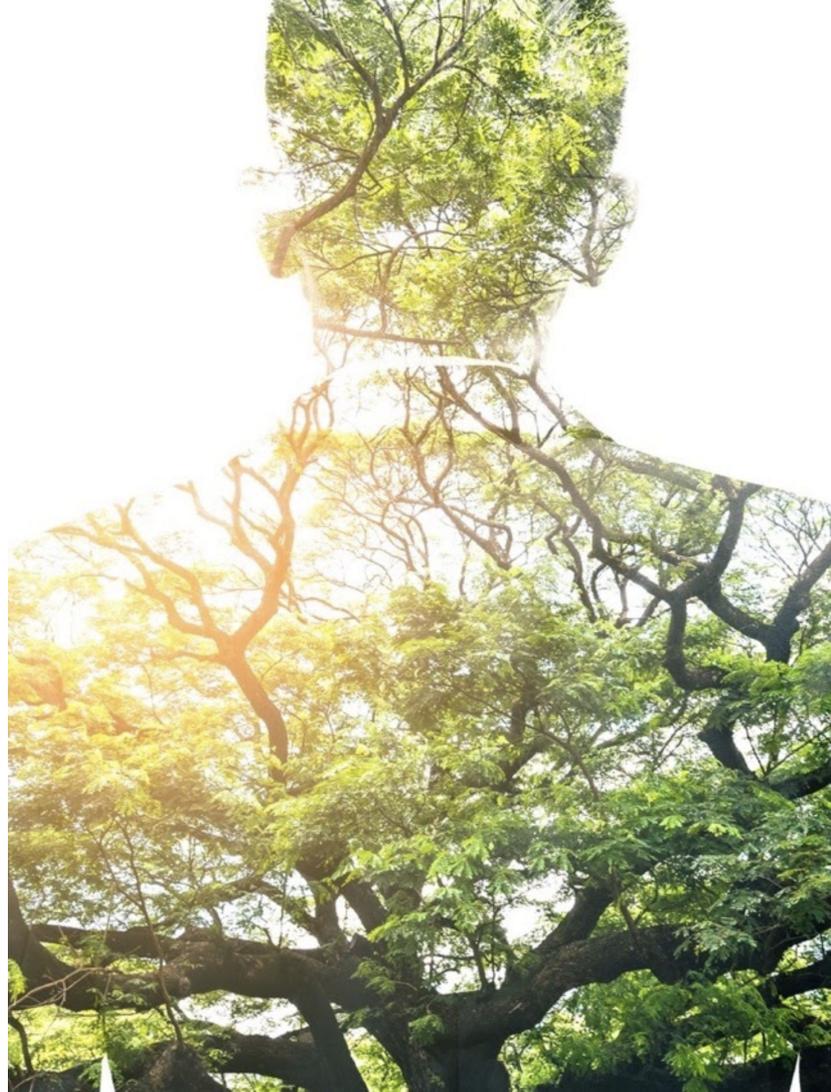




Progress beyond

Solvay One Planet

Pascal Chalvon Demersay
Michel Washer



Agenda

Sustainability context evolution in 2020

Covid-19 impacts on sustainability aspects
Climate: "SBT", "Net Zero Carbon" ...
Green financing

2020: a very active year

Covid-19 crisis management
Main actions
Focus: customer trends

2021 outlook and priorities

Solvay One Planet confirmed
Acceleration on all fronts
Keyword: partnerships



Udel®

The Covid-19 crisis and Sustainability



THREE-TIME SCALES...

 Manage responsibly the health crisis and the economic crisis

 Manage responsibly the rebound

 Long lasting consequences

...WITH SPECIFIC SUSTAINABILITY ASPECTS

Sustainably “flatten the curve”
Reduce costs but protect the vulnerable

Get back to work safely
“Sustainable rebound”, not “economical rebound at any cost”

Greater climate and biodiversity impacts awareness
Acceleration of digital transformation
Acceleration of the circular transformation, focus on shorter value chains, “Just in time” model questioned
More state intervention
Changes in attitude, behaviors, and patterns of demand

