



Progress beyond

# SOLVAY

a science company  
with ESG at its core

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Chairman of the Executive Committee & CEO

October 2, 2020

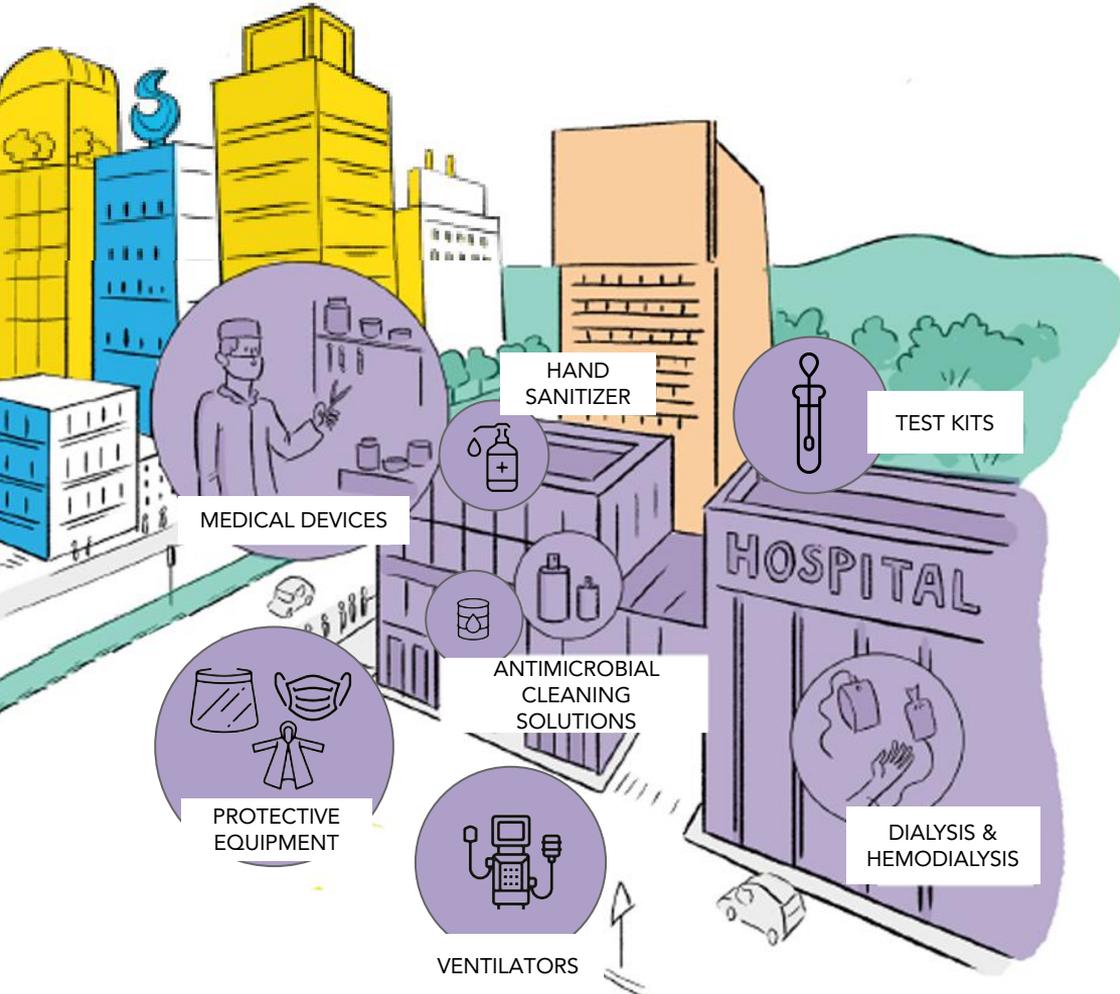




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Responding to society needs during the COVID-19 crisis



