

3. GOVERNANCE

3.1. Solvay One Planet Guide

GRI DISCLOSURES 2-24

3.1.1. Definition

The Solvay One Planet Guide is the sustainability reference framework for the Solvay Group, established in 2019. It addresses Solvay's main impacts on climate, resources and better life, describing our management approach and metrics.

The Guide is organized in three work axes: content, performance and assessment. Through the content axis we help every Solvay employee understand the indicators that are part of our Solvay One Planet program. The Group targets are sorted per impact category, namely climate, resources and better life, and for each target we describe:

- What we are talking about, why it is important and the main legislation, where relevant.
- Solvay's ambition: internal definitions which are relevant for the target, our footprint, our actions and ambitions, and key contacts.

The performance axis includes a dashboard with the results of the Solvay One Planet targets for the entire Group.

3.1.2. Management approach

The Solvay One Planet Guide was launched on September 1, 2021. The management approach and metrics have been deployed in all entities of the Group. Each Global Business Unit (GBU) president is accountable for the progress of Solvay One Planet in their business, and delegates the coordination of the roadmap to a senior executive in their leadership team.

A network of Sustainability Champions and correspondents ensures that the Guide is deployed in all Solvay sites, GBUs and Corporate Functions. They inform their entity about any changes to the strategy and objectives, ensure necessary training is organized, and develop an annual and multi-year roadmap to meet final objectives. They are then responsible for implementing the roadmap in their entity, though the leaders of every entity take full ultimate responsibility for performance, also taking into account that progress relative to targets impacts the variable remuneration of all senior staff in the entity.

Definitions, management approach, indicators and targets, and main actions specific to each topic are described in the corresponding sections of the Extra-financial statements. The management approach is adjusted each year based on the following elements:

- feedback from employees, suppliers and customers;
- knowledge gained from performance and progress in relation to strategic commitments;
- challenges orchestrated by the Executive Leadership Team, facilitated by the Sustainable Development function, taking into account changes in the marketplace and higher expectations from Solvay executives;
- the evolution of frameworks and reporting standards, such as GRI Standards;
- the auditors' report on high materiality aspects;
- feedback from practitioners;
- feedback from sustainability rating agencies;
- feedback received on the Annual Integrated Report, such as the World Business Council for Sustainable Development's "Reporting Matters" yearly analysis.

In order to further improve the employee awareness about the guide and what is at stake with our Solvay One Planet program, and to ensure the deployment of the program from top management to the shop floor, we launched a Sustainability e-learning program in 2022, which is available to all Solvay employees.

This learning program is composed of four modules: Climate; Nature; Sustainable Business; and Social Responsibility. The modules are available in seven different languages, allowing us to reach as many employees as possible. The modules also encourage employees to provide their ideas, feedback and concerns on sustainability matters.

3.1.3. Indicators and targets

Solvay One Planet is our roadmap for a sustainable future that provides shared value for all. Structured around the three major impact categories of climate, resources, and better life, it sets out the following main targets to be achieved by 2030, as compared to the 2018 baseline:

Climate Pillar

- GHG reduction: reduce Scope 1 and 2 greenhouse gas emissions by 30% by 2030 and reach carbon neutrality by 2050.
- Solid fuels phase-out: phase out of solid fuels (coal and petcoke - excluding anthracite and coke considered as raw materials) used in energy production, wherever renewable alternatives exist. Coke and anthracite used in the soda ash production process are excluded.
- Biodiversity preservation: reduce negative pressure by 30%.

Resource Pillar

- Sustainable solutions: 65% of total Group sales to come from sustainable solutions.
- Circular economy: more than double total Group sales to come from renewable or recycled resources.
- Waste: reduce industrial waste by 30%.
- Water: reduce freshwater intake by 25%.

Better Life Pillar

- Safety: make Solvay a safe organization with a zero accidents mindset.
- Inclusion and diversity: gender parity for mid- and senior-level management by 2030.
- Maternity and paternity leave: extended to 16 weeks and to co-parents inside the company, regardless of gender, in 2021.

3.2. Management of the legal, ethics and regulatory framework

GRI DISCLOSURES 2-26 2-27 3-3 205-2 205-3 406-1 412-1 412-2 415-1
MATERIALITY: HIGH

Management of the legal, ethics and regulatory framework encompasses business ethics, namely human rights, anti-corruption and non-discrimination, and anti-competitive behavior.

3.2.1. Commitments and policies

Solvay's Code of Business Integrity

Solvay's Code of Business Integrity and the policies and procedures adopted to enhance good governance apply to all employees wherever they are located. In addition:

- third parties are expected to act within the framework of the Code of Business Integrity;
- all core suppliers must confirm that they adhere to the principles set out in the Solvay Supplier Code of Business Integrity;
- majority-owned joint ventures are held to the Solvay Code of Business Integrity, or to a separate code adopted based on similar principles.
- The Code of Business Integrity is available on Solvay's website.