Acceleration: green finance



Green/Social Bond Market Development

Corporate issuance comprises 27% of 2020YTD issue volume

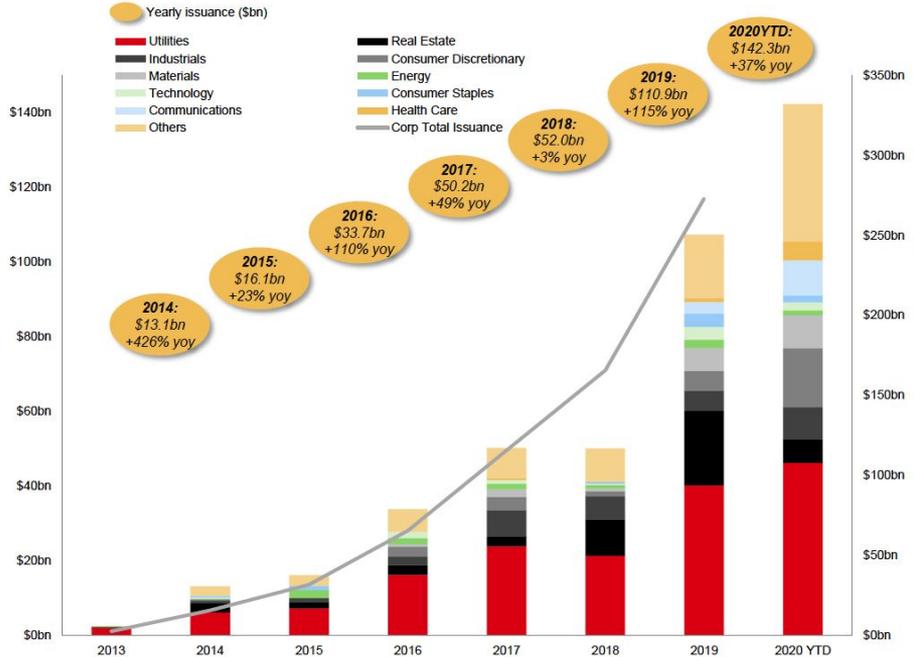
2020YTD issuances stand at USD142.3bn from 499 deals
 FY 2019 issuances stand at USD107.3bn from 473 deals

Predominant issuance currencies in FY 2020YTD include EUR (39%), USD (36%), and CNY (5%)

HSBC Research predicts GSS issuance will grow to USD190-220bn of Non-Financial and Financial issuance in 2021

HSBC Research expects growth in sustainable bonds to continue from hard-to-abate sectors (industrials, chemicals, autos), some of this might be in the form of sustainability-linked bonds rather than green bonds.

Green bond issuance is expected to grow 15-33%, whilst social and sustainability bond issuance is expected to stall between -14% and 5%



TOP FIVE CORP ISSUERS OF 2020YTD

	#	#	#	US\$bn
Alphabet	-	-	3	5.75
EDF	1	-	-	2.84
Digital Realty Trust	4	-	-	2.80
Tenne T	3	-	-	2.73
ENGIE SA	3	-	-	2.62

Green bond Social bond Sustainability bond

1. HSBC Green, Social, Sustainability Bond database – based on Dealogic, CBI, Bloomberg, as of 27th Nov 2020
 The data presented above is to the best of our knowledge and may not be fully representative of the SRI market

RESTRICTED

RESTRICTED

Rising appetite for green bonds, social bonds, sustainability linked bonds (and loans) in 2020, fueled by expectations of better risk profile

Acceleration: climate

SBTi is a real paradigm shift, involving suppliers and customers



Initiative	“Science Based Targets (SBT)”	“Net Zero Emissions” or “Carbon neutrality” or “Climate Neutral”
Backed by:	SBT initiative: CDP, UN Global Compact, WRI, WWF	Multiple frameworks: countries; WEF, WBCSD; corporates programs
Time horizon	Between 2025 and 2035	By or before 2050 in developed countries
Commitment	“1.5°C” or “well-below 2°C” for Scope 1 and 2, Scope 3 target if Scope 3 > 40% of Scope 1+2+3	Equivalent to a 1.5 °C trajectory Scope 3 may or may not be included
...which means, in practice:	Annual linear reduction rate over target period: <ul style="list-style-type: none"> - 1.5 degrees: 4.2% - Well below 2 degrees: 2.5% - Scope 3: 1.23% or equivalent commitment 	Multiple trajectories possible depending on mitigation tactics
Validation	Mandatory, by the SBTi, within 2 years of commitment	?
Mitigation tactics allowed	Abatement only (in the time horizon)	Abatement, Compensation, Neutralisation

