

CHEMISTRY THAT MATTERS™



# SABIC'S SPECIALTIES - SOLUTIONS FOR CIRCULAR ECONOMY

ULTEM™, NORYL™, LNP™

Julien Cathelin – Sr. Technical Development Engineer



INTRODUCING OUR PARENT COMPANY

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# SABIC AT A GLANCE

# SABIC AT A GLANCE



1976

Company established



31,000

Employees around the world



50

Countries of operations



10,090

Global patents and pending applications



Top 2

Chemical Brand Value\*

4.67

US\$ bn

Estimated Brand Value\*

84.9

US\$ bn

Total assets

6.15

US\$ bn

Net income

46.6

US\$ bn

Annual revenue



≈ 150

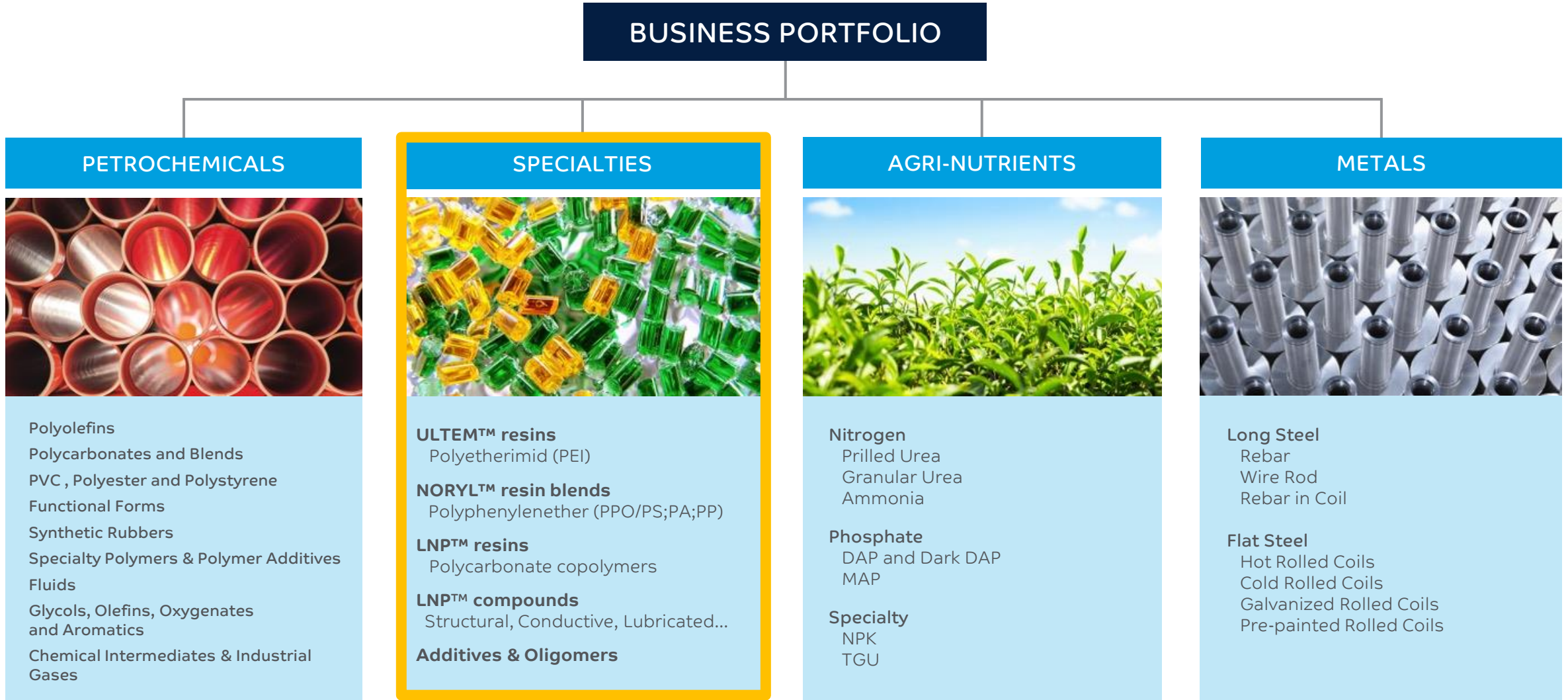
New products each year



66

World-class plants worldwide

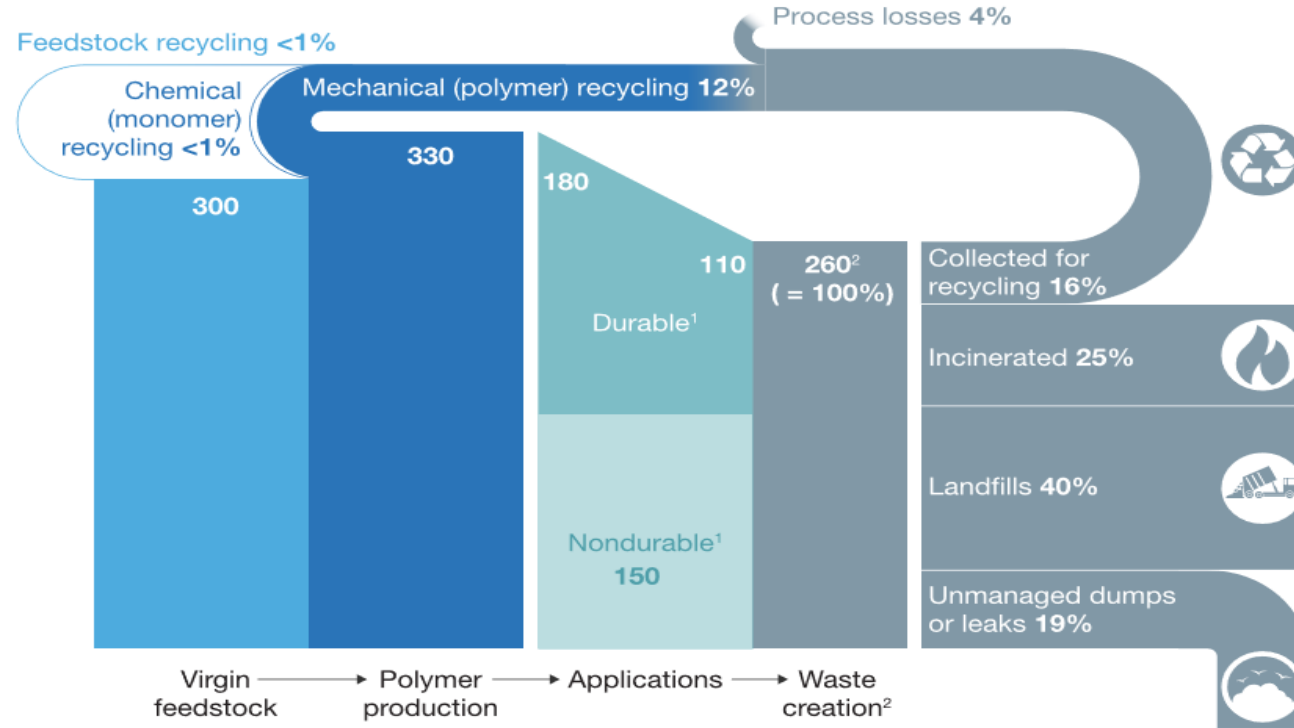
# SABIC IS ONE OF THE WORLD'S MOST DIVERSIFIED CHEMICALS BUSINESS



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# SUSTAINABILITY AS A MACRO TREND

# THE GLOBAL POLYMER FLOWS 2016 (MILLIONS OF METRIC TONS PER ANNUM)



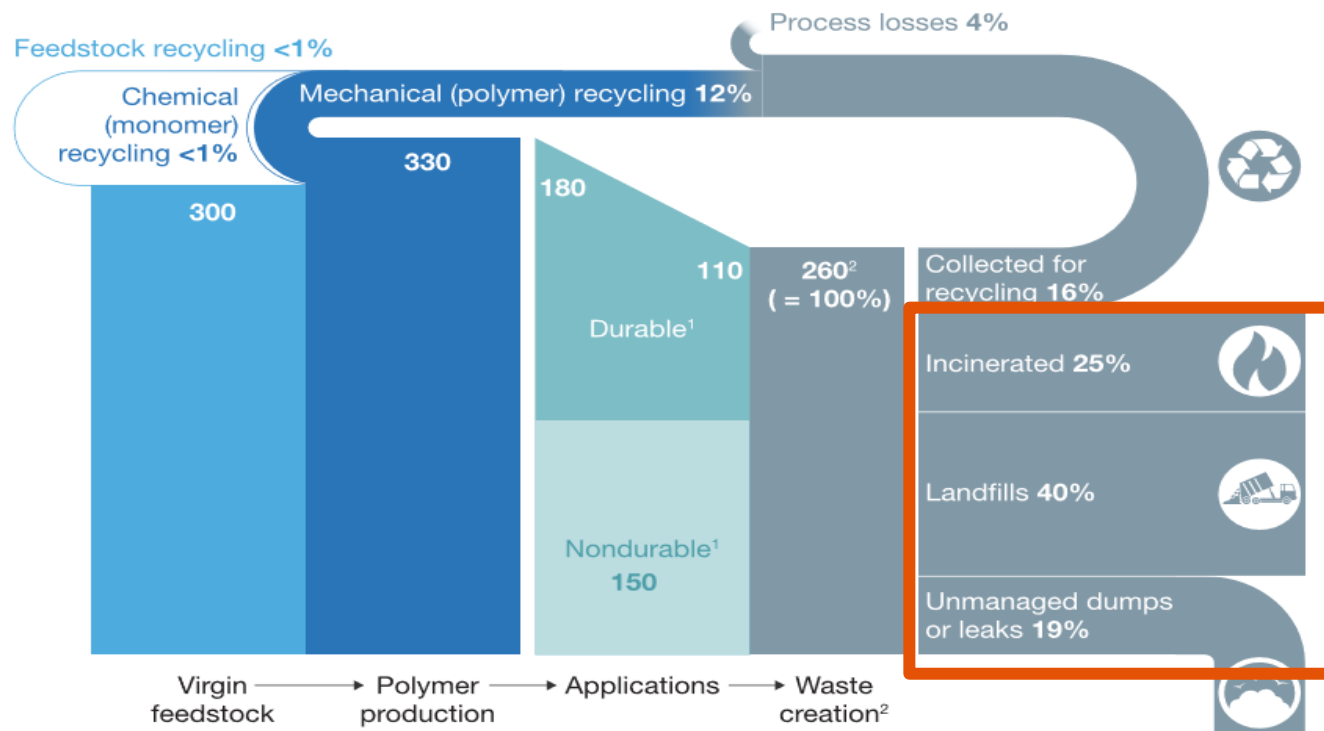
Plastic end of life

<sup>1</sup>Durable applications with an average lifetime >1 year will end up as waste only in later years; nondurable applications go straight to waste.