Anti-Bribery and Anti-Corruption Policy and Policy on Gifts and Entertainment

Solvay's Code of Business Integrity expressly states that the Group prohibits bribery in any form. Solvay and our employees do not use gifts or entertainment to gain competitive advantage. Facilitation payments are not permitted by Solvay and disguising gifts or entertainment as charitable donations is also a violation of the Code of Business Integrity.

The Code is supported by more detailed policies. At the end of 2020, Solvay split our Gifts, Entertainment and Anti-Bribery Policy into two separate policies: an Anti-Bribery and Anti-Corruption Policy and a Policy on Gifts, Entertainment, Charitable Donations, and Sponsorship.

The Group employs an internal tracking system to record gifts and entertainment that exceed the acceptable reasonable value applicable in each region, as well as charitable donations and sponsorship with charitable purpose, and requires manager approval for accepting or giving them. The use of the Gift and Entertainment Tracking System ("GETS") is part of Solvay's Internal Audit review process.

Solvay is also a member of Transparency International Belgium.

Human Rights in Business Policy

Solvay's Human Rights in Business Policy, published on our website, sets out Solvay's commitment to respecting human rights and acting with due diligence to avoid any infringement of human rights or any adverse impact on or abuses of such rights. The policy emphasizes Solvay's commitments to our stakeholders, namely our employees and business partners, the communities and environment in which we operate and children.

Solvay has a Global Human Rights Committee (GHRC), which oversees implementation of the policy, ensures compliance and monitors the Group's performance. Members of the Global Human Rights Committee include the heads of the following Solvay business service activities: General Counsel; Compliance; Human Resources; Procurement; Communication; Internal Audit and Risk Management; and Sustainable Development. The GHRC is chaired by the Group General Counsel, who is the head of the General Counsel Function. Members of Solvay's Global Business Units and other business service activities contribute to the work of the GHRC on an ad hoc basis, as necessary.

The GHRC discusses its activities before the Group's annual report is issued, and also validates any human rights reporting made in conjunction with the report. Upon request, the Chair of the GHRC may be called upon to provide an annual report to the Audit Committee.

Human rights due diligence and risk assessment

Two parallel processes are used to assess human rights risks at Solvay sites. These focus on Solvay employees, based on internal data, or on our business partners, namely suppliers and contractors identified according to the risk associated with the country they operate in. Six human rights dimensions are considered: child labor; forced labor; trafficking in persons; human development; freedom of association; and collective bargaining. The assessment is used by Solvay's internal auditors to identify priorities for their work on the subject.

This assessment was suspended during the Covid-19 crisis, as priorities shifted to protecting the most vulnerable employees and local communities from the impact and consequences of the pandemic.

Competition Law Policy

Solvay's goal is to conduct business ethically and not to enter into any business arrangements that eliminate or distort competition. Solvay develops and maintains a culture of compliance to keep the company and our people on the right side of the law. Solvay has a formal Competition Law Policy that stresses the importance of strict adherence to all competition laws. It has been approved by Solvay's Executive Committee and is published on Solvay's intranet, to which all our employees have access. Any violation of this policy may result in disciplinary action, subject to, and in conformity with, applicable laws.

Implementation of the Competition Law Policy

Solvay has put in place a Competition Law Compliance Program that has a zero-tolerance approach to competition law infringements. As part of our Competition Law Compliance Program, we provide a competition law toolkit on the Solvay intranet that includes up-to-date guidelines on specific areas of competition law, including guidance on dealing with competitors, dawn raids, information exchange on mergers and acquisitions transactions, swaps, price announcements and vertical relationships.

To minimize cartel risks, Solvay has put in place a computer-based system that tracks all contacts relevant employees have with competitors through a procedure based on managerial approval.

3.2.2. Resources and responsibilities

Solvay set up a compliance organization to reinforce a Group-wide culture based on ethics and compliance. The Ethics and Compliance Department operates under the leadership of the Chief People Officer, who also works closely with the Group General Counsel. It consists of Regional Compliance Officers who serve in the four zones in which the Group operates, under the direction of the Chief Compliance Officer, who reports to the Chief People Officer. This department is responsible for investigating, either alone or with the assistance of other departments, all reports that are brought to its attention. All cases of non-compliance with the Solvay Code of Business Integrity and related policies and procedures, including Speak Up, are reported to the Leadership Team and the Board of Directors Audit Committee annually.

Solvay has a dedicated team of legal experts for competition law within the General Counsel Function. They are responsible for implementing the Competition Law Compliance Program and are in charge of providing competition law advice and guidance, as well as deploying effective and regular communication and training on subjects related to competition law.

3.2.3. Grievance mechanisms

Employees have various internal channels through which they are encouraged to report suspected violations or concerns. These include management, Human Resources, the General Counsel Function, Ethics and Compliance, Internal Audit and employees' representatives.

A Group-wide Speak Up program is in place and overseen by the Audit Committee of the Board of Directors. An external, third-party helpline, active 24 hours a day, 365 days a year, allows employees to ask questions, raise concerns or file reports. The helpline is open to internal and external parties, available in nineteen languages covering most of Solvay locations.

The following chart shows the types of claims made from January to December 2022 through Solvay's Speak Up program.