Acceleration: social aspects



Covid-19

-  Minorities most exposed to Covid-19
-  Health conditions awareness

-  Lockdowns + furlough
-  Fear - stress - helplessness - loss of freedom
-  "Toxic productivity"

-  Homeworking

Global consequences

-  Diversity on the rise
-  Physical health awareness
-  Social imbalances awareness

-  New leadership priorities
-  Mental health awareness

-  Digitalization acceleration
-  Cities infrastructure
-  Soft mobility
-  Home office
-  Housing preferences - location
-  New ways of working

Solvay

-  Solidarity Fund, special bonus
-  Solvay Cares - Parental leave
-  Code of conduct signed
-  Increased sensitivity to health-related controversies

-  Pulse surveys
-  Digital Citizen Day
-  Mindfulness / Insight / Burnout trainings
-  Bonding challenge

-  Solvay academy
-  Structural teleworking
-  New IT workplace playbook
-  Offices rethinking, mobility rethinking

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Solef® PVDF

Acceleration: a very active year



Governance

- ★ Solvay One Planet launch and deployment, in line with the new Purpose
- ★ ESG Webinar - presented by CEO - a first

Climate

- ★ Joined Paris Agreement in Feb. 2020
- ★ Greenhouse gas emissions reduction: Science Based Targets commitment
- ★ Biodiversity commitment (Act4Nature International's endorsement)

Resources

- ★ Harvard Business School case study on Solvay / SPM (2020-2021)
- ★ Circular Economy: Ellen MacArthur Foundation Summit 2019-2020
- ★ Partnerships: VEOLIA joint venture in circular EV Li-Batteries and Renault joining; agreement with Mitsubishi Chem Advanced Materials for specialty polymers recycling in closed loops.

Better Life

- ★ Switch from annual employee survey to multiple pulse surveys
- ★ Virtual Citizen Day (Education - STEM in 2020), Stop Office Waste
- ★ Solvay Way network webinars featuring customers (DOW - Givaudan - L'Oreal)
PFAS controversies; Rosignano controversy
Human Rights risks analysis and due diligence

What did we achieve so far?



CLIMATE

-1.0 Mt CO₂

-8% CO₂ eq in 2020 since 2018
(Excl -12% low activity impact)

28

emission reduction projects

19

of these projects already operational in 2020



#10

for installed solar capacity in the USA



recognition on biodiversity - Oct 1st

act4nature international



RESOURCES

52%

sustainable solutions in 2020



CIRCULAR ECONOMY

+500 people trained

6 joint programs with the ELLEN MACARTHUR FOUNDATION

6 projects with customers



-27%

non-recoverable industrial waste since 2018

-5%

intake of fresh water since 2018

Solvay Conference



BETTER LIFE



Extension of maternity leave time to 16 weeks and to all co-parents



Financial support provided to 1,600 families
€15 million gathered (to support employees and communities facing Covid-19)

CITIZEN DAY 2020

Focused on STEM Education

4701

participants

188,684

Local communities reached

SUSTAINABLE GUAR INITIATIVE

From 2015 to 2020:

Created a cooperative that helps empower women farmers

↗ 143% in revenues to guar farmers

1,300 women trained on nutrition (kitchen gardens)

1,500 women trained on menstrual hygiene

ESG credentials widely recognized



MSCI
ESG RATINGS

AA rating

ISS ESG

B rating
Prime company

ecovadis

Top 1%

 **SUSTAINALYTICS**

Top category

vigeo  **eiris**

#2 in chemicals
(#1 for social aspects)

 **CDP**

B

 **EURONEXT**

Part of CAC40 ESG

 **ELLEN MACARTHUR
FOUNDATION**

C by Circulytics

 **FTSE4Good**

Member of FTSE4Good



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AgRHO®

Raising the bar

Turn sustainability into a competitive advantage



Governance

- Leveraging Sustainability, Government Affairs and Country Management capabilities
- Risk management: Controversies / EU Chemicals Sustainability Strategy (new role at Solvay)
- Higher incentives to be discussed
- ESG Board Committee