<sup>2</sup>150 million metric tons of mixed plastic waste from nondurable applications that end up as waste in same year, plus 110 million metric tons of mixed plastic waste from production in previous years.

McKinsey&Company <https://www.mckinsey.com/industries/chemicals/our-insights>

# THE GLOBAL POLYMER FLOWS 2016 (MILLIONS OF METRIC TONS PER ANNUM)



84% of the plastic materials are not recycled

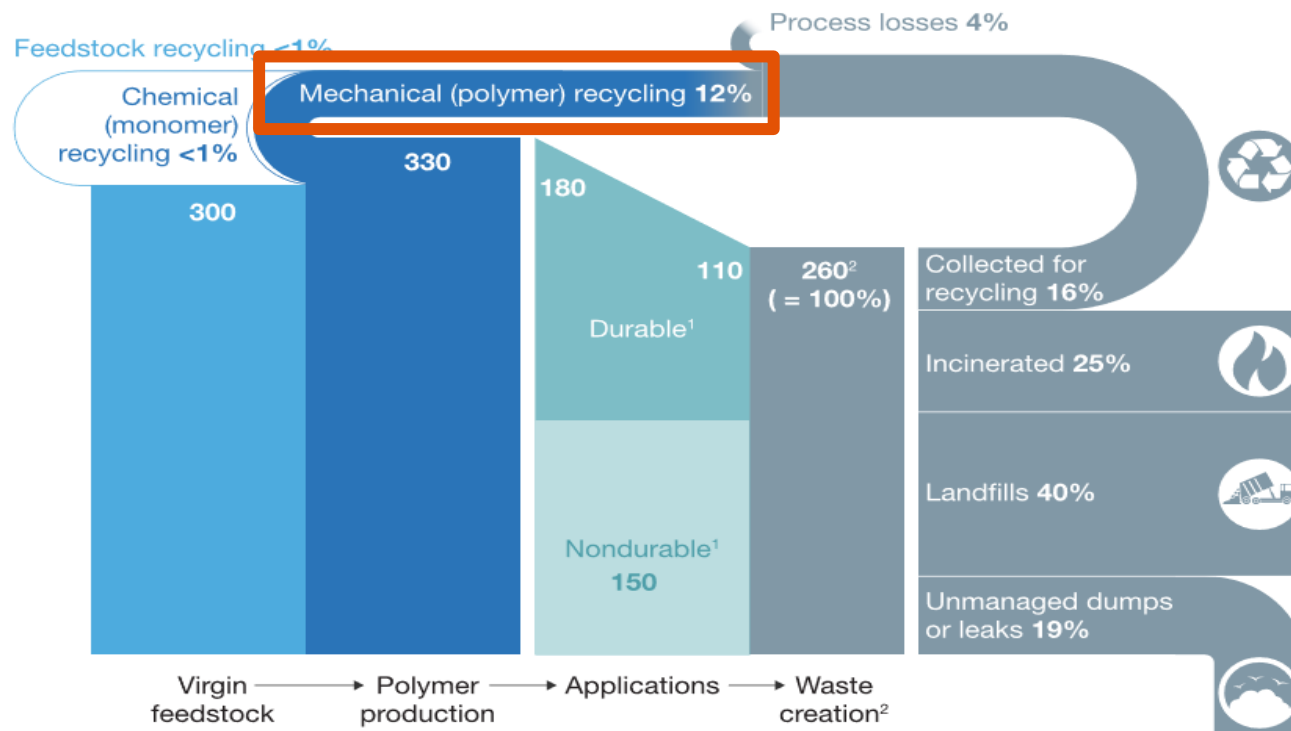
<sup>1</sup>Durable applications with an average lifetime >1 year will end up as waste only in later years; nondurable applications go straight to waste.  
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McKinsey&Company

<https://www.mckinsey.com/industries/chemicals/our-insights>

➤ Currently, most plastics are not recycled after their disposal

# THE GLOBAL POLYMER FLOWS 2016 (MILLIONS OF METRIC TONS PER ANNUM)



Only 12% of the plastic waste end up being recovered

<sup>1</sup>Durable applications with an average lifetime >1 year will end up as waste only in later years; nondurable applications go straight to waste.  
<sup>2</sup>150 million metric tons of mixed plastic waste from nondurable applications that end up as waste in same year, plus 110 million metric tons of mixed plastic waste from production in previous years.

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<https://www.mckinsey.com/industries/chemicals/our-insights>

➤ Not sustainable situation where plastic waste is becoming excessive



# CIRCULAR ECONOMY ARGUMENTS

## EARTH OVERSHOOT DAY



July 29  
2019

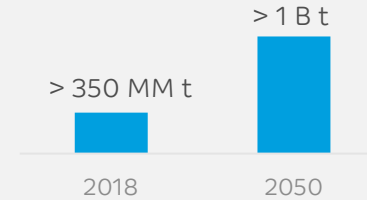
When human demand for resources and services has surpassed what the Earth can regenerate in a year. The earliest Earth Overshoot Day since ecological overshoot started in the early 1970s.

## MARINE LITTER



150 million tons of plastic waste are in the ocean today – without significant action, there may be more plastic than fish in the ocean, by weight, by 2050.

## PLASTICS DEMAND



Annual global plastics production exceeds 350 million tons and demand growth projected to surpass 1 billion tons by 2050.

## PLASTIC WASTE



460 MM t/year  
by 2030

Annual global plastic waste volumes could reach 460 million tons by 2030.

## PROMOTING ECONOMIC GROWTH

50% = \$60 B

Recycling rate

Achieving a 50% recycling rate\* by 2030 could generate up to \$60 billion.

## REGULATIONS



More and more directives and potentially regulatory & legislation driving circularity.

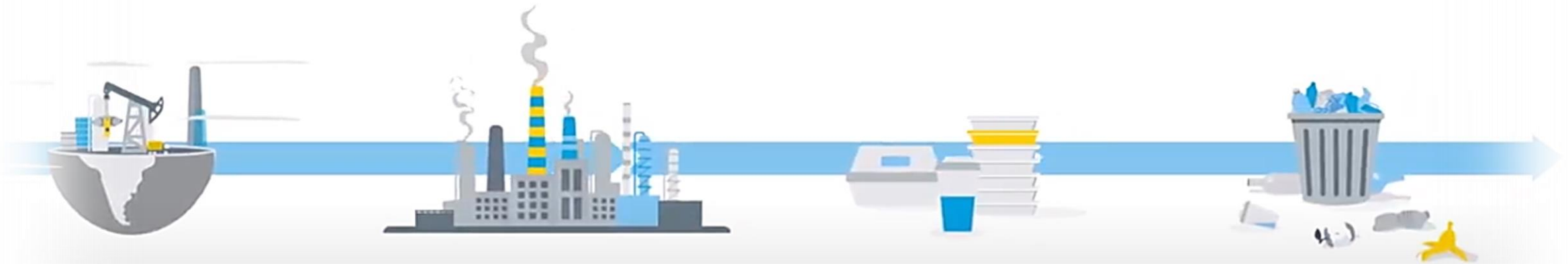
## PUBLIC OPINION



Increasing public awareness and demand for more action to reduce carbon footprint and waste.

## LINEAR ECONOMY

# PRODUCE . USE . THROW



## CIRCULAR ECONOMY

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# PRODUCE . USE . RECYCLE



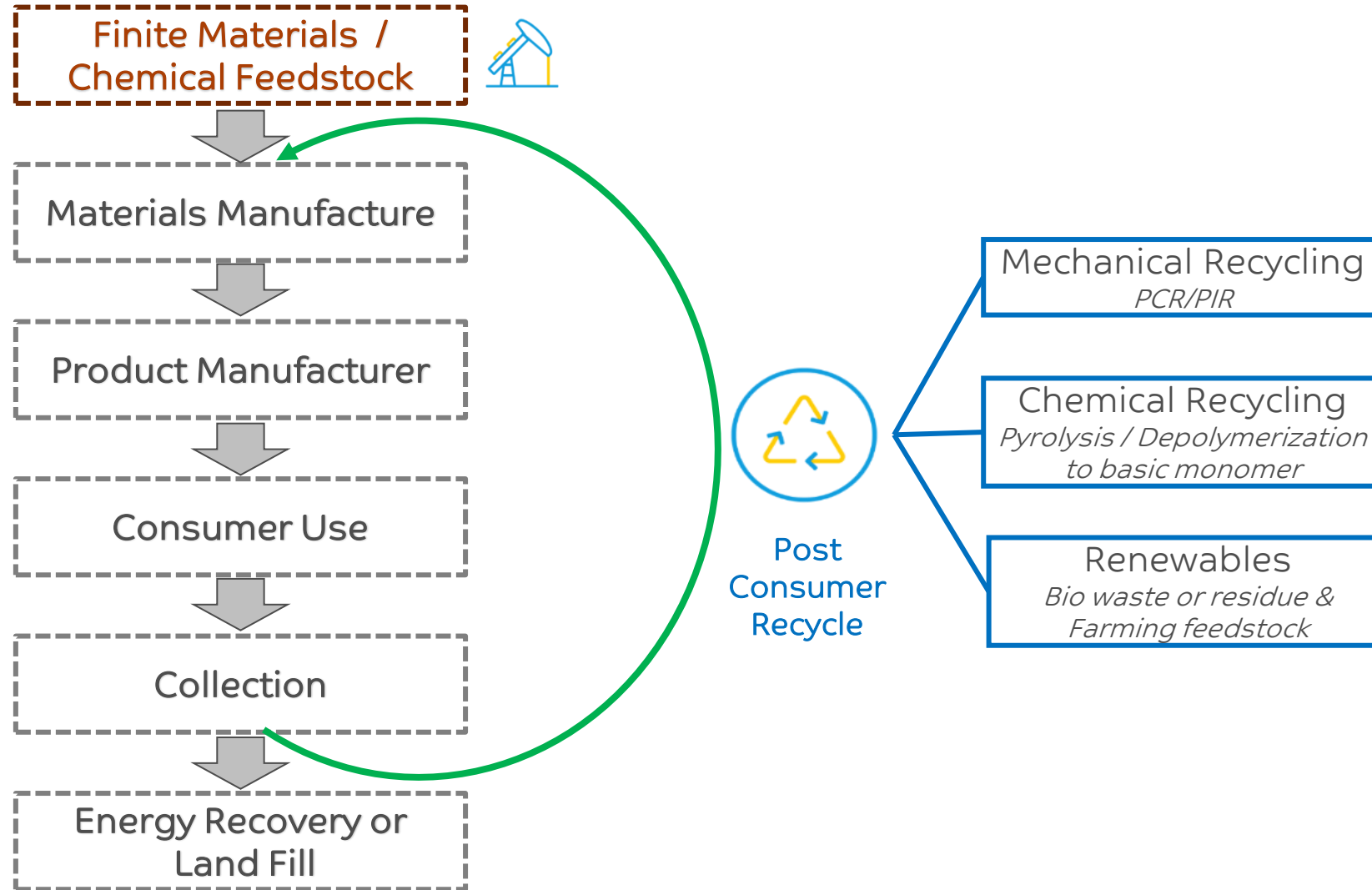
➤ What are the solutions today to achieve a close loop?