We are



essential

# Agenda

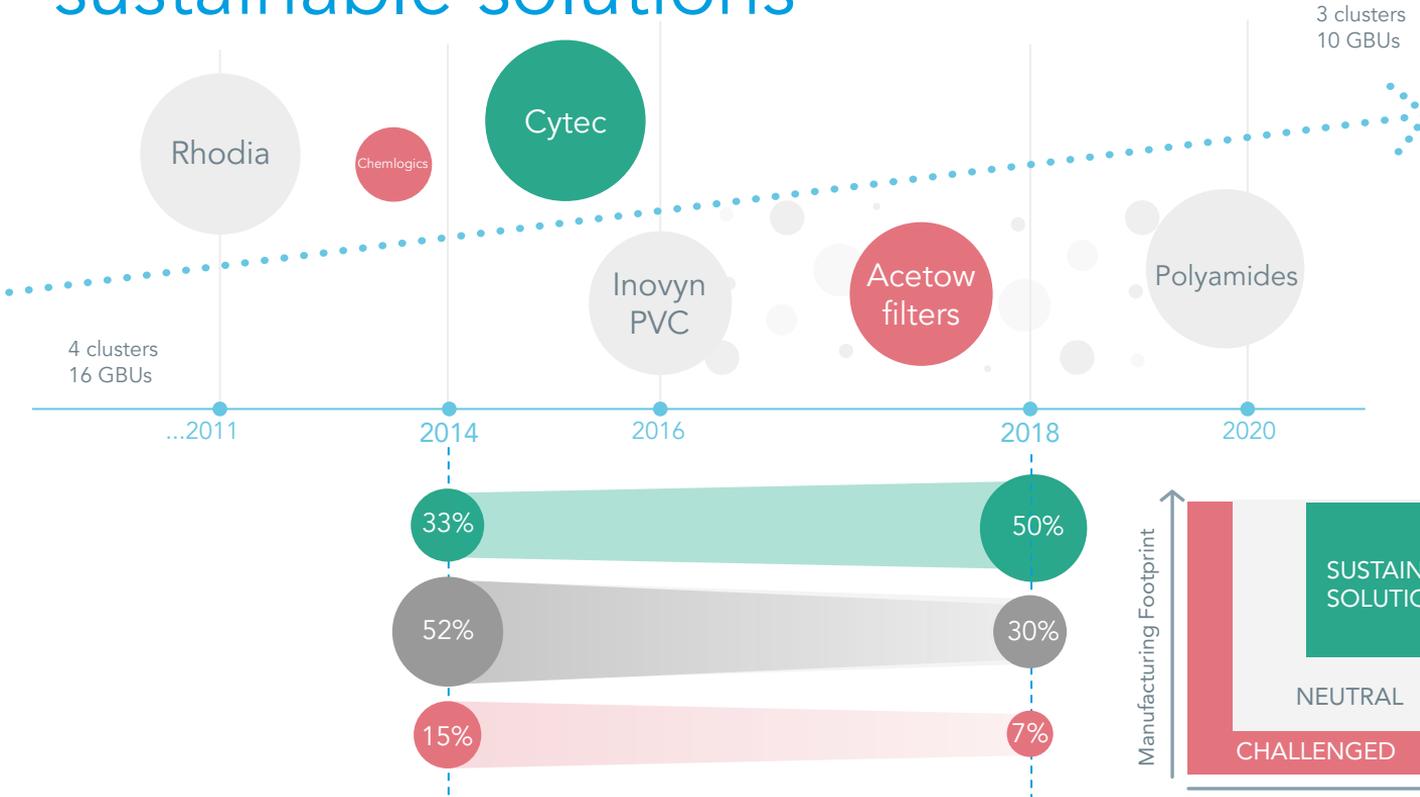


- 1 A look back - portfolio evolution toward sustainable solutions
- 2 Environment - Today and Tomorrow
- 3 Social - Today and Tomorrow
- 4 Our commitment to strong Governance