Climate

- Beyond Science Based Targets: carbon neutrality is the next step
- Target "A" ranking in CDP climate change rating
- Biodiversity: make it a differentiating factor (business opportunities & local actions)

Resources

- Circular Growth - Strategic approach & Eco design innovation
- SPM3.0 to integrated weaker signals

Better Life

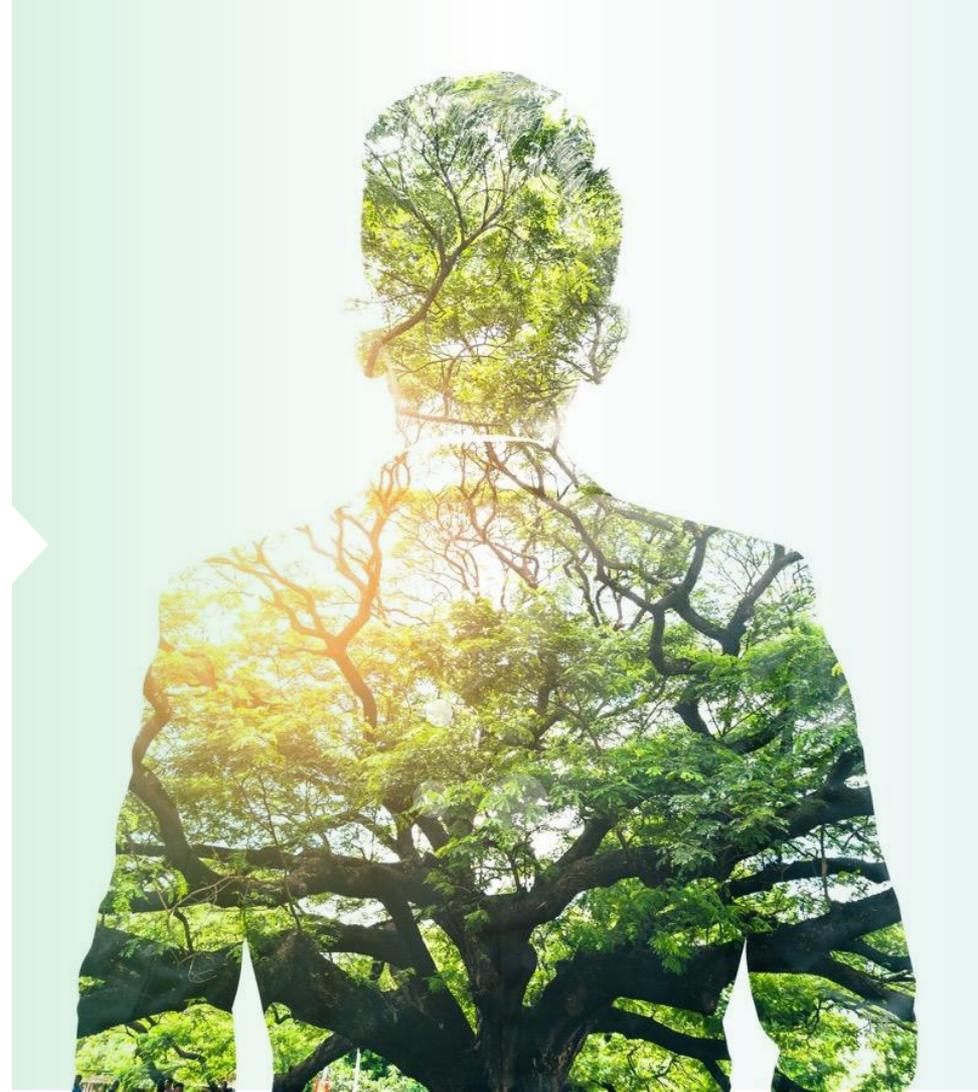
- Diversity beyond gender; Inclusion and Equality roadmaps
- Acceleration on SVHC management and make it transparent
- Human Rights vigilance



Progress beyond

How Solvay Procurement can drive a sustainable, ethical and resilient supply chain

Lynn De Proft,
Chief Procurement Officer



Our procurement organization faces a very different world today

DISRUPTIVE TRENDS



Speed of change has increased



Increasing supplier sophistication and innovation



Unprecedented supply chain disruptions driven by 'the perfect storm'