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# SUSTAINABILITY SOLUTIONS

# CIRCULAR ECONOMY

GOAL: MINIMIZE LEAKAGE TO ENVIRONMENT/OCEANS

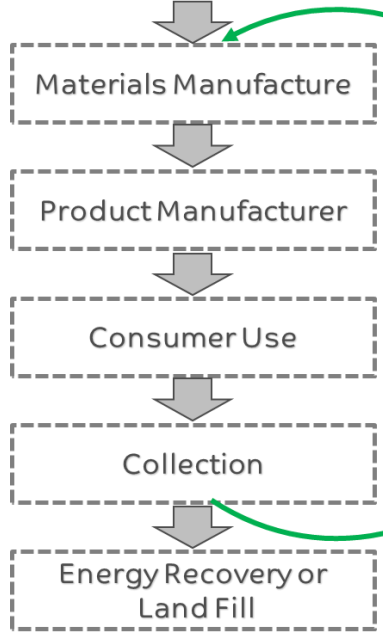


- Adapted from Ellen MacArthur Foundation diagram and others: *Biological and Technological Cycles*
- PCR= Post Consumer Recycle, PIR= Post Industrial Recycle . Both are secondary raw materials

# CIRCULAR ECONOMY

## GOAL: MINIMIZE LEAKAGE TO ENVIRONMENT/OCEANS

Finite Materials /  
Chemical Feedstock

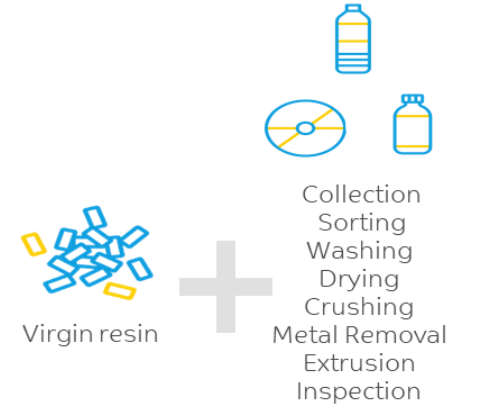


Post  
Consumer  
Recycle

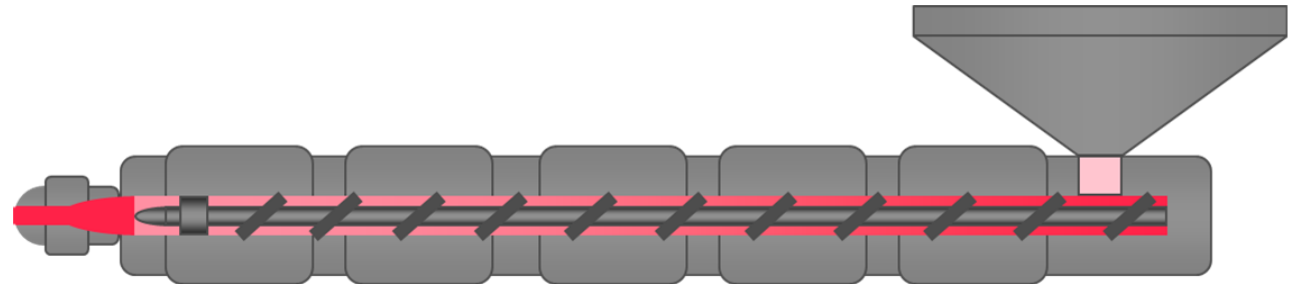
Mechanical Recycling  
*PCR/PIR*

Chemical Recycling  
*Pyrolysis / Depolymerization  
to basic monomer*

Renewables  
*Bio waste or residue &  
Farming feedstock*

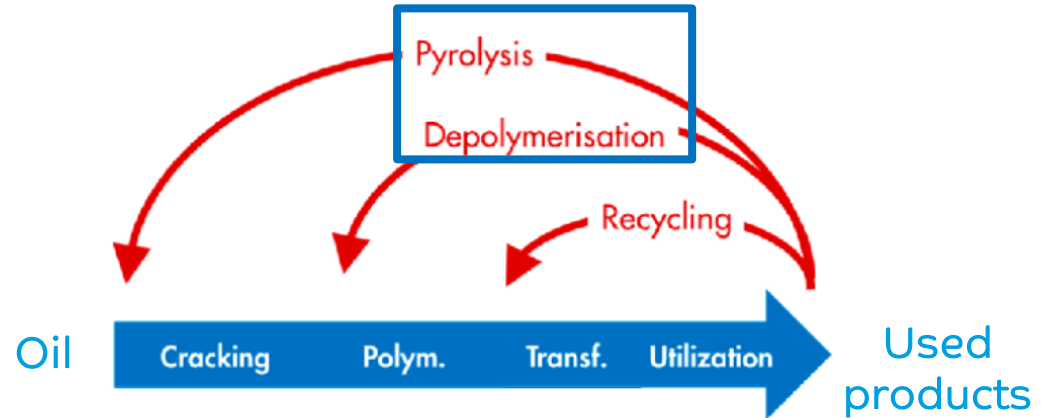
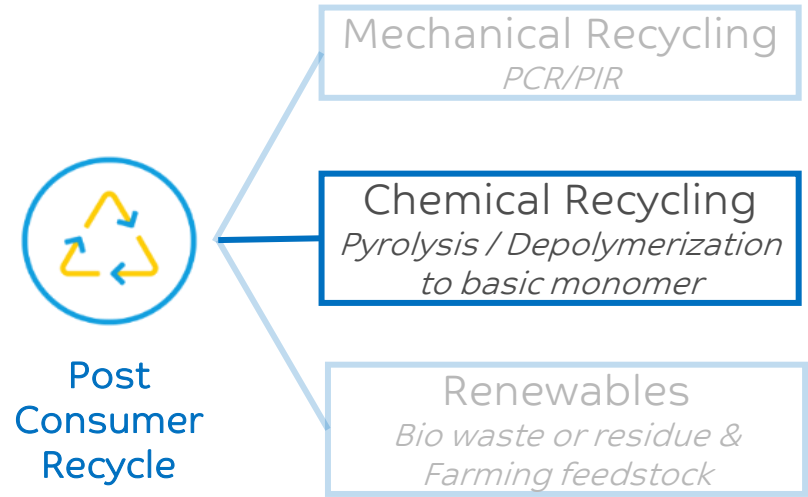
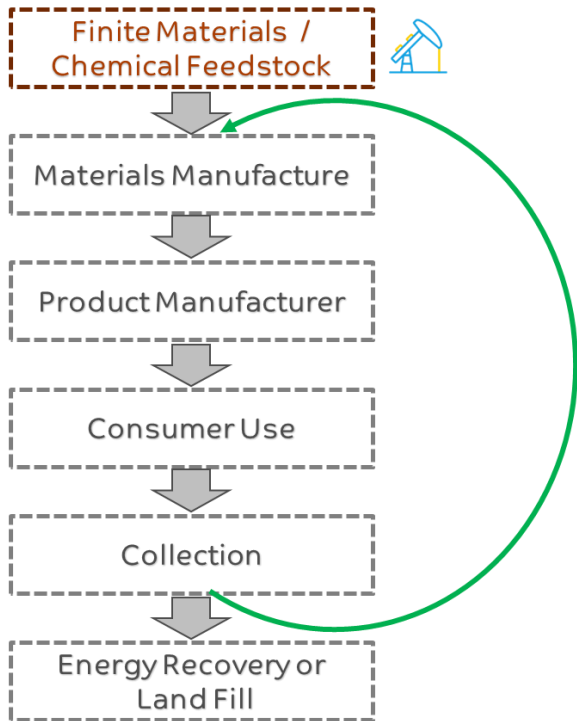