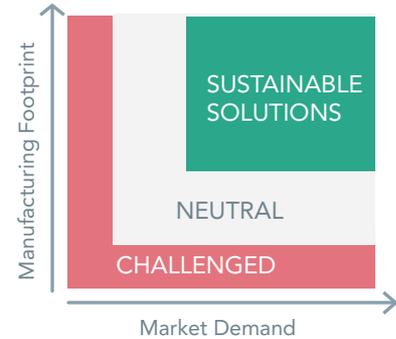
Agenda

# Portfolio evolution towards more sustainable solutions



Better sustainability contribution to our customers

Lower operations environmental impact





# Environment from ESG



# TODAY's sustainable solutions for customers



## ●●●● CLIMATE



€2.2Bn

of sales reducing our customers overall climate impact



## ●●●● RESOURCES



€3.5Bn

of sales reducing world resources consumption



## ●●●● BETTER LIFE



€2.7Bn

of sales improving society's quality of life



# .... for Cleaner Mobility...



Solef<sup>®</sup>  
PVDF

for lithium-ion  
batteries



SW Premium  
Range<sup>®</sup>

for sustainable  
tires



-1.67 Mt CO<sub>2</sub> \*

-16 Mt  
CO<sub>2</sub>  
emissions/year

- 87 kt \*



GLOBAL  
TRENDS

~30% CAGR  
hybrid & electric  
vehicles in 10yr

Move toward hybrid  
vehicles doubles Solvay's  
polymer content



GLOBAL  
TRENDS

Regulations driving  
CO<sub>2</sub> reductions

# ... for Cleaner Mobility



## CYCOM<sup>®</sup>

For aero structures



Up to -25%  
Fuel consumption

Up to - 79 Mt\*



## Halar<sup>®</sup>

for the LEAP engine

lightweighting, fuel-efficiency

CO2 emissions by 15%  
versus traditional engines.

## Solar Impulse

The voice for clean technologies



## GLOBAL TRENDS



44-65% less maintenance hours than aluminium  
50% "CO<sub>2</sub> cut by 2050" enabler



<10 to 25% composites by weight on narrow-bodies;  
Up to 50% composites by weight on wide-bodies

# ... for Healthcare and Clean Air



## Udel<sup>®</sup> & VERADEL<sup>®</sup>

To convey blood for dialysis

## Bicar<sup>®</sup>

To filter the blood in dialysis



3 million

Patients with kidney failure/yr

1.5 million

Intensive care patients/yr

## SOLVAir<sup>®</sup>

Solutions for air emissions control



7 million

People die from air pollution/yr

-99%

SO<sub>x</sub>, HF & HCl emissions

88%+

Energy conversion



GLOBAL TRENDS

Medical polymers to grow >6% in short-term  
Medical implants to grow at 7% CAGR in short-term

Polymers recycling in loop  
Service model in link with medical equipment lifetime extension



GLOBAL TRENDS

+4% Growth in water treatment over the next 5 year

Ever-stricter regulations  
Innovations for more efficient processes and more competitive products

# ... and for Nutrition



## Rhovani<sup>®</sup> Natural CW

our natural based  
alternative to  
natural vanillin



100% vegetable origin  
Waste valorisation

## AgRHO<sup>®</sup> S-Boost<sup>™</sup>

our bio-based biostimulant  
for plant growth  
and increased yield



3%

Improvement yield

-13%

fertilizer



### GLOBAL TRENDS



Ensure global food security  
Strong shift in consumer behavior towards bio-based  
solutions for better quality of food



Natural vanillin to grow >10% CAGR by 2024  
Biostimulant market to grow >10% CAGR by 2024  
Use of renewable raw materials from dedicated crops & scraps

# BOLDER & FASTER



Evolving demography, resource constraints and climate change



Our business strategy (Nov. '19)



CLIMATE RESOURCES BETTER LIFE

Our sustainability roadmap by 2030 (Feb. '20)

To create sustainable shared value for all,  
including our employees, customers and shareholders



In February 2020, we aligned our GHG emissions with Paris Agreement

❖ REDUCE BY  
**26% (-2%/y)**

We committed to phase out the use of coal

❖ ACHIEVE  
**100%**

NOW, we commit to align GHG emissions reduction with

❖ SBTi criteria

# Our new commitment for CLIMATE

BY 2030

# Accelerating our Carbon Footprint reduction



- 470 kt CO<sub>2</sub>/y  
Projects 2019- 2020

Welland (ON)  
Battery storage 2 MW  
-30% on the power bill by  
cutting peak consumption.  
May 2020

West Deptford (NJ)  
Solar farm 6,5 MW  
-5 kt CO<sub>2</sub>/y  
January 2020



Jasper (SC)

Solar farm 70 MW  
-76 kt CO<sub>2</sub>/y  
January 2018

11 MW PPA from solar  
covering 100% power of 3 sites  
in Texas (Deer  
Park-Pasadenon-Vernon)  
-51 kt CO<sub>2</sub>/yr.  
January 2020