Climate change: a great catalyst for innovation



A sustainable supply chain is a strategic imperative

WE HAVE TO "SUSTAINOVATE"



Our vision of procurement - Building together with our suppliers

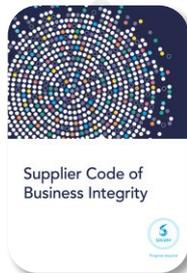


Supplier Code of Business Integrity



❖ Integrating sustainability in our procurement practices and decision making:

- risk management
- adherence to high level of standards
- responsible sourcing



Partnerships with suppliers



❖ Partnerships with suppliers to cover raw materials, packaging, logistics and services using Solvay One Planet KPIs

❖ More transparency in the chemical supply chains



Our strong
impact



❖ 35,000 suppliers
worldwide

4.5 million tons
of raw materials purchased in 2020

How Solvay Procurement can drive a sustainable, ethical and resilient supply chain

One Planet for Procurement



Growth

Resilience

Optimization

Win

Our business strategy



Our sustainability roadmap by 2030

Communicate, educate, engage, act

Commit, collaborate, innovate



CLIMATE

Reduce GHG
Scope 3 Emissions



RESOURCES

Increase Circularity
Waste to Wealth



BETTER LIFE

Human Rights & Social Impact
Inclusion, equity and diversity

Reducing our emissions in the value chain



CLIMATE

- ❖ Working more upstream in our value chain is instrumental to continue reducing our emissions
 - Supply chain represents 17% of scope 3 emissions and 12% of Scope 1, 2 and 3 emissions
- ❖ Identifying and mapping the suppliers with the largest CO2 footprint to help them to reduce their impact
- ❖ Call for action - group-wide climate commitments with our strategic suppliers



Partnership with a European transport supplier to transport Sodium Bicarbonate in trucks powered by alternative fuels.



(a 15% reduction of CO₂ emissions)

Reducing our footprint



RESOURCES



Circularity

with Origin Materials to develop advanced carbon negative materials for applications in the automotive industry

with Radici to develop high performance recycled resins to help our customers in their sustainability ambitions

Working closely with our packaging suppliers to recondition about 10% of our Intermediate Bulk Containers



Waste valorization

Turning waste/scrap systematically into wealth instead of disposing

San André site in Brazil turning nylon yarn scrap into kitchen sponges.

Post Consumer Resin (PCR) multi-layer drums - only inner layer in virgin polymer



Social impact and progress



BETTER LIFE

❖ A 100% responsible supply chain

- human rights
- employees working conditions
- sustainability

❖ Driving greater diversity and inclusion

Sustainable Guar

7,340
farmers

1,529
women
impacted

< + 100% guar yield
and revenues
increases





Raising the bar on Sustainability BOLDER & FASTER

KEY ENABLERS



Driving sustainable
Supplier engagement

❖ FROM TRACTION
TO MOVEMENT

Leveraging Procurement
Ecosystem

❖ FROM DEFENSE
TO OFFENSE



Supplier Engagement Model



Sustainability
Procurement
Policies, Principles
and Targets



Compliance
monitoring and
integration



Improve supplier
sustainability
performance



Collaboration
advancing corporate
sustainability agenda



*Supplier development
Supplier program
Recognition program*



*Collaboration
Innovation
Topical engagements*

How Solvay Procurement can drive a sustainable, ethical and resilient supply chain

Driving Supplier Engagement @ Solvay



Launch of Solvay-wide supplier sustainability engagement program in 2021 providing a platform for Solvay procurement & business community and supplier community to connect, exchange, collaborate and reward.

Solvay Procurement



- +150 procurement 'sustainability connectors' (opt-in)
- One Planet workstream content owners - specialists and generalists
- Sustainability training curriculum through Procurement Academy, external partners and e-learning
- Data and digital architecture as key enablers
- Workshops and best-practises sharing with measurable results

Solvay Suppliers



- +140 active Solvay key suppliers and innovators
- Communication, webinars, trainings and virtual connects
- Cross-supply chain best practice sharing and dialogues
- Access to a collaboration platform and space to connect with Solvay business
- Idea incubators and pilot/feasibility studies
- Reward and recognition program

How Solvay Procurement can drive a sustainable, ethical and resilient supply chain



Progress beyond