-the-environment, (3) vinyl.org.au/automotive



































Introduction of Green Caustic Soda

Westlake's European subsidiary Vinnolit will launch climate friendly “green” caustic soda in 2021. This product will enable customers to reduce their own carbon footprint and in turn develop more climate friendly products.

- 9 million tons of caustic soda are needed per year in Europe.
- Through the use of renewable energy Guarantees of Origin (GO's) Vinnolit will offer climate friendly caustic soda under the brand name **GreenVin**.
- **GreenVin** Caustic offers customers caustic soda with a 30% lower CO2 footprint than traditional caustic soda.



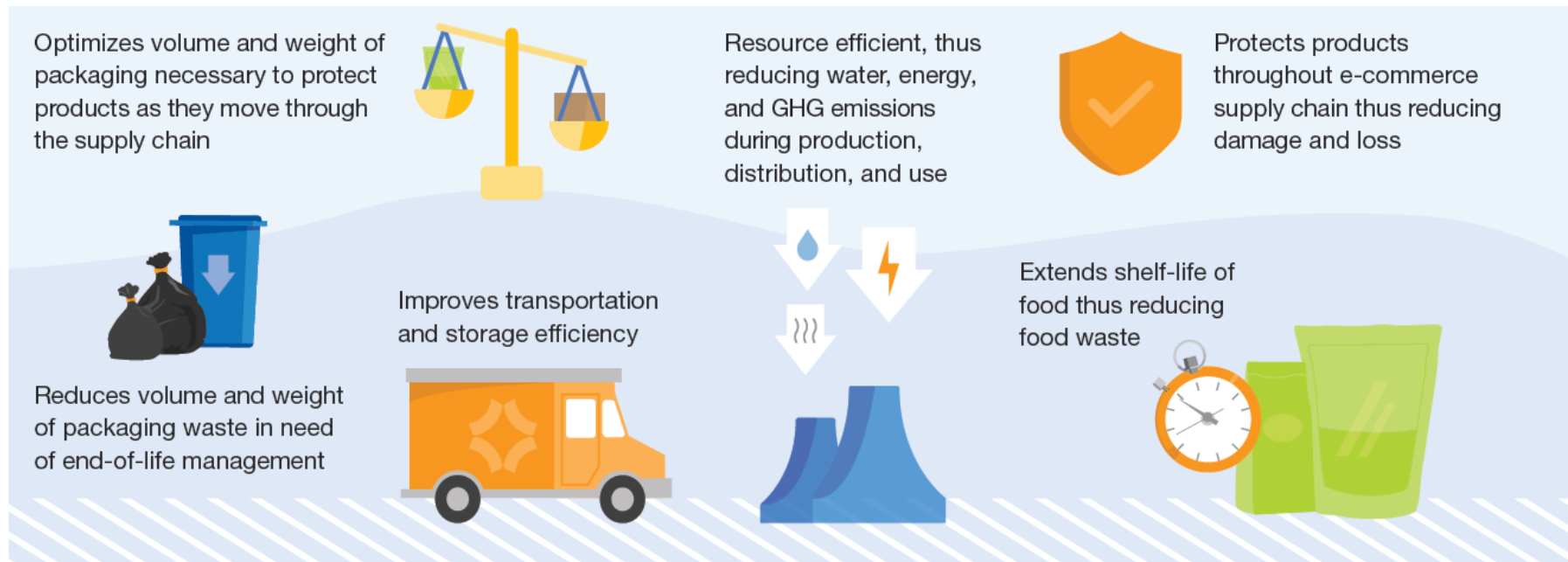
Polyethylene Flexible Packaging a Greener Choice Versus Alternative Packaging Materials

	Fossil Fuel Consumption (MU – Equivalent)	GHG Emissions (kg-CO2 Equivalent)	Water Consumption (liters)	Pkg Landfilled (g/ 1000kg juice)
Flexible Packaging ✓	 88.7	 4.6	 12.1	 27.7
Composite Carton	 95.3	 6.0	 71.7	 42.1
PET Bottle	  140.2	 7.3	 28.7	 34.3
Aluminum Can	   275.8	   27.1	 91.8	 25.3
Glass Bottle	    326.7	   25.6	  209.8	    364.2



Polyethylene Flexible Packaging: Less Energy, Less Natural Resources, Smaller Footprint

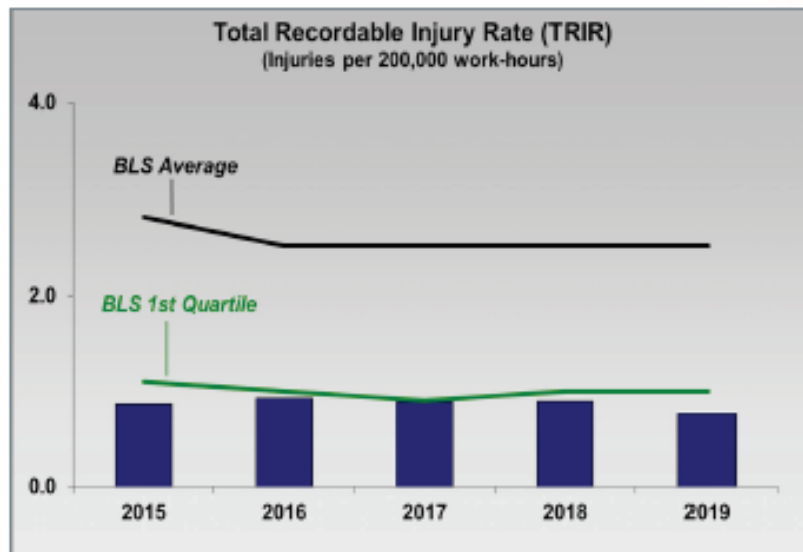
Flexible packaging made with polyethylene offers sustainable benefits over other packaging materials leading to significant sustainable benefits:



Protecting our People

“We have put safety first, and it will remain our number one priority. No job can be so important or urgent that people cannot take the time to work safely. Life is precious and irreplaceable.” –TT Chao

- Westlake’s goal is to have all U.S. chemical sites achieve Star status under OSHA’s VPP program by 2024.
- Drive to Zero - Westlake’s injury rates for 2019 were near historic lows for the company and continues consistent placement among the best performers in our industry peer group.
- Data Driven Safety – As part of our HSE management system, safety metrics are continually analyzed for improvement opportunities across all Westlake facilities.