PCR/PIR COMPOUNDS



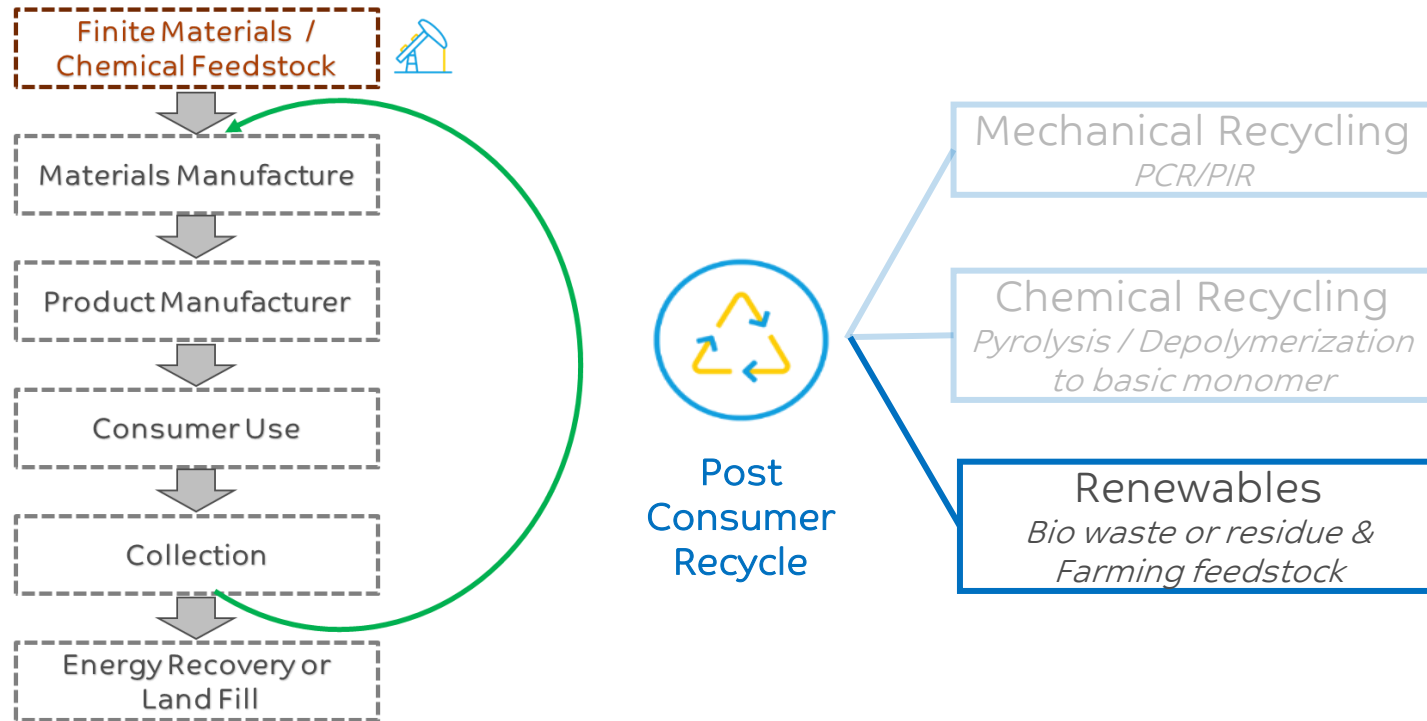
# CIRCULAR ECONOMY

## GOAL: MINIMIZE LEAKAGE TO ENVIRONMENT/OCEANS



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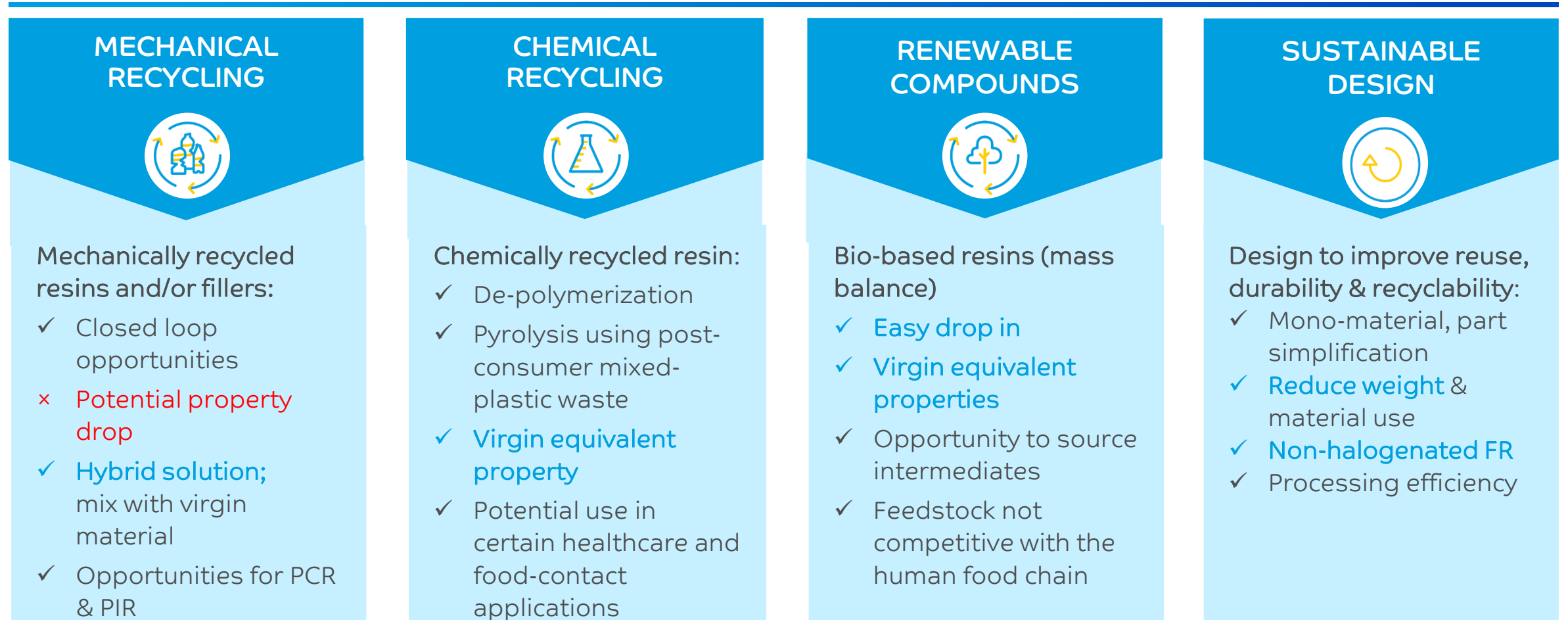
Feedstock derived from waste or residue, such as crude tall oil from the wood industry (pulp & paper) and HVO\*



\*Hydrotreated vegetable oils, such as used cooking oil, rapeseed, and technical corn oil residue from ethanol fermentation

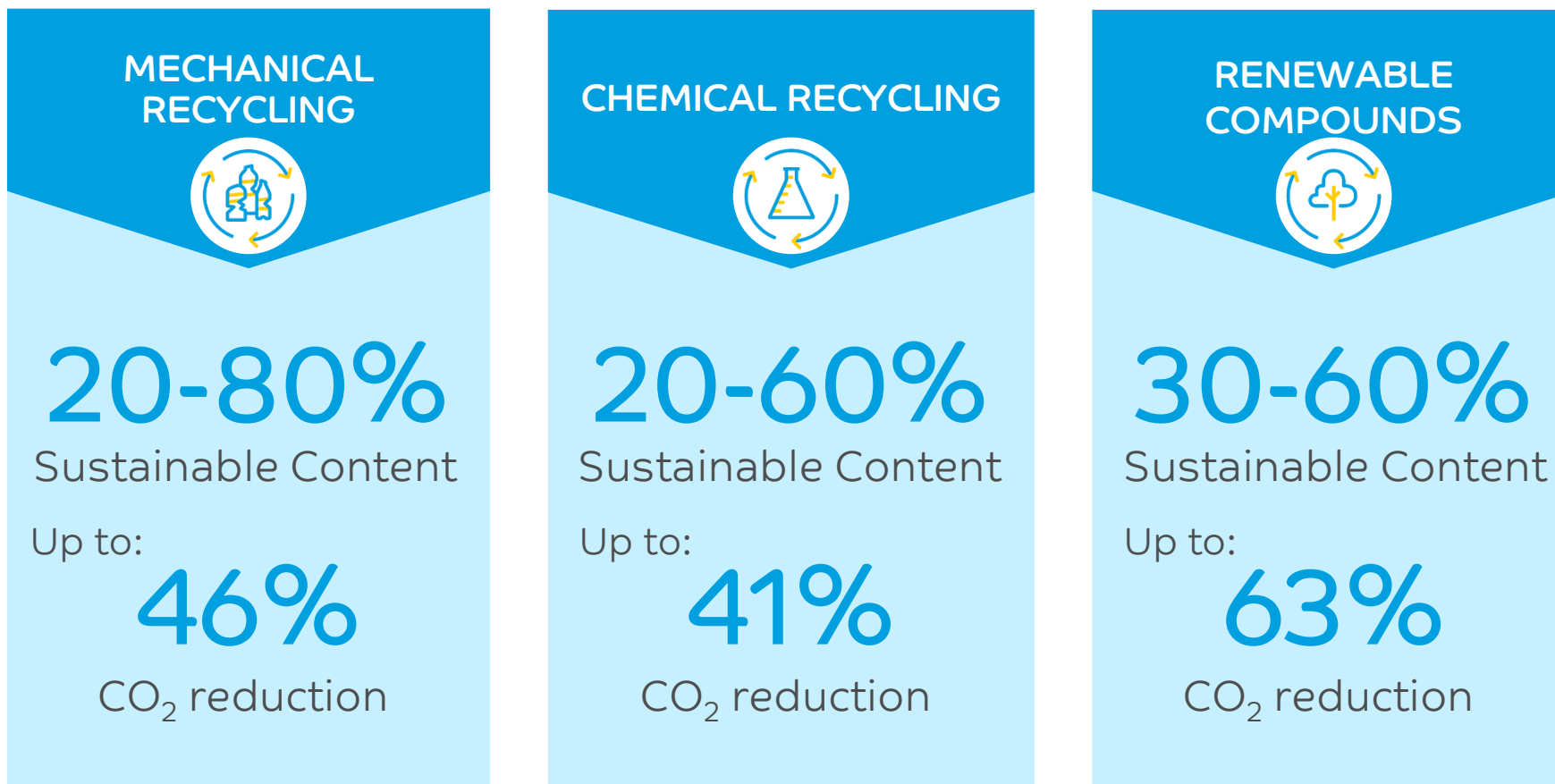


## INTEGRATE CIRCULAR SOLUTIONS IN YOUR VALUE CHAIN



➤ SABIC circular ambition is driven by the growing industry desire for sustainable solutions and fueled by our vision to compound the answer.