Dombasle (FR)

Wood pellets  
co-firing  
-16 kt CO<sub>2</sub>/y  
2020

Melle (FR)  
Biogas contract 12 GWh  
-2,5 kt CO<sub>2</sub>/y  
February 2020

Saint Fons (FR)  
Biogas contract 135 GWh  
-25 kt CO<sub>2</sub>/y  
Operation in 2021

Torrelavega (ES)  
Olive cake co-firing  
-20 kt CO<sub>2</sub>/y  
November 2019

Rheinberg (DE)

Wood power project  
-190 kt CO<sub>2</sub>/y  
Operation in Q2 2021

Linne Herten (NL)  
Solar farm 6,8 MW  
-2 kt CO<sub>2</sub>/y  
September 2020



China Re Fund  
1,1 M\$ equity - 10 GWh/y RE  
-6 kt CO<sub>2</sub>/y  
July 2018

Zhangjiagang (China)  
Biomass hot oil boiler 9,3 MW  
-15,6 kt CO<sub>2</sub>/y  
April 2019

Panoli (India)  
Wind mills 2,1 MW  
-5 kt CO<sub>2</sub>/y  
March 2020

Biomass steam 3 MW  
-18,4 kt CO<sub>2</sub>/y  
March 2020

Roof Top solar 790 kW  
-0,7 kt CO<sub>2</sub>/y  
December 2019

Gunsan (South Korea)  
Biomass co-firing 7  
MW  
-11,3 kt CO<sub>2</sub>/y  
January 2019

Bangpoo (Thailand)  
Roof Top solar 170 kW  
-0,2 kt CO<sub>2</sub>/y  
August 2019

# Our new commitment for NATURAL RESOURCES

BY 2030

Reduce  
negative pressure  
on biodiversity

••• ACHIEVE  
-30 %

Reduce freshwater  
intake

••• REDUCE BY  
25%



*act4nature*  
international

#1 Recognition  
on Biodiversity





Reduce  
non-recoverable  
industrial waste

❖ REDUCE BY  
30%

Double revenues  
from circularity

❖ ACHIEVE  
15%



Our new  
commitment  
to  
CIRCULARITY

# Building a Circular Ecosystem



Using bio-wastes to produce bio-based products



Using End-of-life Batteries as a source of metals and materials



Using new chemical recycling to close the loop in Materials



# Our new commitment to SUSTAINABLE SOLUTIONS



Increase revenues from  
Sustainable Solutions



ACHIEVE MINIMUM

65% vs 50%

# Innovations underpin our Strategy



**UbiGro®**

Sustainable  
Agriculture

Additives for greenhouse  
film accelerating plant  
growth



**Actizone™**  
Disinfection That Lasts



Home  
& Personal Care

Unique and proprietary  
technology for Long Lasting  
Disinfecting Surface Cleaners



**Solvay Inside®**

Sustainable  
Polymers

Fluorosurfactant free  
polymers for industrial  
applications



**Solvay Inside®**

Hydrogen & Clean  
Energy solution

Membranes & electrodes  
of PEM electrolyzers & fuel cells



# Social from ESG

# Caring for our people



## Solvay Care program

A minimum social benefits for all employees in all countries

- **Maternity, co parent and adoption leaves:**  
14 weeks for mother & 1 week co-parent
- **Life insurance:**  
up to 2 years of salary for family
- **Medical cares:**  
75% of coverage of expenses
- **Disability insurance:**  
2 years of income protection



Guaranteeing the same working conditions and rights to all Group employees operating worldwide

- ILO social standards
- UN Global Compact principles
- Health & safety at work, anti-discrimination, diversity as well as environmental protection commitments



## Solvay Global Citizen Days

2019 : Preserving the environment

- 168 sites across the world
- 94% employees participated

2020 : STEM Education



# Mobilising all stakeholders through the crisis



Creation of a safety net for all employees worldwide



Up to one month of salary  
Full employee health benefits  
If furlough, 70% of gross monthly base pay for up to 3 months

Solvay Solidarity Fund

€12 million donations



A coherent and socially responsible approach, given rising social pressures in Europe as well as increasing concerns over corporate liquidity.