Assisting our Community During the Covid Crises

- Calvert City, KY responded to a call from the Kentucky Chamber of Commerce by donating respiratory masks to area hospitals.
- Natrium, WV provided three area healthcare organizations with N95 masks, goggles and disposable gloves.
- Plaquemine, LA donated N95 masks, Tyvek suits, paper and shop towels, gloves, safety goggles and disinfectant to a local healthcare system.
- Burghausen and Ismaning, Germany donated respiratory protection masks to hospitals, clinics and retirement homes in the area.



Commitment to our Team and Surrounding Communities

The integrity, creativity, dedication, diversity and drive of our employees allow us to excel. We support, develop, and inspire our people to achieve their personal best and treat them with dignity and respect.

- Promoting diversity and inclusion.
- Maintaining high ethical standards.
- Ensuring employee growth and development.
- Investing in the future workforce:
 - Engaging woman in engineering.
 - STEM program support.
 - Westlake Scholarship Program.
- We recognize the importance of supporting the communities in which we work and live and make it a priority to take an active role in making these communities better:
 - United way.
 - Global Service Month and Community service days.



Reconciliation of Westlake EBITDA to Net Income and to Cash Flow from Operating Activities (in \$ millions)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Adjusted EBITDA	\$ 512	\$ 584	\$ 780	\$ 1,118	\$ 1,330	\$ 1,244	\$ 1,015	\$ 1,841	\$ 2,101	\$ 1,407	\$ 1,246
Debt Retirement Cost	-	-	(7)	-	-	-	-	-	-	-	-
EBITDA	512	584	773	1,118	1,330	1,244	1,015	1,841	2,101	1,407	1,246
Less:											
Income Tax (Provision) Benefit	(122)	(142)	(200)	(332)	(399)	(298)	(138)	258	(300)	(108)	42
Interest Expense	(40)	(51)	(43)	(18)	(38)	(35)	(79)	(159)	(126)	(124)	(142)
Depreciation & Amortization	(129)	(132)	(144)	(158)	(208)	(246)	(378)	(601)	(641)	(713)	(773)
Non Controlling Interest	-	-	-	-	(6)	(19)	(21)	(35)	(38)	(41)	(50)
Net Income	221	259	386	610	679	646	399	1,304	996	421	323
Non Controlling Interest	-	-	-	-	6	19	21	35	38	41	50
Changes in operating assets & liabilities and others	48	86	233	49	288	374	346	723	313	785	778
Deferred income taxes	14	14	6	94	59	40	101	(534)	62	54	146
Cash flow from operating activities	\$ 283	\$ 359	\$ 624	\$ 753	\$ 1,032	\$ 1,079	\$ 867	\$ 1,528	\$ 1,409	\$ 1,301	\$ 1,297
Vinyls EBITDA	(20)	48	131	207	247	398	415	1,095	1,439	1,032	963
Olefins EBITDA	547	549	655	944	1,126	863	699	803	715	407	303
Corporate EBITDA	(15)	(13)	(13)	(33)	(43)	(17)	(99)	(57)	(53)	(32)	(20)
Westlake Adjusted EBITDA	\$ 512	\$ 584	\$ 773	\$ 1,118	\$ 1,330	\$ 1,244	\$ 1,015	\$ 1,841	\$ 2,101	\$ 1,407	\$ 1,246

Note 1 from page 2: Non-GAAP Financial Measures

This presentation includes the non-GAAP measure EBITDA. A reconciliation to net income and to cash flow from operating activities is included above.



Safe Harbor Language

This presentation contains certain forward-looking statements including statements regarding managing working capital, lowering operating costs and reducing capital expenditures and the timing of the Petro 2 turnaround. Actual results may differ materially depending on factors such as general economic and business conditions; the cyclical nature of the chemical industry; the availability, cost and volatility of raw materials and energy; uncertainties associated with the United States, Europe and worldwide economies, including those due to political tensions in the Middle East and elsewhere; current and potential governmental regulatory actions in the United States and Europe and regulatory actions and political unrest in other countries; industry production capacity and operating rates; the supply/ demand balance for our products; competitive products and pricing pressures; instability in the credit and financial markets; access to capital markets; the COVID-19 pandemic and the response thereto; terrorist acts; operating interruptions including leaks, explosions, fires, weather-related incidents, mechanical failure, unscheduled downtime, labor difficulties, transportation interruptions, spills and releases and other environmental risks; changes in laws or regulations; technological developments; our ability to implement our business strategies; creditworthiness of our customers; and other factors described in our reports filed with the Securities and Exchange Commission. Many of these factors are beyond our ability to control or predict. Any of these factors, or a combination of these factors, could materially affect our future results of operations and the ultimate accuracy of the forward-looking statements. These forward-looking statements are not guarantees of our future performance, and our actual results and future developments may differ materially from those projected in the forward-looking statements. Management cautions against putting undue reliance on forward-looking statements. Every forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward-looking statements.

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**Westlake
Chemical**