# OVERVIEW LNP™ SUSTAINABLE SOLUTIONS<sup>1,2</sup>



1. Lower carbon footprint in comparison to same materials containing 100% crude oil feedstock.

2. Based on preliminary data from ELCRIN iQ PBT 3<sup>rd</sup> generation development

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# CERTIFICATION

# PRODUCT CERTIFICATIONS – RECYCLED & RENEWABLE CONTENT

- Certification provides traceability for materials and products, using third-party audits
- 2 types of certifications are currently available for Specialties’ products, providing transparent documentation to customers

## Recycled content certification (SCS Global)

- Allows demonstration of products containing pre-consumer or post-consumer material classified using definitions based on ISO 14021:1999(E)
- Verifies marketing claims conform with the Federal Trade Commission (FTC) Guides for the Use of Environmental Marketing Claims



## International Sustainability & Carbon Certification Plus (ISCC+)

- Circular and bio-based economy certification of environmentally, socially and economically sustainable production
- Provides credible certification for all types of agricultural and forestry raw materials, waste and residues, non-bio renewables, recycled carbon materials and supply chains
- Ensures compliance with the mass balance chain of custody

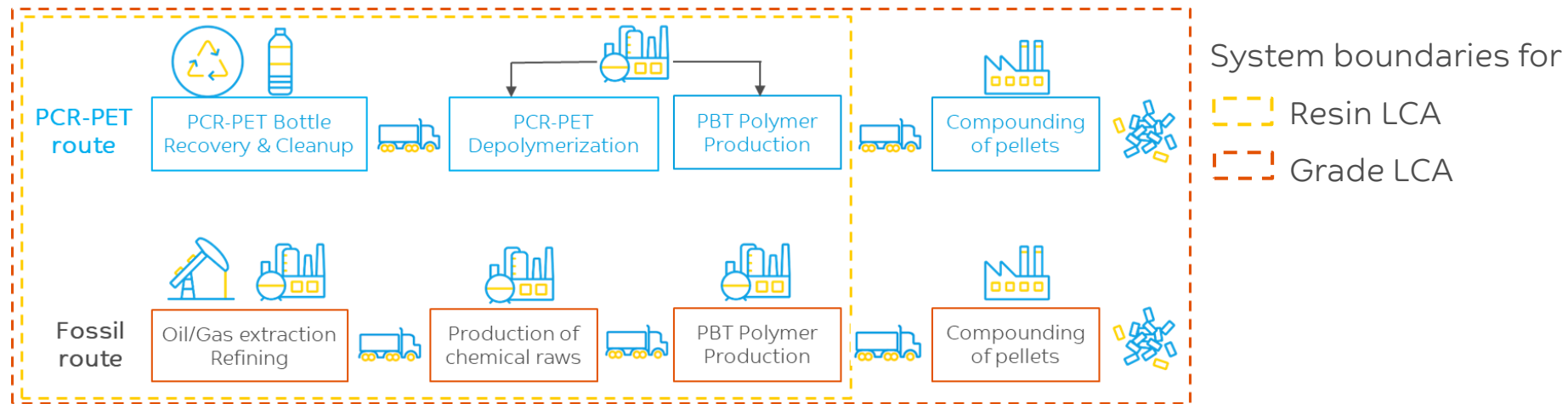


➤ Certifications create a market mechanism and common standards for the circular economy

## LIFECYCLE ASSESSMENT (LCA)

LCA enables measurement of environmental impacts of products throughout the life cycle arising from:

- use of natural resources (fossil resources, water, land, minerals)
- emissions to environment (CO<sub>2</sub>, SO<sub>x</sub>, NO<sub>x</sub>, VOC, toxic releases, etc.)



SABIC follows industry standard methods and databases



ISO 14040:2006  
ISO 14044:2006



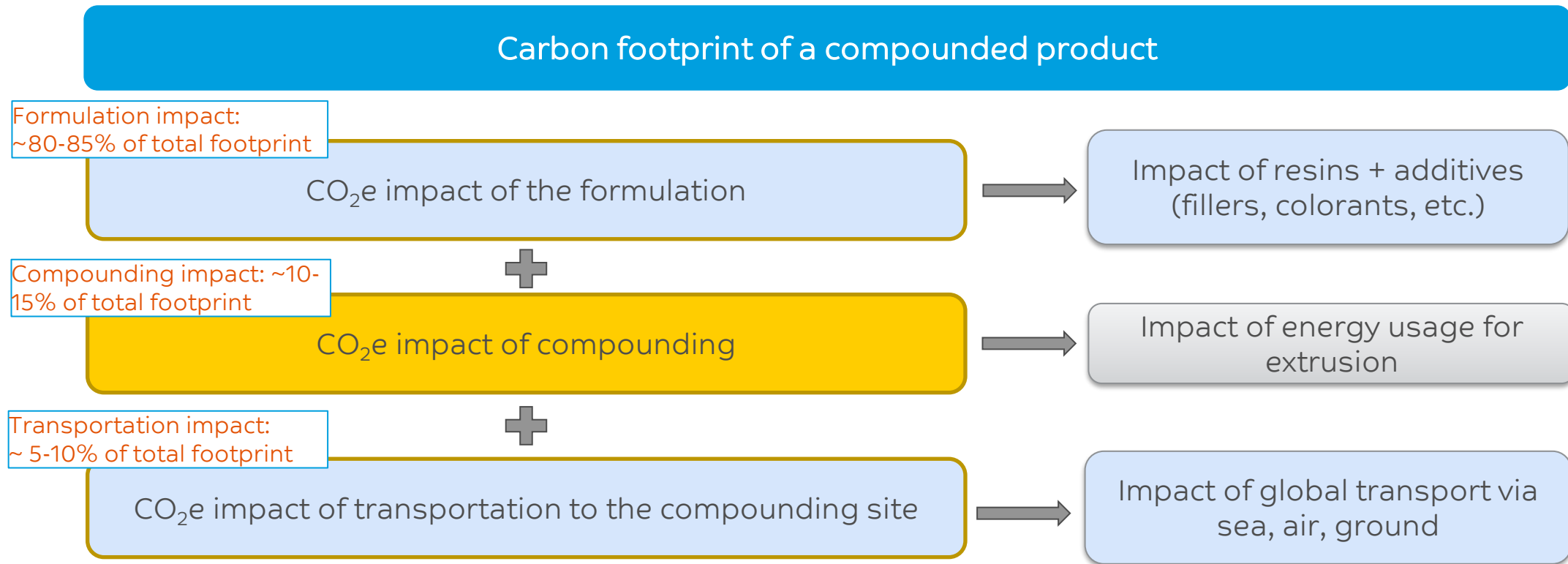
Pass 2050

GaBi / SimaProSoftware



LCA is an industry accepted tool to calculate carbon footprints of products and processes

## DETAILS OF LCA CALCULATIONS FOR COMPOUNDED PRODUCTS - INPUTS



➤ Base resin choice is the most impacting factor on environmental footprint

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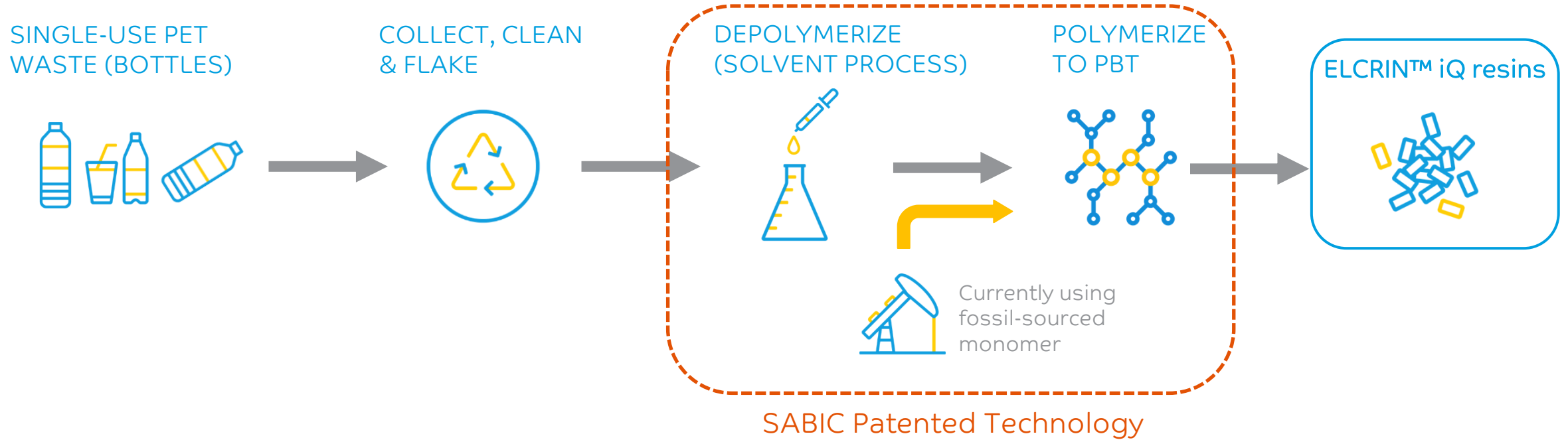
# CASE STUDY

CASE STUDY:

LNP™ ELCRIN™ IQ (PBT) RESIN



# LNPT™ ELCRIN™ iQ PBT – CHEMICAL UPCYCLING\* OF PET WASTE

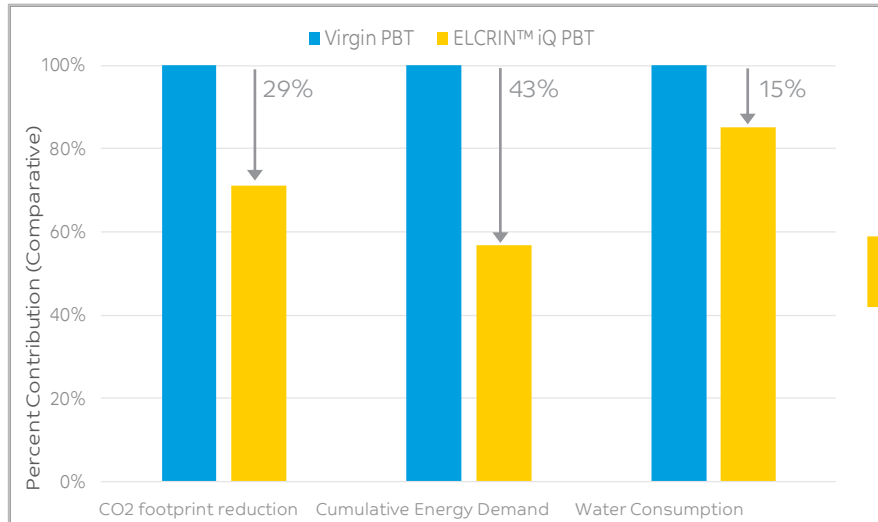


Every **1kg** of ELCRIN iQ resins = **0.87kg** of post-consumer recycled PET = **67 PET bottles** of 0.5 liter