DEUTSCHE BANK



Shareholders, 30% forego April's dividends  
Senior management, 15% of their salaries  
Chairman, 50% of fees  
Employees (1000 days off)

# Empowering Women in a sustainable ecosystem



## Sustainable Guar

7,340  
farmers

1,529  
women impacted

60,000  
trees planted



## Jaguar®

Bio-based Hair Care



# In partnership with leading NGOs



“Science and research play an important role to tackle the world’s environmental and health challenges and I’m particularly happy that Solvay is leading the way”

**Bertrand Piccard**  
*Founder and Chairman*



“With the launch of its Solvay One Planet plan, the company is sending a strong signal to the chemical industry and its value chain that the circular economy is happening – and that Solvay wants to lead the way”

**Ellen MacArthur**  
*Founder and Chair of Trustees*



# Our new Commitment for BETTER LIFE

BY 2030



## Safety is a priority

- Aim for zero accidents

## Inclusion & Diversity

- Parity in 2035

## Extend maternity leave to all co-parents

- 16 weeks in 2021



# Governance ESG

## Highest standards

- Following “Belgian corporate governance code”
- One Share, One Vote
- Separate Chair and CEO
- Robust Approach to Risk Management & Financial Disclosure
- Better and More Transparent Approach to Capital Allocation
- New Pay-for-Performance Culture

# A diverse and experienced Board of Directors



## Role & mission

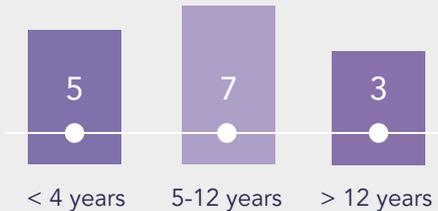
- Reviews and approves strategy & sustainability roadmap, financial disclosure, compensation policy & long-term incentive plan
- Oversight of sustainability policy & ERM process
- Proposes a dividend to the Shareholders' Meeting

## Our 4 committees

- 1 Audit
- 2 Finance
- 3 Compensation
- 4 Nomination

## Board of Directors Tenure Mix

Number of Directors



95%

Meeting attendance

7

Nationalities

54%

of women  
Diversity of experience

# Solvay One Planet impacts Compensation



## Short Term Variable Compensation



## Long Term Variable Compensation

Short term incentive

Performance Share Units (\*)

Stock Options (\*\*)

PERFORMANCE PERIOD

1 year

3 years

PERFORMANCE MEASURES

- Underlying EBITDA growth
- Free Cash Flow conversion
- Sustainable Development (10%)
- Individual Objective

- Sustained underlying EBITDA growth YoY basis
- ROCE %
- Reduction of GHG (CO2) emissions (20%)

- Share price

(\*) The corresponding number of stock options (SOP) is determined at grant date, based on the fair market value of the SOP. The PSU value is the closing share price on the grant date.

(\*\*) 3 years following the grant year - though taxes payable by recipients at grant (not vesting)

# Sustainability credentials widely recognized

**MSCI** 

**AAA**  
(scale AAA to CCC)

**ISS ESG** 

**B-**  
=top10%, scale A+ to D-

**ecovadis**

**Top 1%**  
In our category

 **SUSTAINALYTICS**

**Top category**

**vigeo**  **iris**

**#1 in the sector**

 **CDP**

**C**  
Scale A to D

**act4nature**  
international

**#1**  
Recognition  
on Biodiversity



**Member of Ethibel**



**FTSE4Good**

**Member of FTSE4Good**



# Our 2030 Sustainability Goals

SOLVAY  
ONE PLANET 



Ambition to grow with sustainable solutions

Increase Sustainable Solutions revenues  
Increase Circularity revenues

Achieve 65% vs 50%  
Achieve 15% vs 7%

Align GHG with Paris Agreement & commit to SBTi  
Phase out coal  
Reduce negative pressure on biodiversity  
Reduce non-recoverable industrial waste  
Reduce freshwater intake

Reduce by 26% (-2%/y)  
Achieve 100%  
Achieve 30%  
30% reduction  
25% reduction

Managing our environmental impacts

Improving our social impact

Safety is a priority  
Accelerate Inclusion & Diversity  
Extend maternity leave to all co-parents

Aim for zero accident  
Parity in 2035  
16 weeks in 2021

# Thank you.



Progress beyond



[solvay.com](https://www.solvay.com)