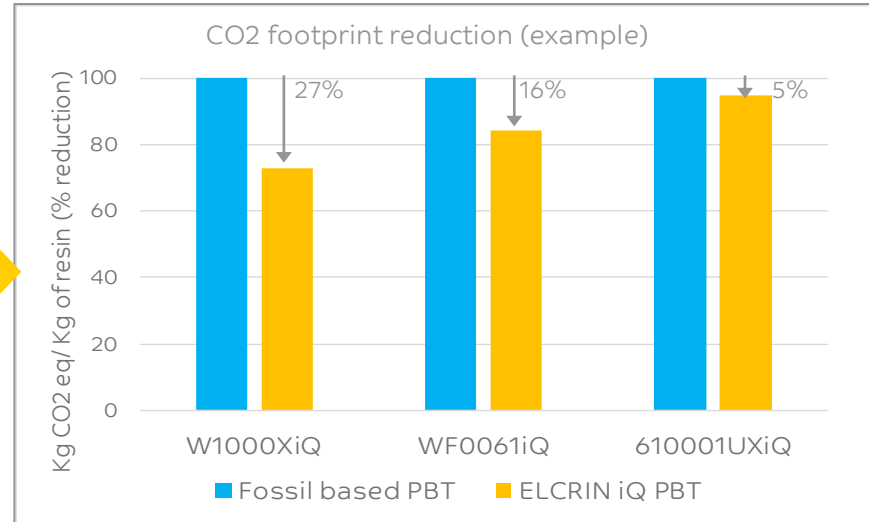
\*Upcycling of a single-use polymer (PET) to a non-single use, durable polymer (PBT)

# CRADLE-TO-GATE LCA RESULTS

## LCA Results for ELCRIN™ iQ (PBT) resin



## LCA Results for Compounds



W1000XiQ: PBT  
 WF0061iQ: PBT-GF30-FR  
 610001UXiQ: PC/PBT-FR


Results from the resin LCA can be used to calculate footprints of compounds used by customers

LCA for compounds incorporates:

- impact of formulation ingredients
- impact of compounding process
- impact of transportation

➤ Resin data from ISO 14040/14044 compliant, 3<sup>rd</sup> party reviewed study can be shared externally

# CUSTOMER COMMUNICATION PROTOCOLS



**Carbon and Energy Footprint Data**  
Prepared for:  
As of:  
Grade(s): LNP™ ELCRIN™ WF006XiQ

Dear Customer,  
In reply to your recent inquiry, we are pleased to provide the following carbon and energy footprints for above ELCRIN™ resin. Carbon and energy footprints were calculated following the general principles of life cycle assessment (LCA) and according to the ISO 14040<sup>1</sup> guideline, using SABIC specific and industry average estimates<sup>2</sup> for the ingredients and processes utilized in the cradle-to-gate supply chain for these materials. These estimates are subject to change as new updated data and improved methods become available from life cycle databases and improvements in manufacturing process. The carbon and energy footprint estimates for the grade manufactured in Shanghai is listed below. The Life Cycle Inventory (LCI) for the resin is collected from recent SABIC plant data. The primary data was generated as a part of Plastics Europe consortium and has been reviewed by third party. This data is also available in plastics Europe website<sup>2</sup>. All the background data was selected from the latest Ecoinvent database V3.0.

Method	Unit	LNP™ ELCRIN™ WF006XiQ
IPCC 2013 GWP100a V1.03	Kg CO <sub>2</sub> eq/Kg resin	3.35
Cumulative Energy Demand V1.11	MJ Eq/Kg resin	54.39

<sup>1M</sup> Trademark of SABIC Innovative Plastics IP B.V.

This data has been provided only as a guideline to help you better understanding the life-cycle carbon and energy footprint of your products. Since rules and protocols may vary from government to government, this data should not be used to meet regulatory requirements for any government or legal entity. Please contact us if your request pertains to a legal disclosure requirement, and have the exact name of the regulation ready.

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1 ISO 14040:2006 Environmental management. Life cycle assessment, Principles and Framework  
<https://www.iso.org/standard/37456.html>

2 Plastics Europe EcoProfiles <https://www.plasticseurope.org/en/resources/eco-profiles>  
Simapro version 9.0.0.35 software is used to compute the life cycle assessment data

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## Customer letter discloses:

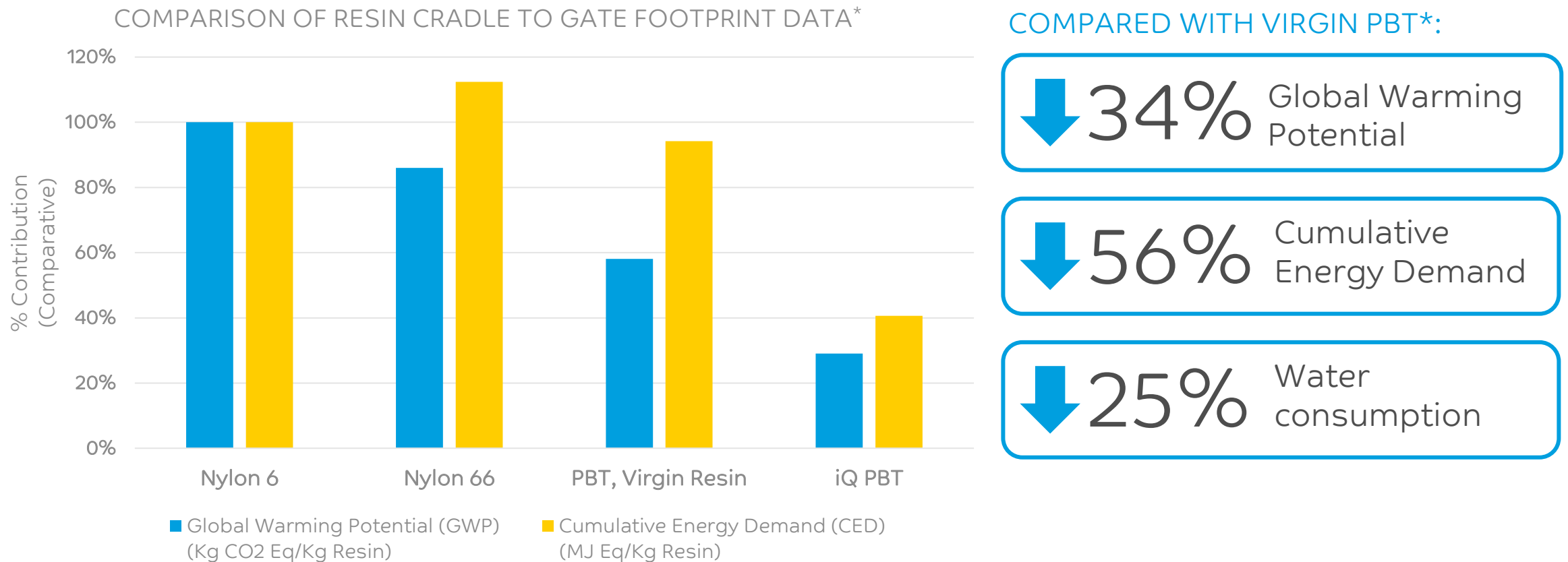
- Global Warming Potential or CO2 footprint
  - Cumulative Energy Demand
- Additional categories can be reported upon demand
- Methodologies and data sources are shared for transparency



There are different systems to calculate LCA with different simplification approach . That is why it makes also sense to share the % of improvement of Carbon footprint vs. an existing & new version together with absolute data.

## LIFE CYCLE ASSESSMENT

Sustainability and social responsibility drivers are changing the plastics industry – to reduce waste and carbon + energy footprints for materials



\*Data on Nylon 6 and 66 Resins from Ecoinvent; iQ and virgin PBT data from 2021 critically-reviewed LCA Study, which is currently being updated

# CASE STUDY:

# LNPT<sup>TM</sup> ELCRES<sup>TM</sup> (PC) RESIN

# OUR MECHANICAL RECYCLING PROCESS EXPLAINED



PCR

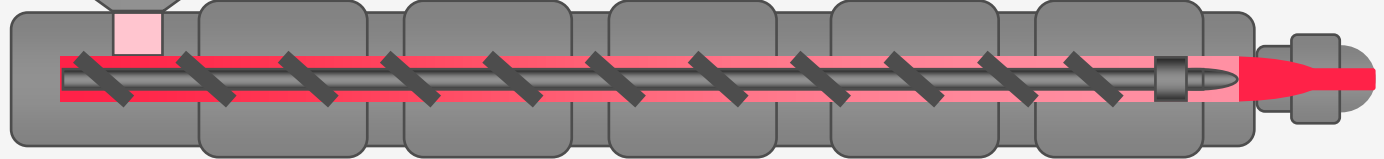


Specialties resins and copolymers

- Collection
- Sorting
- Washing
- Drying
- Crushing
- Metal Removal
- Extrusion
- Inspection

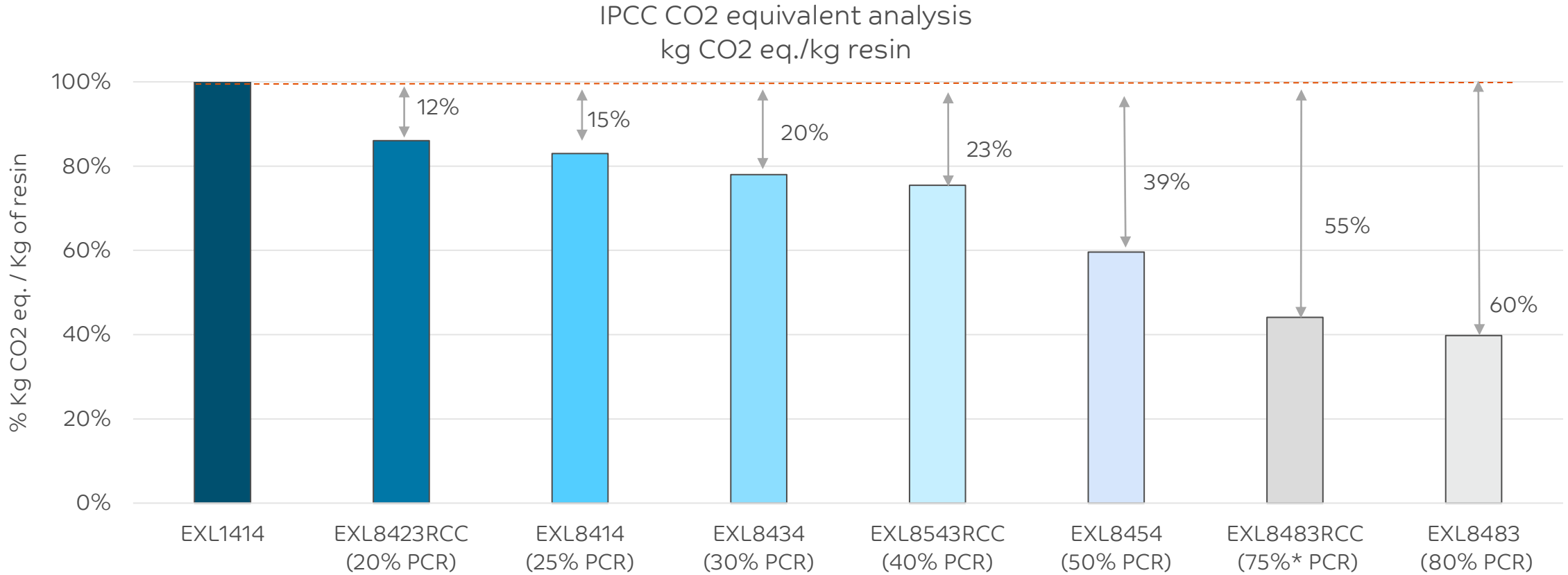


Third-party certification of PCR content conducted by [SCS Global Services](#).



**PCR COMPOUNDS**

# LNP™ PCR EXL (PC-COPOLYMER) RESINS COMPARISON

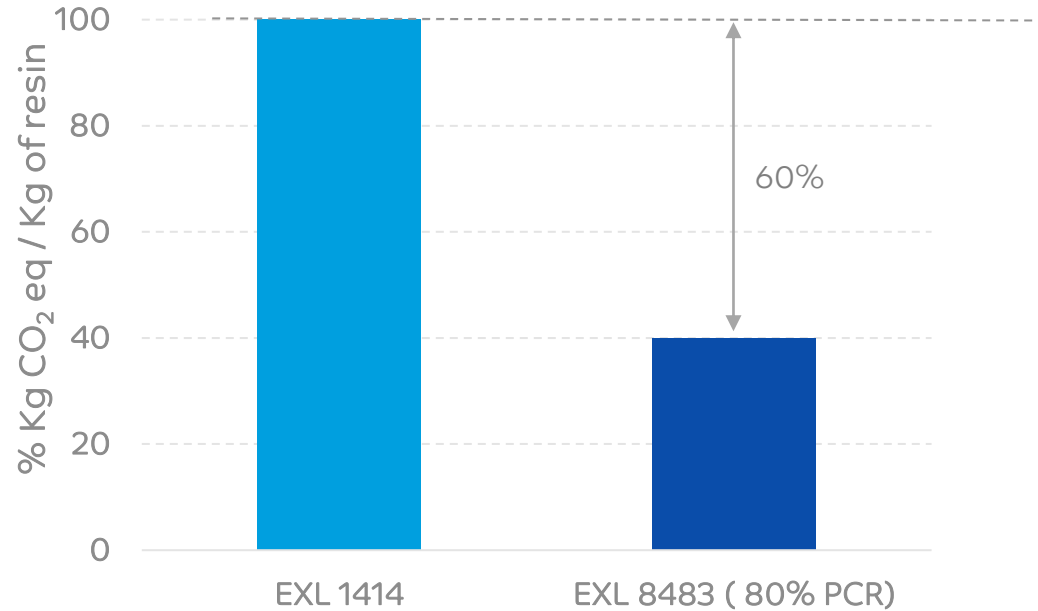


Significant savings in CO<sub>2</sub> footprint can be obtained depending on PCR content  
Product managers can provide such data upon request for sharing with customers


\* All reduction claims are based on internal life cycle assessment

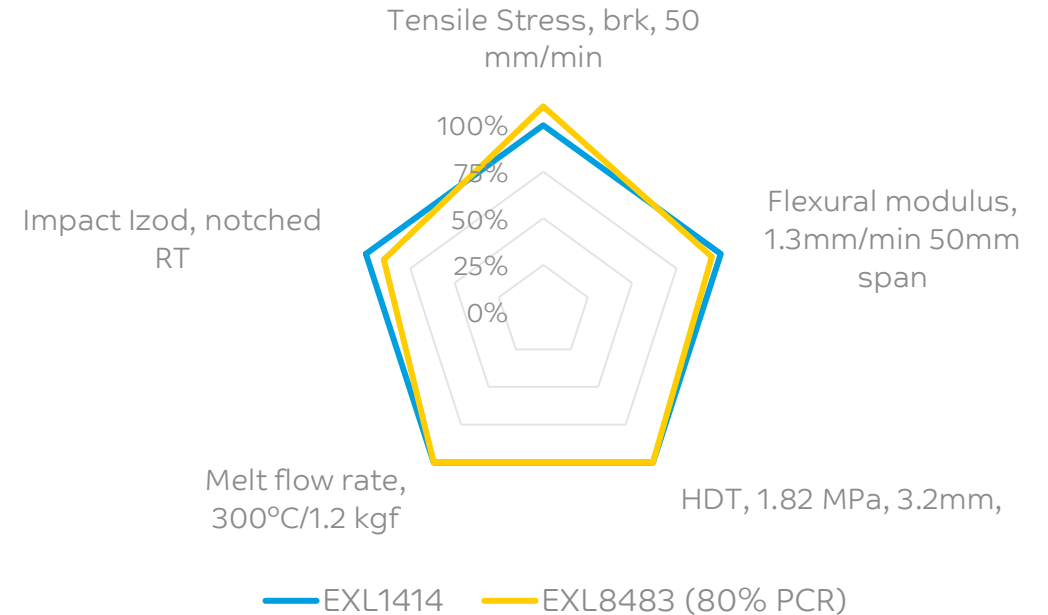
# DROP IN SOLUTION WITH REDUCED CO<sub>2</sub> FOOTPRINT EXL1414 (VIRGIN GRADE) VS. EXL8483 (80% PCR)

## IPCC CO<sub>2</sub> equivalent analysis



Compared with standard EXL1414 resin:

 **60% CO<sub>2</sub> reduction\***



Drop in solution for standard EXL resins

Properties performance close to virgin EXL grades such as EXL1414

\* Based on internal life cycle assessment



# CASE STUDY: RENEWABLES

## SABIC RENEWABLE FEEDSTOCK



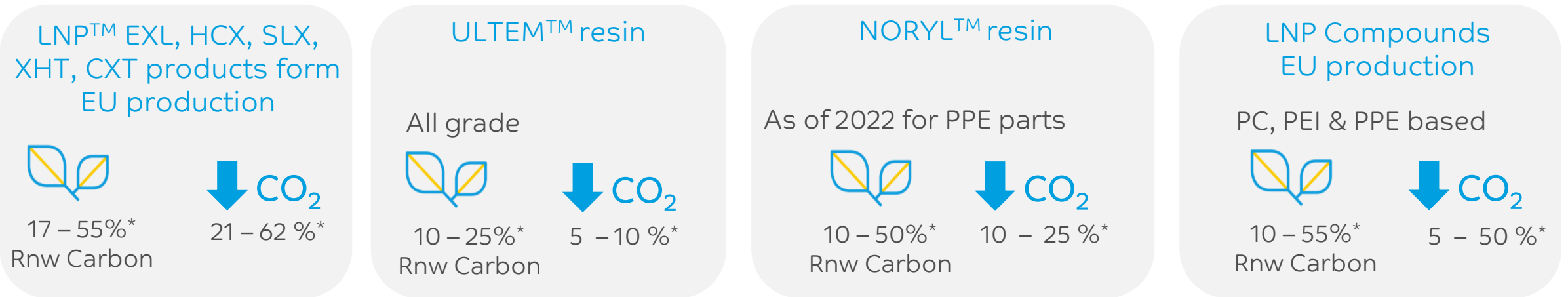
- **Second generation feedstock**, not in competition with food chain
- Non-fossil based
- **Derived from waste or residue**, such as crude tall oil from the wood industry (pulp & paper) and HVO\*
- Externally **certified value chains**
  - ISCC plus
  - **FSC® and PEFC™ sustainable forest management certifications** for UPM forests (applies to bio-naphtha from crude tall oil)



RENEWABLE  
FEEDSTOCK

## ISCC+ CERTIFIED PORTFOLIO IN EUROPE

NOW: Potential portfolio of 60+ grades available containing ISCC+ certified renewable feedstock



AMBITION: to have sustainable versions available for:

- Any PC based compound
- Any PEI based compound
- Any PPE based compound

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# ROADMAP

## CHALLENGES

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- **Availability & consistency of feedstock** are a limiting factor for mechanical & chemical recycling.
- **Demand on PCR is strongly growing** but customer have not yet in place a close loop-based stream and are not using design for recycling & repair.
- **Regulatory and standards in many cases are still missing** – therefore customers are not so sure what they want\*: CO2, water, energy reduction, waster usage, ...
- There are **different systems to calculate LCA** with different simplification approach (SIMAPRO and GABI). Data are currently **not comparable!**
- **Wording & definition are still under development** and sometime used differently. Deep dive discussion are needed to really understand what customer wants.
- (B to B) and (B to C) have a **different view & timelines** on sustainability and value CO2 saving differently. **It will take some time** until the sustainability market will establish.

## INTEGRATE RAW MATERIAL STRATEGY SOLUTIONS IN OUR VALUE CHAIN

### MECHANICAL RECYCLING



Mechanically recycled resins and/or fillers:

- ✓ PCR PC
- PCR HIPS
- ✓ Reclaimed CF
- Opportunities for closed loop
- Copolymer as performance booster

### CHEMICAL RECYCLING



Chemically recycled resin using post-consumer mixed-plastic waste for virgin equivalent property

- ✓ IQ PBT
- Upcycled Polyamides
- ✓ Pre consumer GF

### RENEWABLE RESINS



Bio-based building blocks/resins (ISSC+):

- ✓ ISSC+ PC & copolymers
- Bio PA
- ISSC+ PPE & copolymers
- ✓ ISSC+ PEI & copolymers

### SUSTAINABLE DESIGN



Design to improve reuse durability & recyclability:

- ✓ Mono-material (1K), part simplification
- ✓ Reduce weight\* & material use (thinwall)
- ✓ Non-halogenated FR, alternative additives
- ✓ Processing efficiency
- ✓ Paint out solutions

- Ongoing implementation in SABIC Specialties portfolio
- ✓ Implemented in SABIC Specialties portfolio

## OUTLOOK SABIC SUSTAINABLE APPROACH

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- Broad offering of **bio-based** Specialties portfolio. Readily available as **drop-in solution** in existing tools.
- **PCR** Copolymer solution for **virgin properties** using the advantages of copolymer technology
- **Chlorine & bromine free** and **Antimony-trioxide free** flame-retardant solutions
- **Fluorine (PTFE) free** solution for self lubricated compounds – Lubriloy™ compounds
- **Longer lifetime** by enhanced chemical resistance with **ELCRES CRX** resin.
- **LNP™ SLX resin** solution for advance weathering, anti scratch & diffusive colors for **paint replacement**
- **Noryl™ resin** for excellent **hydro ageing** and **low density** for water management and EV-batteries.
- **Advanced simulation** support for thin wall design and metal replacement for **weight out** solution

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THANK YOU

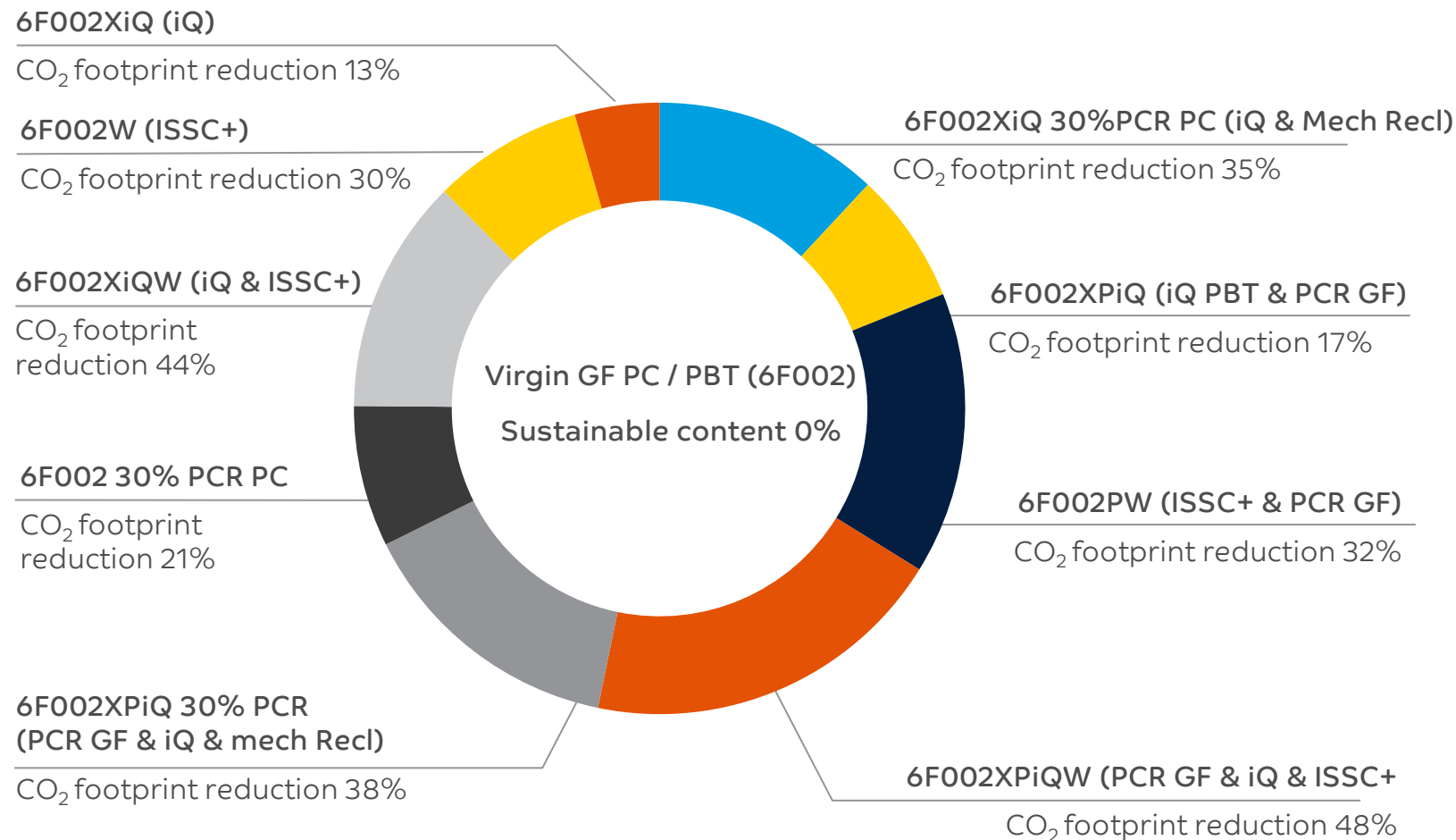




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# BACK UP

# HOW TO MAKE A 10% GLASS FILLED PC/PBT SUSTAINABLE:



### Potential benefits:

- Provide drop-in solutions for the incumbent applications and virgin-like properties
- Reduce the energy and carbon footprint versus the fossil oil-based solutions

### Multiple options available

- ISSC+, iQ PBT, PCR PC and GF
- Additional modification of impact, flow also possible



- Multiple options available but we need to get direction of customers needs

## SPECIALTY MATERIALS WITH LESS CARBON FOOTPRINT

**13** CLIMATE ACTION



**NET-ZERO CARBON**

Unique offerings,  
lower carbon footprint<sup>1</sup>

### MECHANICAL RECYCLING

COMPOUNDED RESINS  
**LNPT™ COMPOUNDS &  
NORYL™ RESINS**

UP TO **60%** CO<sub>2</sub> REDUCTION

- PCR content up to 80%
- Closed loop opportunities
- Hybrid solution;  
mix with virgin material

### CHEMICAL RECYCLING

COMPOUNDS WITH VIRGIN FEEDSTOCK-  
EQUIVALENT PROPERTIES  
**LNPT™ ELCRIN™ iQ PORTFOLIO**

UP TO **41%<sup>2</sup>** CO<sub>2</sub> REDUCTION

- Green content up to 100%
- Patented depolymerization process

### RENEWABLES

BIO-BASED COMPOUNDS & RESINS  
**ISCC+ CERTIFIED RENEWABLE PC and PEI  
BASED ULTEM™ & LNPT™ PRODUCTS**

UP TO **61%** CO<sub>2</sub> REDUCTION

- Feedstock not competitive with the human food chain
- Mass balance mechanism
- Virgin equivalent properties

<sup>1</sup>Lower carbon footprint in comparison to same materials containing 100% crude oil feedstock.

<sup>2</sup>Based on preliminary data from ELCRIN iQ PBT 3<sup>rd</sup> generation development

## GLOSSARY OF TERMS

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- **Circular economy (CE):** A circular economy is a system aimed at gradually decoupling economic activity from the consumption of finite resources and designing waste out of the system (*Ellen MacArthur Foundation*)
- **Closed loop recycling:** The process of utilizing a recycled product in manufacturing of a similar product or the remanufacturing of the same product (*SABIC web*)
- **Cradle-to-Gate:** This is an assessment of a partial product life cycle from resource extraction (cradle) to the factory gate (i.e., before it is transported to the consumer). The use phase and disposal phase of the product are omitted in this case (*Wikipedia*)
- **Cradle-to-Grave:** Cradle-to-grave is the full Life Cycle Assessment from resource extraction ('cradle') to use phase and disposal phase ('grave') (*Wikipedia*)
- **Gate-to-Gate:** Gate-to-gate is a partial LCA looking at only one value-added process in the entire production chain (*Wikipedia*)
- **Greenwashing:** Greenwashing is the act/practice of making an unsubstantiated or misleading claim about the environmental benefits of a product, service, technology or company practice (*Understanding and Preventing Greenwash: A Business Guide; from BSR, 2009*)
- **Life cycle assessment (LCA):** Methodology for assessing environmental impacts associated with all the stages of the life-cycle of a commercial product, process, or service (*Wikipedia*)
- **Mass balance methodology:** Mass-balance (or systems-allocation) accounting is a method of tracking credits for the input of Recycled or Renewable feedstock into a manufacturing process and assigning it to a specific output product, despite physical mixing and dilution with conventional feedstock. The purpose is to enable better sourcing while utilizing more efficient large volume production processes (*detailed explanation will be provided in later training*)
- **Post consumer recycle (PCR):** Material generated by households or by commercial, industrial, and institutional facilities in their role as end-users of the product that can no longer be used for its intended purpose. This includes returns of materials from the distribution chain. (Source: ISO 14021:1999)
- **Pre-consumer material:** Material diverted from the waste stream during the manufacturing process. Excluded is the reutilization of materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process that generated it. (Source: ISO 14021:1999)
- **Post industrial recycle (PIR):** Same as pre-consumer; however this term is being phased out
- **Renewable feedstocks:** Bio-based material which is managed in a way that enables continuous production without depleting the earth's resources
- **Sustainability:** Focus on meeting the needs of the present without compromising the ability of future generations to meet their needs (*UN Brundtland commission*)
- **Social Responsibility (SR):** Social responsibility means that businesses, in addition to maximizing shareholder value, must act in a manner that benefits society